



SINGAPORE eDEVELOPMENT LIMITED

(Incorporated in Singapore)
(Company Registration No. 200916763W)

Unaudited Financial Statement for the Financial Year Ended 31 December 2018

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

Consolidated Statement of Comprehensive Income	12/31/2018	12/31/2017	Increase/
	Unaudited	Audited	(Decrease)
	S\$'000	S\$'000	%
Revenue	26,922	15,008	79
Cost of sales	(22,463)	(12,351)	82
Gross profit	4,459	2,657	68
Other items of income			
Other income	1,351	4,283	(68)
Finance income	44	39	13
Gain on disposal of subsidiaries	92	-	nm
Other items of expense			
Marketing expenses	(286)	(561)	(49)
Research and Development	(623)	(715)	(13)
Administrative expenses	(7,548)	(8,185)	(8)
Finance costs	(804)	(165)	387
Other expenses	(4,667)	(4,552)	3
Share of result of an associate	(62)	-	nm
Loss before tax	(8,044)	(7,199)	12
Income tax expense	-	809	(100)
Loss for the year	(8,044)	(6,390)	26
Attributable to:			
Owners of the Company	(7,405)	(5,377)	38
Non-controlling interests	(639)	(1,013)	(37)
Loss for the year	(8,044)	(6,390)	26
Other comprehensive income:			
Net change in fair value of available-for-sale financial asset	(47)	-	nm
Foreign currency translation	35	(152)	(123)
Other comprehensive income for the year, net of tax	(12)	(152)	(92)
Total comprehensive loss for the year	(8,056)	(6,542)	23
Total comprehensive loss attributable to:			
Owners of the Company	(7,395)	(5,287)	40
Non-controlling interests	(661)	(1,255)	(47)
Total comprehensive loss for the year	(8,056)	(6,542)	23

Notes to Consolidated Statement of Comprehensive Income	Group		
	12/31/2018 Unaudited	12/31/2017 Audited	Increase / (Decrease)
	S\$'000	S\$'000	%
Loss for the year is arrived at:			
After charging/(crediting):			
Depreciation of property, plant and equipment	48	68	(29)
Loss on disposal of property, plant and equipment	8	-	nm
(Write-back) / provision for properties under development	-	(218)	(100)
Gain on disposal of subsidiaries	(92)	-	nm
Finance cost	803	165	387
Share of result of an associate	62	-	nm
Withholding tax expenses	673	625	8
Unrealised foreign exchange losses/(gain)	(423)	3,771	(111)
Net fair value loss/(gain) on financial assets	3,979	(3,901)	(202)
Interest income	(44)	(39)	13
Goodwill written off	-	147	(100)
Adjustments for overprovision of tax in respect of prior year	-	809	(100)

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Group		Company	
	12/31/2018	12/31/2017	12/31/2018	12/31/2017
Balance Sheets	Unaudited	Audited	Unaudited	Audited
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Property, plant and equipment	143	154	6	14
Other Investment	445	490	-	-
Investment in an associate	12	-	-	-
	600	644	6	14
Current assets				
Trade and other receivables	974	1,584	102	107
Prepaid operating expenses	126	170	15	40
Properties under development	57,660	69,624	-	-
Properties held for sale	186	182	-	-
Investment securities	1,066	4,995	21	21
Due from Subsidiaries	-	-	50,003	59,506
Bank deposits pledged	5,235	3,528	-	-
Inventory	271	85	-	-
Cash and cash equivalents	2,053	1,708	227	408
	67,571	81,876	50,368	60,082
Total assets	68,171	82,520	50,374	60,096
Current liabilities				
Trade and other payables	16,318	24,145	2,802	11,982
Loans and borrowings	12,087	11,105	12,068	-
	28,405	35,250	14,870	11,982
Net current assets	39,166	46,626	35,498	48,100
Non-current liability				
Loans and borrowings	2,202	1,884	-	-
	2,202	1,884	-	-
Total liabilities	30,607	37,134	14,870	11,982
Net Assets	37,564	45,386	35,504	48,114
Equity attributable to owners of the Company				
Share capital	102,425	102,425	102,425	102,425
Other reserves	3,394	3,527	173	259
Foreign currency translation reserve	11	(46)	-	-
Accumulated losses	(69,875)	(62,628)	(67,094)	(54,570)
	35,955	43,278	35,504	48,114
Non-controlling interests	1,609	2,108	-	-
Total equity	37,564	45,386	35,504	48,114
Total equity and liabilities	68,171	82,520	50,374	60,096

1(b)(ii) Aggregate amount of group's borrowings and debt securities

	As at 12/31/2018 (Unaudited)		As at 12/31/2017 (Audited)	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand				
Floating Rate USD Loan - Ballenger Run	19	-	10,871	-
Floating Rate AUD Loan	-	-	234	-
Loan advance from Director	-	12,068	-	-
Amount repayable in one year or less, or on demand	19	12,068	11,105	-
Amount repayable after one year				
Floating Rate AUD Loan	216	-	-	-
Corporate Bond	1,986	-	1,884	-
	2,202	-	1,884	-
Total Loans and Borrowings	2,221	12,068	12,989	-

