

Edition Ltd. and its subsidiary corporations

**Condensed interim financial statements
For the 12 months ended 31 December 2021**

Table of contents

Section	Content	Page
A	Consolidated statement of profit or loss and other comprehensive income	2 to 3
B	Statements of financial position	4
C	Statements of changes in equity	5 to 6
D	Consolidated statement of cash flows	7 to 8
E	Notes to the condensed interim financial statements	9 to 18
F	Other information required by Catalist Rule Appendix 7C	19 to 26

A. Consolidated statement of profit or loss and other comprehensive income

	Note	Group			Group		
		6 months ended 31 December			12 months ended 31 December		
		2021	2020	Change	2021	2020	Change
		Unaudited	Unaudited		Unaudited	Audited	
	\$'000	\$'000	%	\$'000	\$'000	%	
Revenue	4.2	97	118	(18)	211	202	4
Other gains		137	312	(56)	323	679	(52)
Expenses:							
Employees compensation		(1,082)	(700)	55	(1,881)	(1,463)	29
Change in inventories		2	16	(88)	6	27	(78)
Purchases of inventories		(71)	(88)	(19)	(120)	(166)	(28)
Rental expense on operating lease		(14)	(12)	17	(30)	(30)	-
Amortisation and depreciation		(126)	(41)	> 100	(238)	(145)	64
Professional fees		(73)	(122)	(40)	(188)	(270)	(30)
Finance costs		(11)	(4)	> 100	(14)	(9)	56
Other expenses		(120)	(244)	(51)	(458)	(434)	6
Allowance for expected credit losses on receivables		(61)	(1,688)	(96)	(85)	(1,688)	(95)
Impairment loss on investment		(592)	-	NM	(592)	-	NM
Total expenses		(2,148)	(2,883)	(25)	(3,600)	(4,178)	(14)
Share of loss of associated company, net of tax		(84)	(11)	> 100	(197)	(11)	> 100
Loss before income tax	6.1	(1,998)	(2,464)	(19)	(3,263)	(3,308)	(1)
Income tax expense	7	-	-	NM	-	-	NM
Net loss for the year		(1,998)	(2,464)	(19)	(3,263)	(3,308)	(1)

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

	Group			Group		
	6 months ended 31 December			12 months ended 31 December		
	2021	2020	Change	2021	2020	Change
\$'000	\$'000	%	\$'000	\$'000	%	
	Unaudited	Unaudited		Unaudited	Audited	
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	2	9	(78)	(13)	2	NM
Other comprehensive (loss)/income for the period, net of tax	2	9	(78)	(13)	2	NM
Total comprehensive loss for the period	(1,996)	(2,455)	(19)	(3,276)	(3,306)	(1)
Net loss attributable to :						
Equity holders of the Company	(1,998)	(2,464)	(19)	(3,263)	(3,308)	(1)
Non-controlling interests	-	-	NM	-	-	NM
	(1,998)	(2,464)	(35)	(3,263)	(3,308)	(35)
Total comprehensive loss attributable to :						
Equity holders of the Company	(1,996)	(2,455)	(19)	(3,276)	(3,306)	(1)
Non-controlling interests	-	-	NM	-	-	NM
	(1,996)	(2,455)	(19)	(3,276)	(3,306)	(1)
Loss per share attributable to Equity holders of the Company						
Basic and diluted loss per share (SGD cents per share)	(0.08)	(0.03)	> 100	(0.13)	(0.13)	-

Notes to Consolidated Statement of Comprehensive Income :

	2021	2020	Change	2021	2020	Change
	\$'000	\$'000	%	\$'000	\$'000	%
	Unaudited	Unaudited		Unaudited	Audited	
Interest income	(28)	259	(111)	(28)	-	NM
Impairment loss on property, plant and equipment	-	8	(100)	-	8	(100)
Foreign exchange loss	26	6	> 100	26	8	> 100

NM - Not meaningful

B. Statements of financial position

	Note	Group		Company	
		As at 31/12/2021 Unaudited \$'000	As at 31/12/2020 Audited \$'000	As at 31/12/2021 Unaudited \$'000	As at 31/12/2020 Audited \$'000
ASSETS					
Current assets					
Cash and cash equivalents		7,728	11,395	6,303	10,446
Trade and other receivables		419	255	2,027	3,023
Inventories		70	64	-	-
		8,217	11,714	8,330	13,469
Non-current assets					
Property, plant and equipment	10	5,245	1,540	1	2
Intangible assets	11	115	116	-	-
Investment in subsidiary corporations	12	-	-	6,294	2,058
Investment in associated company	13	-	789	-	800
Land development rights	14	1,133	1,142	-	-
		6,493	3,587	6,295	2,860
Total assets		14,710	15,301	14,625	16,329
LIABILITIES					
Current liabilities					
Lease liabilities	15	20	134	-	-
Trade and other payables		2,562	653	274	192
Bank borrowings	16	194	-	-	-
		2,776	787	274	192
Non-current liabilities					
Lease liabilities	15	-	49	-	-
Bank borrowings	16	745	-	-	-
Provision		46	46	-	-
		791	95	-	-
Total liabilities		3,567	882	274	192
Net assets		11,143	14,419	14,351	16,137
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	17	43,079	43,079	43,079	43,079
Treasury shares	17	(1,236)	(1,236)	(1,236)	(1,236)
Other reserves		187	200	269	269
Accumulated losses		(30,887)	(27,624)	(27,761)	(25,975)
		11,143	14,419	14,351	16,137
Non-controlling interests		* -	-	-	-
Total equity		11,143	14,419	14,351	16,137

*amount less than \$1,000

C. Statements of changes in equity

<u>Unaudited</u>	Attributable to equity holders of the Company				Total	Non-controlling interest	Total equity
	Share capital	Treasury shares	Other reserve	Accumulated losses			
Group	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2021	43,079	(1,236)	200	(27,624)	14,419	-	14,419
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
<u>Audited</u>							
At 1 January 2020	43,079	(1,236)	198	(24,316)	17,725	-	17,725
Total comprehensive loss for the financial year	-	-	2	(3,308)	(3,306)	-	(3,306)
At 31 December 2020	43,079	(1,236)	200	(27,624)	14,419	- *	14,419

*amount less than \$1,000

C. Statements of changes in equity (cont'd)

Unaudited	Share capital	Treasury shares	Other reserve	Accumulated losses	Total equity
Company	\$'000	\$'000	\$'000	\$'000	\$'000
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
Unaudited					
At 1 January 2020	43,079	(1,236)	269	(12,047)	30,065
Total comprehensive loss for the financial year	-	-	-	(13,928)	(13,928)
At 31 December 2020	43,079	(1,236)	269	(25,975)	16,137

D. Consolidated statement of cash flows

	Group	
	12 months ended	
	31 December	
	2021	2020
	Unaudited	Audited
	\$'000	\$'000
Cash flows from operating activities		
Net loss before income tax	(3,263)	(3,308)
Adjustments for:		
Amortisation and depreciation	238	145
Finance costs	14	9
Interest income	(28)	(414)
Allowance for expected credit losses on receivables	85	1,688
Gain on lease modification	(29)	-
Impairment loss on investment in associated company	592	-
Currency translation differences	1	1
Share of loss of an associated corporation, net of tax	197	11
Operating cash flow before working capital changes	(2,193)	(1,868)
Changes in working capital:		
Trade and other receivables	(211)	642
Inventories	(6)	(27)
Land development rights	(4)	(3)
Trade and other payables	1,937	(597)
Cash used in operations	(477)	(1,853)
Interest received	28	384
Interest paid	(14)	(7)
Net cash used from operating activities	(463)	(1,476)
Cash flows from investing activities		
Additions to property, plant and equipment	(3,942)	(555)
Loan to an associated company	(61)	-
Repayment of loan from a non-related company	23	-
Net cash used in investing activities	(3,980)	(555)

Cash flows from financing activities		
Borrowings from bank	1,000	-
Repayment of bank borrowings	(54)	
Repayment of lease liabilities	(170)	(146)
Net cash used in financing activities	776	(146)
Net decrease in cash and cash equivalents	(3,667)	(2,177)
Cash and cash equivalents at beginning of the year	11,395	13,572
Effects of currency translation on cash and cash equivalents	* -	* -
Cash and cash equivalents at end of the year	7,728	11,395

* Amount less than \$1,000

E. Notes to the condensed interim financial statements

1 Corporate information

Edition Ltd. ("the Company") is incorporated and domiciled in Singapore and its shares are publicly traded on the Catalist of the Singapore Exchange.