The Group's borrowings and debt securities as at 31 December 2018 are as follows:

- In November 2015, for the Ballenger Run project, the Group obtained a US\$8.0 (S\$10.9) million construction loan facility which was secured by a lien over the land related to the project and a cash deposit of US\$2.6 (S\$3.5) million and is repayable in full before 22 November 2018. The interest rate is based on one month LIBOR + 380 basis points adjusted monthly during the loan term until maturity, with a floor interest rate of 4.5% per annum. The terms have been modified in September 2017. The modification increased the maximum outstanding loan balance from US\$8.0 (S\$10.9) million to US\$11.0 (S\$15.0) million and extended the maturity date from 22 November 2018 to 31 December 2019. As of 31 December 2018, US\$14,000 (S\$19,000) has been drawn down and remained outstanding. Prior to full settlement of the loan, the Group is required to make principal repayment equal to 95% of property sales. As the Group has started to generate revenue from property sales in FY2017, the balance is classified under current liability.
- A\$0.6 (S\$0.6) million short-term loan was drawn down from an Australian financial institution for land purchases for development in Mandurah (South of Perth), Western Australia. In September 2017, one of the property has been sold and A\$0.4 (S\$0.4) million short-term loan has been repaid. As of 31 December 2018, the loan is secured by a mortgage against the land and personal guarantees from the CEO of the Company and the executive director of SeD Perth Pty. Ltd. The loan bears a variable interest rate, currently at 6.348% per annum, determined as a weighted average of various prevailing market rates and on 6 February 2019 the loan was renegotiated to be repayable on 31 March 2020.
- During FY2016, the Company through its Hong Kong subsidiary has issued a total of US\$1.5 (S\$2.0) million corporate bonds to external parties. The Company has recognised the corporate bonds net of transaction costs amounting to S\$0.2 million. The corporate bonds bear an interest rate of 8% per annum and are repayable in 3 years from the issue date. On maturity, the subscriber has an option to acquire a property built by SeD Home Inc. ("SeD Home") under the Black Oak Project. SeD Home shall facilitate the use of the monies due on maturity date as a sale consideration to acquire the property at cost price.

SeD Home and Mr. Chan Heng Fai have agreed to share the guarantee of the principal amount of the corporate bonds for a period of 3 years from the issue date up to US\$10.0 (S\$13.6) million and US\$5.0 (S\$6.8) million, respectively.

- On 15 October 2018, the Company and Mr. Chan Heng Fai have signed a loan agreement and a S\$14 million loan facility was provided by Mr Chan. As at 31 December 2018, S\$11.43 million has been drawn down and S\$0.64 million interest has been accrued. The loan facility is unsecured, bears an interest of 6% interest per annum starting from 1 January 2018 (interest-free prior to FY2018) and the outstanding loan is repayable on 31 December 2019.

1(c) A statement of cash flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial period.

Consolidated Cash Flow Statement	12/31/2018	12/31/2017
	Unaudited	Audited
	S\$'000	S\$'000
Operating activities		
Loss before tax	(8,044)	(7,199)
<u>Adjustments for:-</u>		
Depreciation of property, plant and equipment	48	68
Loss on disposal of property, plant and equipment	8	-
Reversal of properties under development	-	(218)
Withholding tax expense	673	625
Net fair value loss/(gain) on investment securities	3,979	(3,901)
Gain on disposal of subsidiaries	(92)	-
Unrealised exchange (gain) / loss	(423)	3,771
Finance income	(44)	(39)
Finance costs	803	165
Goodwill written off	-	147
Share of result of an associate	62	-
Total adjustments	5,014	618
Operating cash flows before changes in working capital	(3,030)	(6,581)
<u>Changes in working capital:-</u>		
Change in trade and other receivables	669	(1,566)
Change in prepaid operating expenses	44	42
Change in inventory	(186)	(35)
Change in properties under development	12,056	(358)
Change in properties held for sales	-	1,772
Change in trade and other payables	1,216	(1,692)
Cash flows generated from / (used in) operations	10,769	(8,418)
Interest received	44	39
Interest paid	(549)	(1,530)
Net cash flows generated from / (used in) operating activities	10,264	(9,909)
Investing activities		
Purchase of property, plant and equipment	(6)	(36)
Investment in other investment	-	(490)
Investment in associate	(75)	-
Investment in marketable securities	-	(188)
Net cash inflow on acquisition of a subsidiary under common control	-	115
Net cash inflow on acquisition of a subsidiary	-	2
Net cash flows used in investing activities	(81)	(597)

	<u>12/31/2018</u>	<u>12/31/2017</u>
	<u>Unaudited</u>	<u>Audited</u>
	<u>S\$'000</u>	<u>S\$'000</u>
Financing activities		
Proceeds from loans and borrowings	-	864
Proceeds from issuance of ordinary shares	-	6,350
Share issuance expenses	-	(125)
Advances from director	1,607	9,845
Proceeds from Disposal of Subsidiaries	114	-
Repayments of loans and borrowings	(11,664)	(8,449)
Decrease in bank deposits pledged	-	288
Net cash (used in) / generated from financing activities	(9,943)	8,773
Net (decrease) / increase in cash and cash equivalents	240	(1,733)
Effect of exchange rate changes on cash and cash equivalent	105	(444)
Cash and cash equivalents at beginning of financial year	1,708	3,885
Cash and cash equivalents at end of financial year	2,053	1,708