These condensed interim financial statements as at and for the financial year ended 31 December 2021 are made up from those of the Company and its subsidiaries (collectively, "the Group").

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

2 Basis of preparation

The condensed interim financial statements for the financial year ended 31 December 2021 have been prepared in accordance with 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 of the Group since the last annual financial statements for the year ended 31 December 2020.

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 2.1. The financial statements have been prepared based on the going concern basis. 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.

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

2.1 New and amended standards adopted by Group

A number of amendments to financial reporting standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2 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 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 14 – Classification of land development rights

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following notes:

- Note 10 – determination of fair value of property, plant and equipment using significant unobservable inputs.
- Note 10 to 14 – impairment test of intangible assets, goodwill, property, plant and equipment, investment in subsidiary corporations and associates: key assumptions underlying recoverable amounts.

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 and property development 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.

From the financial year ended 31 December 2021, the agriculture business has been reported separately under the "agricultural segment". The property development segment, since the Group has exited the property development business, has not progressed beyond the initial planning stage. The Group has therefore grouped it now with the investment holding segment as they both share similar economic characteristics. Together, these two segments are included in "all other segments".

4.1 Reportable segments

Business segments	Agricultural segment		All other segments		Total	
	31/12/21 \$'000	31/12/20 \$'000	31/12/21 \$'000	31/12/20 \$'000	31/12/21 \$'000	31/12/20 \$'000
Group Revenue						
- External parties	211	202	-	-	211	202
Segment results	(1,190)	(948)	(1,573)	(922)	(2,763)	(1,870)
Add/(Less):						
- Interest income	*-	-	28	414	28	414
-Amortisation and depreciation	(237)	(143)	(1)	(1)	(238)	(144)
-Finance costs	(14)	(9)	-	-	(14)	(9)
-Allowance for expected credit losses on receivables	*-	-	(85)	(1,688)	(85)	(1,688)
- Share of loss of associated corporation, net of tax	-	-	(197)	(11)	(197)	(11)
Net loss for the year					(3,269)	(3,308)
Segment assets	6,979	2,687	7,731	12,614	14,710	15,301
Segment assets include:						
Additions to:						
- Property, plant and equipment	3,942	553	-	2	3,942	555
- Investment in associated corporation	-	-	-	800	-	800
- Land development rights	-	-	4	3	4	3
Segment liabilities	3,264	671	303	211	3,567	882

4.1 Reportable segments (cont'd)

Geographical segments	Group revenue		Group non-current assets	
	31/12/21	31/12/20	31/12/21	31/12/20
	\$'000	\$'000	\$'000	\$'000
-Singapore	211	202	5,360	2,445
-Malaysia	-	-	1,133	1,142

All other segments include investment holding and property development

4.2 Disaggregation of revenue

Business segments	Agricultural segment		All other segments		Total	
	31/12/21	31/12/20	31/12/21	31/12/20	31/12/21	31/12/20
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group						
Types of goods and services						
Sale of goods	211	202	-	-	211	202
Total revenue	211	202	-	-	211	202
Timing of revenue						
At point in time	211	202	-	-	211	202
Total revenue	211	202	-	-	211	202

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 2021 and 31 December 2020:

	Group		Company	
	As at 31/12/21	As at 31/12/20	As at 31/12/21	As at 31/12/20
Financial assets				
Cash and cash equivalents	7,728	11,395	6,303	10,446
Trade and other receivables	326	218	2,018	2,996
Total	8,054	11,613	8,321	13,442
Financial liabilities				
Trade and other payables	2,562	653	274	192
Bank borrowings	939	-	-	-
Lease liabilities	20	183	-	-
Total	3,521	836	274	192

6 Profit before taxation

6.1 Significant items

	6 months ended 31 December 2021 \$'000	6 months ended 31 December 2020 \$'000	Group Change %	12 months ended 31 December 2021 \$'000	12 months ended 31 December 2020 \$'000	Change %
Interest income	28	259	(89)	28	414	(>100)
Foreign exchange loss	26	6	>100	26	8	>100

NM – not meaningful

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:

	6 months ended 31 December 2021 \$'000	6 months ended 31 December 2020 \$'000	Group Change %	12 months ended 31 December 2021 \$'000	12 months ended 31 December 2020 \$'000	Change %
Short term lease of storage space	2	2	-	4	4	-
Provision of services by related party	179	23	NM	226	137	65
Purchase of concrete materials from related party	248	-	NM	248	-	NM
Management fees paid to related party	47	47	-	94	94	-

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:

	6 months ended 31 December 2021 \$'000	6 months ended 31 December 2020 \$'000	Group Change %	12 months ended 31 December 2021 \$'000	12 months ended 31 December 2020 \$'000	Change %
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 2021.

9 **Net asset value**

	Group		Company	
	As at 31/12/21	As at 31/12/20	As at 31/12/21	As at 31/12/20
Net asset value (SGD'000)	11,143	14,419	14,351	16,137
Ordinary shares in issue ('000)	2,510,924	2,510,924	2,510,924	2,510,924
Net asset value/share (SGD cents)	0.44	0.57	0.57	0.64

10 **Property, plant and equipment**

During the 12 months ended 31 December 2021, the Group acquired property, plant and equipment with an aggregate cost of \$3,942,000 (FY2020: \$555,000).

11 **Intangible assets**

	Group			Company		
	As at \$'000	As at \$'000	Total \$'000	As at \$'000	As at \$'000	Total \$'000
	Goodwill	Software	Total	Software		Total
At cost						
At 1 January 2021	114	17	131	8		8
At 31 December 2021	114	17	131	8		8
Accumulated amortisation						
At 1 January 2021	-	15	16	8		8
Addition during the year	-	1	-	-		-
Disposal during the year	-	-	-	-		-
At 31 December 2021	-	16	16	8		8
Net Book Value						
At 31 December 2021	114	1	115	-		-
At 1 January 2021	114	2	116	-		-

12 **Investment in subsidiary corporations**

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 identified according to countries of operation and business segments. The recoverable amount of the identified cash-generating unit ("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 covering a five-year period using the growth rates based on projected performances and its expectations on market development.

A terminal growth rate of 1.7% was extrapolated on cash flows after the fifth year. The discount rate applied was 14% taking into account time value of money, individual risk of underlying assets and is comparable to market participants. No further impairment is required for the carrying amount of the goodwill was lower than its recoverable amount.

In addition, on 9 August 2021, the Company's indirect wholly-owned subsidiary, Edition (Shanghai) Investment Management Consulting Co., Ltd. (翼晟 (上海) 投资管理咨询有限公司), ("Edition Shanghai"), a dormant company since its registration, had been deregistered in the People's Republic of China. No material expense was noted, from this deregistration, Please refer to announcement dated: 13 August 2021 for more details

On 1 December 2021, a new company, M Farm Pte Ltd was incorporated. MEOD, a wholly owned subsidiary, owned 60% of this company. The balance 40% is owned by a third party individual, Li Yan (based in Shang Dao, China). The principal interest of this company is that of growing of leafy and fruit vegetables. The purpose of incorporating the new company is to form a strategic alliance to explore mushroom farming in MEOD's 6-hectare farm; with the ability to broaden our fresh produce options for the market.

13. Investment in associated company

	The Group		The Company	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Equity investments 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	789	-	800	-
Additions		800	-	800
Share of results of associated company	(197)	(11)	-	-
Impairment of loss on investment	(592)	-	(800)	-
End of financial year	-	789	-	800

<u>Name of entity</u>	<u>Principal activities</u>	<u>Country of business/ incorporation</u>	<u>% of ownership interest</u>	
			2021	2020
			%	%
Arete M Pte Ltd ⁽¹⁾	Telecommunications infrastructure solutions service providers	Singapore	30.5	30.5

In December 2021, the Company did not participate in a convertible loan call from the associated company, Arete M. Due to this non-participation, the Company expected there will be a dilution of its 30.5% share in Arete M in the upcoming financial year.