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

The Group (Unaudited)	Attributable to owners of the Company								Non-controlling interests	Total equity
	Share capital	Other reserves				Foreign currency translation reserve	Accum'd losses	Equity attributable to owners of the Company		
		Merger reserve	Other reserve	Fair value reserve	Share option reserve					
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
Balance at 1 January 2018	102,425	1,480	1,788	-	259	(46)	(62,628)	43,278	2,108	45,386
<i>Loss for the year</i>	-	-	-	-	-	-	(7,405)	(7,405)	(639)	(8,044)
<i>Net change in fair value of available-for-sale financial asset</i>	-	-	-	(47)	-	-	-	(47)	-	(47)
<i>Foreign currency translation</i>	-	-	-	-	-	57	-	57	(22)	35
<i>Total comprehensive income (loss) for the year</i>	-	-	-	(47)	-	57	(7,405)	(7,395)	(661)	(8,056)
<i>Disposal of subsidiaries</i>	-	-	-	-	-	-	234	234	-	234
<i>Increase in shareholding of a existing subsidiary</i>	-	-	-	-	-	-	(162)	(162)	162	-
<i>Forfeiture of equity-settled share options to employees</i>	-	-	-	-	(86)	-	86	-	-	-
Balance at 31 December 2018	102,425	1,480	1,788	(47)	173	11	(69,875)	35,955	1,609	37,564
Balance at 1 January 2017	81,286	-	500	-	420	(136)	(56,069)	26,001	3,482	29,483
<i>Loss for the year</i>	-	-	-	-	-	-	(5,377)	(5,377)	(1,013)	(6,390)
<i>Foreign currency translation</i>	-	-	-	-	-	90	-	90	(242)	(152)
<i>Total comprehensive income (loss) for the year</i>	-	-	-	-	-	90	(5,377)	(5,287)	(1,255)	(6,542)
<i>Issuance of new ordinary shares pursuant to conversion of HBD Loan</i>	14,914	-	-	-	-	-	-	14,914	-	14,914
<i>Issuance of new ordinary shares pursuant to exercise of 2016 warrants</i>	6,350	-	-	-	-	-	-	6,350	-	6,350
<i>Share issuance expenses</i>	(125)	-	-	-	-	-	-	(125)	-	(125)
<i>Deemed capital contribution arising from interest free loan</i>	-	-	1,288	-	-	-	-	1,288	-	1,288
<i>Acquisition of a subsidiary under business combination</i>	-	1,480	-	-	-	-	(1,331)	149	-	149
<i>Acquisition of a subsidiary with non-controlling interests</i>	-	-	-	-	-	-	-	-	(131)	(131)
<i>Increase in shareholding of a existing subsidiary</i>	-	-	-	-	-	-	(12)	(12)	12	-
<i>Forfeiture of equity-settled share options to employees</i>	-	-	-	-	(161)	-	161	-	-	-
Balance at 31 December 2017	102,425	1,480	1,788	-	259	(46)	(62,628)	43,278	2,108	45,386

The Company (Unaudited)	Notes	Share capital	Share option reserve	Accum'd losses	Total equity
		S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 January 2018		102,425	259	(54,570)	48,114
<i>Loss net of tax, representing total comprehensive income for the year</i>		-	-	(12,610)	(12,610)
<i>Forfeiture of equity-settled share options to employees</i>		-	(86)	86	-
Balance at 31 December 2018		102,425	173	(67,094)	35,504
Balance at 1 January 2017		81,286	420	(48,249)	33,457
<i>Loss net of tax, representing total comprehensive income for the year</i>		-	-	(6,482)	(6,482)
<i>Grant of equity-settled share options to employees</i>		-	-	-	-
<i>Issuance of new ordinary shares pursuant to conversion of HBD Loan</i>	1	14,914	-	-	14,914
<i>Issuance of new ordinary shares pursuant to exercise of 2016 warrants</i>	2	6,350	-	-	6,350
<i>Share issuance expenses</i>		(125)	-	-	(125)
<i>Forfeiture of equity-settled share options to employees</i>		-	(161)	161	-
Balance at 31 December 2017		102,425	259	(54,570)	48,114

Note:

- (1) On 26 January 2017, the Company announced the proposed conversion of HBD loan into new shares in the capital of the Company. The Company has on 5 April 2017 completed the proposed conversion and 372,855,000 conversion shares at an issue price of S\$0.04 for each conversion share has allotted and issued to HBD. The Company has also issued five (5) free detachable warrants, each carrying the right to subscribe for one (1) new share at an exercise price of S\$0.048 for each exercise share, on the basis of five (5) warrants for every one (1) conversion share to HBD.
- (2) On 21 October 2016, 139,098,617 Rights Shares and 695,493,085 Warrants were allotted and issued by the Company pursuant to the renounceable non-underwritten rights issue at an issue price of S\$0.04 for each rights share, on the basis of one (1) rights share for every three (3) existing shares held by the shareholders of the Company as at the books closure date, and the issue of free detachable warrants, each carrying the right to subscribe for one (1) new ordinary share at an exercise price of S\$0.04 for each exercised share, on the basis of five (5) warrants for every one (1) rights share subscribed for. In FY2017, 158,739,455 warrants were exercised.