14.. Land development rights

	Group	Group
	As at 31/12/21	As at 31/12/20
	\$'000	\$'000
At 1 January	1,142	1,137
Additions	4	3
Currency translation differences	(13)	2
At 31 December	1,133	1,142

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 forementioned land as at 31 December 2021 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.

For the year ended 31 December 2021, land development rights decreased to \$1.13 million from \$1.14 million in FY2020 due to foreign currency translation loss of Ringgit Malaysia to Singapore Dollar.

Overall, since this piece of vacant land was accounted for at historic cost, we do not foresee any material impact of impairment arising from the valuation report which is currently significantly above cost.

15 Lease liabilities

	Group		Company	
	As at 31/12/21 Secured \$'000	As at 31/12/20 Unsecured \$'000	As at 31/12/21 Secured \$'000	As at 31/12/20 Unsecured \$'000
Amount repayable in one year or less, or on demand	20	134	-	-
Amount repayable after one year	-	49	-	-

Details of any collaterals

The Group's secured borrowings comprise hire purchase arrangements and lease liabilities which are secured over right-of-use assets included under property, plant and equipment.

16. Bank Borrowings - secured

During the financial year, MEOD, subsidiary of Edition Ltd, has drawn down on 19 July 2021, a secured temporary bridging loan facility ("the Loan") of \$1 million from a financial institution. This loan is repayable in 60 months at 2% interest per annum with key terms and conditions, as follows:

- A Deed of Subordination from Edition Ltd. in favour of the financial institution in respect of loans extended to MEOD;
- Fixed and floating charge over MEOD's assets and receivables; and
- Deed of Guarantee and Indemnity to be provided by a director of MEOD.

	The Group	
	2021	2020
	\$'000	\$'000
Due within one year	194	-
Due after one year	745	-
	989	-

17 Share capital

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

Movements in the Company's Shares since 1 January 2021 up to 31 December 2021 were as follows:

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

Pursuant to the Edition Employee Share Option Scheme (the "Scheme") and the 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 2021, the number of shares that may be issued on conversion of outstanding convertibles is 39,168,595 shares (31 December 2020: 39,168,595 shares), if fully vested. As at 31 December 2021, the number of share options and awards that are vested is nil (31 December 2020: nil).

There was no sale, transfer, disposal, cancellation and/or use of treasury shares as at 31 December 2021 (31 December 2020: Nil).

18 Subsequent events

On 28 February 2022, MEOD signed a Strategic Partnership and Conversion Loan Investment agreement ("the Agreement") with Wholly Greens Pte Ltd.

This Agreement is in line with MEOD's business strategy to continue investing in the Agriculture and Food sector. The Company believes such investments will provide shareholders with a new income stream and improve its growth prospects, coupled with opportunities for future regional/international strategic alliance.

Through this Agreement, MEOD is also taking an active step towards offering fresher, safer, and more sustainable food products by the adoption of a shorter and better integrated "farm to table" supply chain.

Thus, this Agreement enhances MEOD's value proposition, and is in the best interests of the Company, the Group and its shareholders. Please refer to announcement made on 1 March 2022 for more details.

Overall, there are no known subsequent events which have led to adjustments to this set of financial statements.

F. Other Information Required by Listing Rule Appendix 7.2

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 2021 have not been audited or reviewed.

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 2020 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

2HY2021 vs 2HY2020

In the half-year ended 30 June 2021 ("1HY2021"), the Group started with trading sales of agricultural produce and at the same time, continued with its focus on optimising farming operations and improving on its production yield of chemical-pesticide free agricultural produce.

The Group revenue for 2HY2021 decreased to \$97K from \$118K (2HY2020), mainly due to MEOD's periodical scaling down of production towards last quarter of 2021, in order to move our growing systems to the new location (6-hectare farm) in phases.

Other gains were \$137k in 2HY2021, as compared to \$312k in 2HY2020, mainly due to lower government pay-outs under the Job Support Scheme and lower interest income.

Total expenses for 2HY2021 decreased by 25% to \$2.1 million, from \$2.9 million in 2HY2020.

This was mainly due to the following:

- The increase in employees compensation to over \$1.1 million in 2HY2021, from \$700k in 2HY2020 was mainly due to higher headcounts;
- Changes in inventories and purchases of inventories in aggregate decreased from \$ 72k to \$69k mainly due to higher production yield;

- Amortisation and depreciation for 2HY2021 increased by 215% to \$126k, from \$41k in 2HY2020 mainly due to depreciation recorded for the greenhouse facility in FY2021;
- Professional fees in 2HY2021 were 40% lower than 2HY2020 mainly due to lesser expenses incurred in 2HY2021 as for the corporate action was carried out in 2HY2020;
- Other expenses for 2HY2021 decreased by 51% to \$120k from \$244k in 2HY2020 mainly due to reduction in office administrative costs.
- The Group recorded an allowance for expected credit loss on receivable of \$61k in 2HY2021 (2HY2020: \$1.6 million – Hyperlync), arising from the loan extended to Arete M during the year and \$23k - Hyperlync.
- Impairment loss on investment of \$592k in 2HY2021 due to negative net asset value in the financial results of Arete M as at 31 December 2021.

FY2021 vs FY2020

The Group revenue for FY2021 increased to \$211k compared to \$202k in FY2020, mainly due to improvement in production yield, leading to higher sales, despite scaling down of production towards the last quarter. With continuous effort to focus on the planting and growing process, as well as pest prevention, the quality and quantity of the agricultural produce has improved in FY2021 as compared to FY2020.

In FY2021, the other gains decreased from \$679k in FY2020 to \$323k in FY2021, mainly due to lower government payouts under the Job Support Scheme and lower interest income.

Total expenses decreased from \$4.1 million in FY2020 to \$3.6 million in FY2021, mainly due to the following:

- Decreased in allowance for expected credit losses on receivables from Hyperlync of \$1.6 million in FY2020, offset by the additional allowance for expected credit losses on receivables from Arete M of \$61k and \$24k in Hyperlync FY2021.
- Changes in inventories and purchase of inventories in aggregate decreased from \$139k in FY2020 to \$114k in FY2021 mainly due to higher production yield;
- Employees compensation increased by 29% from \$1.4 million in FY2020 to \$1.8 million in FY2021 due to additional headcount for MEOD's operations.
- Impairment loss of investment of \$592k in FY2021 was due to negative net asset value of Arete M in the financial results as at 31 December 2021.
- Amortisation and depreciation increased by 64% to \$238k in FY2021 from \$145k in FY2020 mainly due to depreciation recorded for the greenhouse facility at 1 Hectare in FY2021.
- Professional fees in FY2021 were 30% lower as compared to FY2020 mainly due to lesser expenses incurred in FY2021.
- The Group recorded a share of losses of an associated company, Arete M Pte Ltd ("Arete M") net of tax of \$197k.

As a result of the above, the Group registered a net loss of \$1.9 million in 2HY2021, as compared to a net loss of \$2.4 million in 2HY2020 and registered a net loss of \$3.2 million in FY2021 as compared to \$3.3 million in FY2020.

Balance Sheet

Property, plant and equipment increased from \$1.5 million in FY2020 to \$5.2 million in FY2021. The increase was mainly due to progressive costs incurred in the development of the Group's 6-Hectare agricultural land parcel, partially offset by depreciation and impairment on the Group's 1-Hectare farm assets.

Investment in associated company decreased to \$Nil in FY2021 (FY2020: \$789k) in FY2020 due to recognition of share of loss on the results of Arete M of \$197k and impairment loss on investment of \$592k in 2HY2021.

Edition Ltd increased the investment in the subsidiary, MEOD of S\$13.9 million, by capitalising the amount owing by the subsidiary in FY2021 and making an impairment loss of investment of \$9.6 million to the subsidiary's net tangible assets value.

Land development rights decreased to \$1.13 million in FY2021 from \$1.14 million in FY2020 due to foreign currency translation loss of Ringgit Malaysia to Singapore Dollar.