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial year reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Number of shares	Share Capital (S\$'000)
As at 31 December 2018 (Unaudited)	1,101,456,707	102,425
As at 30 June 2018 (Unaudited)	1,101,456,707	102,425

(Please refer to paragraph 1(d)(i) above for information in relation to changes in the Company's share capital.)

Type of Convertibles	Number of Outstanding Convertibles	Number of Shares that may be issued on conversion of all outstanding convertibles
As at 31 December 2018		
1. Share Options under ESOS	1,061,333	1,061,333
2. 2016 Warrants	523,285,845	523,285,845
3. 2017 Warrants	1,864,275,000	1,864,275,000
As at 31 December 2017		
1. Share Options under ESOS	1,592,000	1,592,000
2. 2016 Warrants	523,285,845	523,285,845
3. 2017 Warrants	1,864,275,000	1,864,275,000

The Company did not have any treasury shares and subsidiary holdings held against the total number of the shares outstanding as at 31 December 2018 and 31 December 2017.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	Number of shares
As at 31 December 2018 (Unaudited)	1,101,456,707
As at 31 December 2017 (Audited)	1,101,456,707

1(d)(iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. The Company did not have treasury shares during and as at the end of the current financial period reported on.

1(d)(v) A statement showing all sales, transfers, disposals, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable.

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

The figures have not been audited or reviewed by the Company's auditors.

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

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

The Group has adopted the same accounting policies and method of computation in the financial statements for the current financial period as those used in the Group's most recently audited financial statements for the financial year ended 31 December 2017 ("FY2017"), except as disclosed in paragraph 5 below.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

In December 2017, the Accounting Standards Council issued a new financial report framework – Singapore Financial Reporting Standards (International) ("**SFRS(I)**"), which is to be adopted by Singapore-incorporated companies listed on the SGX-ST, for annual periods beginning on or after 1 January 2018. SFRS(I) is identical to the International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group and the Company have adopted the new framework for the first time for financial year ended 31 December 2018 and has applied SFRS(I) First time Adoption of Singapore Financial Reporting Standard (*International*) with effect from 1 January 2018.

There are no changes to the Group's current accounting policies or material adjustments on transition to the new framework. The adoption of the new SFRS(I) and its related interpretations is assessed to have no significant impact to the Group's consolidated financial statements on the date of transition and for the current financial period report on.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

Loss Per Ordinary Share	Group	
	12/31/2018 (Unaudited)	12/31/2017 (Audited)
Loss net of tax attributable to the owners of the Company (S\$000)	(7,405)	(5,377)
Weighted average number of shares ('000)	1,101,457	974,661
Basic and diluted loss per ordinary share (Singapore cents)	(0.67)	(0.55)

The basic loss per ordinary share as at 31 December 2018 and 2017 was computed by dividing the loss net of tax attributable to owners of the Company by the weighted average number of ordinary shares.

[†] The basic and diluted losses per ordinary share were the same as the outstanding convertibles as at 31 December 2018 and 2017 were anti-dilutive.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year

	Group		Company	
	31/12/2018 (Unaudited)	31/12/2017 (Audited)	31/12/2018 (Unaudited)	31/12/2017 (Audited)
Net Asset Value attributable to owners of the Company per ordinary share (Singapore cents)	3.26	3.93	3.22	4.37

The net asset value per ordinary share as at 31 December 2018 and 2017 was computed based on the net assets value of the Group and the Company as at the end of the respective financial years and based on 1,101,456,707 ordinary shares in issue as at the end of both financial years.

8. 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

**Review of Statement of Comprehensive Income
 Financial year ended 31 December 2018 ("FY2018") vs Financial year ended 31 December 2017 ("FY2017")**

Continuing Operations

The Group's operations comprise Property Development, Info-Tech Related, Investment and Biomedical Businesses.

In FY2018,

- a. There is remaining one unit under the Property Development Business' home incubation project in El Tesoro, Houston, Texas, U.S. This unit has been leased out in FY2018 and generated gross profit of S\$0.1 million from this project.
- b. Ballenger Run, the Group's U.S. project in Frederick County, Maryland, generated S\$23.3 million in revenue and S\$4.0 million in gross profit in FY2018 from the sale of 102 single family lots and 1 multi family lots.
- c. The Group's 53% equity stake in U.S. company, iGalen International Inc., ("iGalen") conducting the distribution of dietary and health supplements through network marketing recorded sales income and gross profit in FY2018 amounted to S\$3.4 million and S\$0.3 million.
- d. The Group generated S\$0.2 million revenue with S\$0.1 million gross profit from the IT related business.

Gain on disposal amounting to S\$0.1 million was mainly due to the disposal of 167,000 shares of Hotapp Blockchain Inc., and the shareholding in Hotapp Blockchain Inc decreased from 99.98% to 99.95%.

Marketing expenses in FY2018 was mainly due to the promotion of the iGalen networking marketing business, amounting to S\$0.3 million.

Administrative expenses decreased to S\$7.5 million in FY2018 from S\$8.2 million in FY2017 mainly due to decrease in corporate expense of S\$0.7 million, IT related business of S\$0.2 million and investment business of S\$0.2 million, offset by the increase in the administrative expenses of \$0.4 million for the biomedical business.

Research and development expenditure were due to the expenses of S\$0.6 million associated with the biomedical business.

Other income decreased to S\$1.4 million in FY2018 from S\$4.3 million in FY2017. In FY2018, the other income of S\$1.4 million comprised S\$0.9 million unrealised foreign exchange gains mainly arising from the appreciation of the U.S. Dollar in FY2018 on U.S. Dollar-based assets relating to the U.S. Dollar denominated loan from the Company to its U.S. subsidiaries and S\$0.5 million front foot benefit fees¹. In FY2017, the other income was mainly due to the fair value gain from financial assets of S\$3.9 million and the written back of impairment loss on property under development of S\$0.2 million.

Other expenses amounted to S\$4.7 million in FY2018 comprising fair value loss on financial assets of S\$4.0 million and S\$0.7 million of withholding tax.

Depreciation decreased by S\$0.02 million due to the disposal of a number of fixed assets in the FY2018.

Finance cost amounted to S\$0.8 million in FY2018 comprising the interest of S\$0.2 million paid to the private bond holders arising from the corporate bond of US\$1.5 million and S0.6 million interest paid for the loan from a director.

Share of result of an associate amounted to S\$0.1 million was due to share of loss of an associate in USA.

Loss for the year increased to S\$8.0 million in FY2018 from S\$6.4 million in FY2017. The loss for the year in FY2018 was mainly due to the gross profit of \$4.5 million, other income of \$1.4 million and gain of disposal of subsidiaries of \$0.1 million, offset by the operating expenses of S\$8.5 million, other expenses of S\$4.7 million and finance cost of S\$0.8 million.

Review of Balance Sheet
As at 31 December 2018 vs 31 December 2017

a) Property, plant & equipment

The Group purchased additional fixed assets totalling S\$0.006 million and disposed S\$0.008 million in FY2018. The Group's fixed assets depreciated by S\$0.05 million during FY2018.

b) Other investment

The Group has an investment in Global Opportunity Fund ("GOF"), managed by Hengfai Asset Management Pte Ltd ("HFAM") amounting to S\$0.4 million and has an investment in a US-listed company amounting to S\$0.1 million.

c) Investment in an associate

Investment in an associate of S\$0.01 million is due to investment in a new associate of S\$0.07 million and share of the loss of S\$0.06 million in FY2018.

¹ We have established a front foot benefit assessment on all of the NVR lots. This is a 30 year annual assessment allowed in Frederick County which requires homeowners to pay the developer to reimburse the costs of installing public water and sewer to the lots. These assessments become effective as homes are settled at which time we can sell the collection rights to the assessments to investors who will pay a lump sum up front so we can realize the revenue sooner.

d) Trade and other receivables

Trade and other receivables decreased to S\$1.0 million as at 31 December 2018 from S\$1.6 million as at 31 December 2017 mainly due to the receipt of S\$0.7 million from the disposal of properties in FY2017.

e) Properties under development

The Group's properties under development in the U.S. include Black Oak in Houston, Texas and Ballenger Run in Frederick, Maryland. The Group also has a property under development in Mandurah, Western Australia.

Related costs comprised land purchase costs and other costs such as project financing, project management, development and construction.

Properties under development decreased by \$12.0 million in FY2018 was mainly due to the disposal of properties amounting to S\$18.9 million and the reimbursement from the county of S\$6.3 million, offset by the additional development and financing costs of S\$11.6 million and translation gain of S\$1.6 million.

f) Property held for sales

The Group acquired 27 tenanted single-family homes in El Tesoro, Houston, Texas, for resale in FY2015. As at 31 December 2018, one unit remain on hand.

g) Investment securities

The Group has invested in shares in a U.S. listed company with the market value of S\$0.5 million as at 31 December 2018.

A promissory note from a company listed in the U.S. OTC market was received for providing consulting services in FY2016 and it was converted into shares in FY2017 with the market value of S\$0.5 million as at 31 December 2018.

The decrease in S\$4.0 million is due to the fair value loss in FY2018.

h) Bank deposits pledged

The deposit pledged is related to a US\$2.6 (S\$3.6) million collateral put up for the US\$11 million construction loan for Ballenger Run project and US\$1.2 (S\$1.6) million escrow money from the Harris County reimbursement for Black Oak project.

i) Inventory

The increase in inventory amounting to S\$0.2 million related to the distribution of the biomedical product through the network marketing platform in FY2018.

j) Trade and other payables

Trade and other payables decreased to S\$16.3 million in FY2018 from S\$24.1 million in FY2017 mainly due to reclassification of an amount due to a director of S\$9.8 million to loans and borrowings and decrease in payables relating to the property business of S\$0.8 million, mitigated by the increase in amount due to a director of S\$0.5 million, increase in accrued corporate expenses of S\$0.8 million and increase in payables relating to network marketing business of S\$1.5 million.

k) Loans and borrowings (current and non-current)

Loans and borrowings increased to S\$14.3 million in FY2018 from S\$13.0 million in FY2017 mainly due to the increase in loan from a director of S\$12.1 million, offset by the repayment of loan from the proceeds of disposal of properties of S\$10.7 million.

l) Working capital

The decrease of S\$7.5 million in working capital relates to the decrease in current assets and current liabilities amounting to S\$14.3 million and S\$6.8 million respectively.