Trade and other receivables comprise trade receivables of agricultural produce sales, deposits and prepayments. Trade and other receivables increased by \$164k in FY2021 to \$419k, from \$255k in FY2020 mainly due to a \$100k bridging loan granted to an external party. Please refer to our announcement of 1 March 2022, for more details.

Trade and other payables increased from \$653k in FY2020 to \$2.5 million in FY2021 mainly due to purchases for the 6-Hectare farm development of \$1.8 million in 2HY2021 and \$1 million grant received from government for 6-Hectare farm development.

Bank borrowings of balance \$939k, comprise of \$1 million loan obtained from a bank for MEOD's working capital in FY2021, less repayments made during the year. The loan is to be repaid over 60 months.

As a result of the above, net assets of the Group stood at \$11.1 million in FY2021 compared to \$14.3 million in FY2020.

Statement of Cash Flows

The inflows and outflows of cash are detailed in the Group Consolidated Statement of Cash Flows.

The net cash outflow from operating activities (before working capital changes) in 2HY2020 was mainly due to overheads incurred in the agricultural segment and corporate holding company.

Changes in working capital were mainly due to increase in recognition of unpaid purchases for the 6-Hectare farm development. The Group's cash outflow from operating activities was due to its higher overheads over revenue, net of a government grant of \$1 million received in relation to MEOD's 6-hectare Greenhouse construction in progress, which was reclassified to deferred income during the financial year, to be applied upon construction completion with condition attached.

Net cash outflow from investing activities was mainly due to purchases for the 6-Hectare farm development of \$3.9 million.

Net cash inflow from financing activities was due to loan obtained from bank in 2HY2021 of \$1 million and partially offset by payment of lease liability instalments.

Overall, as compared to financial year ended 31 December 2021 (“FY2021”), the Group's cash and cash equivalents balance has decreased by \$3.6 million, from \$11.3 million in FY2020 to \$7.7 million in year ended 31 December 2021, mainly due to payments for the Group’s 6-Hectare farm development, overheads incurred in the agricultural segment and corporate holding company and loan to Arete M.

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.

In Malaysia, the Group will continue to monitor the property market conditions in charting its action on the remaining investment in a land development right in Kota Bahru, Kelantan.

In Singapore, the Group’s subsidiary, MEOD has ended its lease of the existing pilot 1-Hectare farm in Q1 2022 and had at the same time officially shifted its growing systems from its 1-Hectare operation to the 6-Hectare government-awarded land parcel at Neo Tiew Harvest Lane. Meod had constructed a series of modular farm structures to ensure continuity in our supply of produce to our existing customers.

Phase 1 development, which occupies approximately another 1.3 Hectares of the 6-Hectare high-technology farm, is underway. In view of the fluid COVID-19 pandemic situation, the target completion is to be expected to be in Q3 2022.

During the year, the Group resumed trading of agricultural produce by working with like-minded farms to offer a wider range of fresh produce to our customers.

In December 2021, the Company did not participate in a convertible loan call from the associated company, Arete M. Due to this non-participation, the Company expected there will be a dilution of its 30.5% share in Arete M in the upcoming financial year.

As announced on 1 March 2022, the Group’s subsidiary, MEOD entered into a \$1 million Strategic Partnership Investment and Convertible Loan agreement (“the Agreement”) with an external party, Wholly Greens Pte Ltd. For more details, please refer to the announcement made on 1 March 2022.

6. **Dividend**

- (a) Current Financial Period Reported on

Any dividend recommended for the current financial period reported on?

No interim dividend is declared.

- (b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend recommended for the current financial period reported on?

No interim 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 or recommended in FY2021 and FY2020 as the Group is loss-making and wishes to conserve its funds for operations of the business.

8. **Breakdown of sales as follows:**

	FY 2021	FY2020	Change
	\$'000	\$'000	%
(a) Sales reported for first half year	114	84	36
(b) Operating loss after tax before deducting minority interests reported for first half year	(1,265)	(844)	50
(c) Sales reported for second half year	97	118	(18)
(d) Operating loss after tax before deducting minority interests reported for second half year	(1,998)	(2,464)	(19)

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	38	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 Appointments made in 2016 Executive Director of: - Meod 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 28 April 2021.

As at 31 December 2021, the interested party transactions stand at \$568,000.

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 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 by MEOD Pte Ltd.	226	-
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: Purchase of concrete remix cement for construction at 6Ha Farm in Meod Pte Ltd	248	-

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. **Use of proceeds from Placement and Rights Issue**

Placement

On 21 February 2014, the Company entered into a placement and call option agreement ("Placement") for the issue and allotment of 210,000,000 new shares and call option for the issue and allotment of up to 210,000,000 shares at an issue and exercise price of S\$0.03 per share. The Placement raised S\$6.0 million of net proceeds. Pursuant to the circular dated 6 November 2017 and the announcement dated 12 August 2020 on re-allocation of funds, the utilisation of the proceeds is as follows:

Description	Amount allocated as stated in the circular dated 6 November 2017 (\$ million)	Amount re-allocated as announced on 12 August 2020 (\$ million)	Amount utilised as at 31 December 2021 (\$ million)	Amount unutilised as at 31 December 2021 (\$ million)
Exploration of the property development business	5.4	(1.8)	(3.6)	-
General working capital*	0.6	1.8	(0.6)	1.8
Total	6.0	-	(4.2)	1.8

* Amount re-allocated from property development business to general working capital purposes will be used to fund the agricultural business, which is currently the core business of the Group.

* Placement proceeds utilised were for general working capital mainly: employees' compensation, professional fees and other administrative expenses. There was no movement in Placement proceeds for FY2021.

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, re-allocated in the circular dated 6 November 2017 and further re-allocated in the announcement dated 12 August 2020.

Rights issue

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 net proceeds from the Rights Issue were \$21.1 million. In the circular dated 6 November 2017, subsequent to the withdrawal from the property development business, the funds have been re-allocated. Pursuant to the announcement dated 12 August 2020, the funds have been further re-allocated. The utilisation of the proceeds is as follows:

Description	Amount allocated as started in the circular dated 6 November 2017 (\$ million)	Amount re-allocated as announced on 12 August 2020 (\$million)	Amount utilised during 2H 2021 (\$million)	Total Amount utilised as at 31 December 2021 (\$million)	Amount unutilised as at 31 December 2021 (\$million)
Exploration of the property development business	3.9	(3.9)	-	-	-
General corporate activities*(a)	11.2	3.9	-	(14.4)	0.7
General working capital*(b)	6.0	-	(0.5)	(5.4)	0.6
Total	21.1	-	(0.5)	(19.8)	1.3

*(a) General corporate activities include but not limited to acquisitions, joint ventures and/or for strategic alliances and expansion of existing core business.

*(b) General working capital used in 2H2021 mainly consist of \$400k for employee's compensation, \$42k for professional fees and \$58k for other administrative and agricultural business.

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, re-allocated in the circular dated 6 November 2017 and further re-allocated in the announcement dated 12 August 2020.

13. Disclosures on Acquisition and Realisation of Shares pursuant to Catalist Rule 706A

Save as disclosed below and as announced on 13 August 2021 and 10 February 2021, there were no acquisition or realization of shares thereby resulting (i) in a change in the shareholding percentage in any of the subsidiary or associated company of the Group or (ii) an entity becoming or ceasing to be (as the case may be) a subsidiary or associated company of the Group during FY2021. Neither was there any incorporation of new subsidiaries or associated companies by the Group during FY2021.

During 2HY2021, the Company's wholly owned subsidiary, MEOD, incorporated a new subsidiary, M Farm Pte Ltd.

Name of entity	M Farm Pte Ltd
Incorporation date	1 December 2021
Issued and paid-up share capital	S\$10
Percentage of issued and paid-up share capital held by MEOD Pte Ltd	60%
Principal activity	Growing of leafy and fruit vegetables

The paid-up capital of M Farm Pte Ltd is funded through internal resources and not expected to have an impact on the EPS and NTA of the Company for the financial year ended 31 December 2021. Mr Ong Kai Hian, the director of MEOD was appointed as director of M Farm Pte Ltd.

By order of the Board

Ong Boon Chuan
Executive Director and Chief Executive Officer
7 March 2022

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 Tay Sim Yee, at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542, telephone: (65) 6232 3210.