The current assets movement is mainly attributed to the decrease in trade and other receivable of S\$0.6 million, S\$12.0 million in properties under development and S\$3.9 million in investment securities, offset by the increase in cash and cash equivalents of S\$0.3 million, bank pledged deposit of S\$1.7 million and inventory of S\$0.2 million.

The current liabilities movement is mainly attributed to the increase in loans and borrowings amounting to S\$1.0 million, offset by the decrease in trade and other payables of S\$7.8 million.

Review of Consolidated Cash Flow Statement

Cash and cash equivalents increased by S\$0.3 million to S\$2.0 million in FY2018 from S\$1.7 million in FY2017.

Operating Activities

Net cash generated from operating activities amounted to S\$10.3 million in FY2018 as compared to net cash used in operating activities of S\$9.9 million in FY2017. The Group had a net cash outflow of S\$3.0 million from its operating activities before changes in working capital. This mainly relates to the loss before tax of S\$8.0 million and the adjustments of the non-cash items including S\$4.0 million fair value loss on investment securities, S\$0.1 million share of result of an associate, S\$0.8 million finance cost and S\$0.7 million withholding tax expense, offset by S\$0.4 million foreign exchange gain due to the appreciation of the US dollar and S\$0.1 million gain on disposal of subsidiaries.

The decrease in working capital of S\$13.8 million were subjected to the effect of the exchange differences and the decrease is mainly due to the S\$12.1 million decrease in properties under development, S\$0.7 million decrease in trade and other receivables and S\$1.2 million increase in trade and other payables, offset by the S\$0.2 million increase in inventory.

Interest Paid

The interest payment is due to S\$0.4 million interest paid for the loan of property from development and S\$0.2 million interest paid to the private bond holders.

Investing Activities

Net cash used in investing activities amounted to S\$0.1 million relating to the investment in an associate.

Financing Activities

Net cash used in financing activities for FY2018 amounted to S\$9.9 million due to:

- (i) The loan from a director of S\$1.6 million;
- (ii) The proceed for the disposal of subsidiaries of S\$0.1 million and
- (iii) the repayment of loan of S\$11.6 million for the Ballenger Run project.

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

The Group had made an announcement on 22 Feb 2019 cautioning shareholders that it expected to report a loss for FY2018. The Group reported a loss for the year of S\$8.0 million.

10. 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.

Subsequent to the Corporate and Business Update on 18 June 2018, the Group has advanced on several initiatives to accelerate corporate recovery and enhance shareholder value.

International Property Development

For the Ballenger Run project, sales of single family home lots have continued in accordance with the lot purchase agreements signed with NVR, Inc. (“NVR”). During FY2018, 102 single family home lots were sold to NVR with a total value of US\$ \$12,002,692. In addition, as per the announcement dated 13 August 2018, we completed the sale of the Ballenger Run multi-family parcel with Orchard Development Corporation and received revenue of US\$5,250,000.

For the continuing care retirement community (“CCRC”) portion of the project, we are actively pursuing a change of zoning to allow us to develop approximately 36 single family home lots (“Re-zoned Lots”) instead of a CCRC development. As mentioned in the announcement dated 8 January 2019, SeD Maryland had entered into a Third Amendment to the Lot Purchase Agreement (the “Third Amendment”) for Ballenger Run Project with NVR. Pursuant to the Third Amendment, NVR has agreed to purchase the Re-zoned Lots if the change in zoning is successful.

Going forward, we will continue to develop the Ballenger Run project and make efforts to secure favorable sources of financing for the development costs.

For the Black Oak project, on July 3, 2018, 150 CCM Black Oak Ltd (the “Black Oak LP”) entered into a Purchase and Sale Agreement with Houston LD, LLC for the sale of 124 lots located at its Black Oak project for US\$6,175,000. On 12 October 2018, Black Oak LP and Houston LD, LLC entered into an amended and restated purchase and sale agreement (the “Amended and Restated Purchase and Sale Agreement”). The purchase price under the Amended and Restated Purchase and Sale Agreement remained at US\$6,175,000. On 18 January 2019, the sale of 124 lots located at the Black Oak project in Magnolia, Texas was completed.

As announced on 30 July 2018, the Group was reimbursed US\$4,592,079.59 from the Harris County Improvement District 17 (“HC17”) for previous expenses incurred by Black Oak LP in the development and installation of infrastructure within the Black Oak project. Out of this amount, US\$1,650,000 was placed into a Construction Fund which will be released by HC17 upon completion of certain conditions related to the development of the Black Oak project. During FY2018, US\$446,745 was released from the construction fund upon meeting certain conditions.

Currently, Black Oak development work is focused on the fulfillment of post-closing conditions of the Amended and Restated Purchase and Sale Agreement. In addition, the Group is focused on improving the cashflow of the project by sourcing financing, securing further sales contracts, and seeking further infrastructure reimbursements from the relevant improvement district.

Overall it should be noted that national market studies are indicating that global issues are impacting sales with rising interest rates which began to erode housing affordability in 2018. The average interest rate increase of 0.61% since January of 2018 has negatively impacted the buyer’s purchasing power. In certain markets like Maryland and Texas it has also been found that construction cost increases are outpacing sales price appreciation and cutting into homebuilder’s margins. Although we do not see any direct effect with Ballenger Run and Black Oak at this time, we are carefully monitoring the situation.

Biomedical Business

Following the shareholders’ approval on 24 January 2017 to diversify into biomedical science, healthcare and biotechnology industries, the Group incorporated Global BioLife Inc. (“Global BioLife”) on 2 May 2017 to carry out its biomedical activities.

Mr. Daryl Thompson, Global BioLife's Director of Scientific Initiatives, a biochemist nominated for the Nobel Prize in 2015 and 2016 for his research on pandemic technology, leads the 3F research, including the research and development of the 3F Antimicrobial Fragrance.

The 3F project was designed to provide a solution for open environment defence strategies to prevent or suppress the transmission of aerosoled viral and bacterial particles that cause the spread of influenza, MRSA and tuberculosis in congested areas. 3F works by taking advantage and exploiting the bacterial or viral sophisticated communication system called quorum sensing. In essence, we can utilise quorum sensing to instruct the bacterial or viral agent to shut down or stop replication. The process has been demonstrated to be very effective.

The potential of this breakthrough in 3F Antimicrobial and Global BioLife will step up in its continued efforts to provide cutting edge research into real solutions for global healthcare problems.

Global BioLife has partnered with consulting firm, Destum Partners Inc., to evaluate and license both 3F Mosquito and 3F Antimicrobial technology globally to manufacturers and distributors. 3F Mosquito is a revolutionary alternative to traditional mosquito repellents like DEET. 3F Mosquito was developed as an additive to laundry detergents, shampoos, and lotions to provide layered protection against mosquitos. 3F Antimicrobial is designed to be added into sprays, filters and air dispersal systems in airplanes, transit areas, arenas, hospitals, and open areas worldwide to provide multi-faceted protection against bacteria and viruses.

The Linebacker intellectual properties has since been assigned to Global BioLife. Initial research has shown very promising results. Testing with Charles River Laboratories has been completed and we are now moving to an active pre-commercialisation phase. We have also engaged Destum Partners, Inc., a premier advisory and consulting firm in the biopharmaceutical and life sciences industry, to focus on licensing Linebacker.

Laetose, a breakthrough low-calorie, low glycemic index, natural, modified sugar which has the potential to affect the world's sugar market. Laetose is a functional sugar that possesses low glycemic properties which also assists in mitigating inflammatory responses. Global BioLife has established a collaboration with Quality Candy Company LLC ("QCC") for the development, manufacture and global distribution of Laetose.

Our biomedical team is relentless in our efforts for breakthrough results and will continue to work on pre-clinical testing against an array of diseases, including Alzheimer's and Parkinson's disease, to generate validating laboratory data.

As announced on 14 February 2017, the Group acquired a 53%-stake in iGalen to conduct the distribution of dietary and health supplements through network marketing. The company has entered US and Canada markets and plans to enter Philippines, Malaysia, Australia and New Zealand soon.

The company intends to launch more products to add on to its flagship EMULIN range. iGalen is constantly seeking to develop innovative and quality products and will unveil its new products regularly which will vastly increase its sales revenue through its wide network of distributors worldwide.

IT-Related Businesses

In FY2018, HotApp Blockchain Inc. (the "Hotapp") has successfully implemented two key projects, which includes an outsourcing arrangement with Document Security Systems Inc. for development of brand protection system and mobile applications. In addition, HotApp also involved in a contract development service with a machinery rental and eCommerce operation.

As announced on 29 November 2018, Hotapp International Pte. Ltd. ("HIPL") has entered into a sale and purchase agreement ("SPA") with DSS Asia Limited ("DSL") in relation to the disposal of HIPL's entire shareholding in HotApps Information Technology Co. Ltd., also known as Guangzhou HotApps Technology Ltd. ("the GZ HotApps") for a consideration of US\$100,000.00 to DSL.

Under the SPA, completion of the Disposal is conditional upon the fulfilment of certain conditions precedent. On 14 January 2019, all the conditions were fulfilled and GZ HotApps was ceased to be a subsidiary of the Group.

During the year, HotApp has also been able to continue to control their expense and keep the focus in business to business mobile commerce activities.

The IT division will continue to explore further streamlining of operations to control expense and identify strategic alliances for business development.

Investment Business

The company has invested in two US listed companies shares and the company will continue to explore potential investments in the coming year.

11. Dividend

If a decision regarding dividend has been made:-

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

None.

(b) (i) Amount per share cents

Not applicable.

(b) (ii) Previous corresponding period cents

Not applicable.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect

No dividend has been declared or recommended for FY2018.

13. Update on use of proceeds

Utilisation of Net Proceeds from US\$1.5 million Corporate Bonds

The net proceeds from the issuance of the US\$1.5 million corporate bonds announced by the Company on 11 November 2016 of approximately US\$1.3 million (the "Net Proceeds") have been partially utilised to fund the Black Oak projects in the USA. Accordingly, as at the date of this announcement, the utilisation of Net Proceeds is set out below:

Use of Net Proceeds	Percentage allocation	Utilised (US\$'000)	Unutilised (US\$'000)
Black Oak project in the U.S.	100%	1,336	0
Total	100%	1,336	0

14. Interested Person Transactions (unaudited) – FY2018

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)	As a percentage of the Group's latest audited NTA as at 31 December 2017
Interest paid for the loan from a director			
Chan Heng Fai(1)	642,780		1.49%
Consultancy Agreement with Pop Motor Consulting Pte Ltd.			
Chan Heng Fai(1)	110,000	-	0.25%
	752,780		1.74%
		NTA ('000)	43,278

The Group has not obtained a general mandate for IPTs.

Mr Chan Tung Moe is the director and the sole shareholder of Pop Motion Consulting Pte Ltd. ("PM CPL") and he is the son of Mr Chan Heng Fai, an Executive Director and Chief Executive Officer of the Company. On 27 August 2018, PM CPL has signed a consultancy services agreement with the Company. The agreement has commenced on 1 September 2018 and the monthly consultancy fee is S\$27,500.

On 15 October 2018, the Company and Mr. Chan Heng Fai have signed a loan agreement and a S\$14 million loan facility was provided by Mr Chan. As at 31 December 2018, S\$11.43 million has been drawn down and S\$0.64 million interest has been accrued. The loan facility is unsecured, bears an interest of 6% interest per annum starting from 1 January 2018 (interest-free prior to FY2018).

Mr Chan Heng Fai had provided a personal guarantee for the short-term loan of A\$0.63 million from an Australian financial institution for the Mandurah development in Perth.

Mr Chan Heng Fai had provided a personal guarantee for the bonds issuing from SeD Home Ltd to investors up to US\$5 million.

Save as disclosed above, the Group did not have other interested person transaction that exceeding the S\$100,000 threshold.

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

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

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

- 16. Segmented revenue and results for operating segments (of the Group) in the form presented in the issuer’s most recently audited annual financial statements with comparative information for the immediate preceding year.**

	Property Development		Investment Business		Information Technology Business		Biomedical Business		Total Operating Segments	
	FY2018	FY2017	FY2018	FY2017	FY2018	FY2017	FY2018	FY2017	FY2018	FY2017
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Segment Revenue	23,298	10,006	44	736	200	155	3,380	4,111	26,922	15,008
Segment Results										
Segment Gross Profit	4,006	829	44	736	94	43	316	1,049	4,459	2,657
Net profit (loss) before tax	3,298	(27)	(5,226)	2,652	(650)	(824)	(3,115)	(2,261)	(5,693)	(460)
					Non-Operating Segment - Corporate				(2,351)	(6,739)
					Loss before tax from continue operations				(8,044)	(7,199)

- 17. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

During the financial year, the Property Development business segment generated 86.5% of the Group’s revenue, from sales in USA. The Biomedical business has generated 12.6% of the Group’s revenue from the distribution of biomedical product in FY2018.

The increase in net profit from Property Development business segment is mainly due to the increase in sales of property from Ballenger project.

The increase in net loss from Investment business is mainly due to the fair value loss on financial assets.

The decrease in net loss from Information Technology business segment is mainly due to the decrease in overheads for HotApp business resulting from the restructuring.

The increase in net loss from Biomedical business is mainly due to the decrease in revenue and gross profit margin for the distribution of biomedical product platform.

Please refer to paragraph 8 for more details.

- 18. A breakdown of sales**

	FY2018	FY2017	Changes
	S\$'000	S\$'000	%
Sales reported:			
1st Half Year	10,298	6,214	65.72
2nd Half Year	16,624	8,794	89.04
	26,922	15,008	79.38
Operating (Loss) / Profit after tax:			
1st Half Year	(5,688)	(6,718)	(15.33)
2nd Half Year	(2,356)	328	(818.29)
	(8,044)	(6,390)	25.88

19. **A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

Not Applicable

20. **Disclosure of person occupying a managerial position in the issuer of any of its principal subsidiaries who is a relative of a director or CEO 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 and / or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year.
Chan Yoke Keow Mabel	70	Wife of Mr Chan Heng Fai, the Executive Director and Chief Executive Officer of the Company	Appointed on 1 November 2016 as Executive Assistant to CEO – an executive who assists the CEO on daily operations	N.A.

BY ORDER OF THE BOARD

Chan Heng Fai
Executive Director & CEO
28 February 2019

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor Hong Leong Finance Limited (the "Sponsor") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by SGX-ST. The Sponsor and the SGX-ST assume 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 Mr Tang Yeng Yuen, VP, Head of Corporate Finance, Hong Leong Finance Limited, at 16 Raffles Quay, #02-05 Hong Leong Building, Singapore 048581, telephone: +65 6415-9886.