UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)
☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2019

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from _____ to _____

Commission File Number: 000-55038

SED INTELLIGENT HOME INC.
(Exact name of registrant as specified in its charter)

Nevada	27-1467606
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
4800 Montgomery Lane, Suite 210 Bethesda, MD 20814	301-971-3940
(Address of Principal Executive Offices)	Registrant's telephone number, including area code

Securities registered pursuant to Section 12(b) of the Act: None
Securities registered pursuant to section 12(g) of the Act: Common Stock, $0.001 par value

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer ☐	Smaller reporting company ☒
	Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant’s most recently completed second fiscal quarter. The Company’s common stock did not trade during the year ended December 31, 2019.

Indicate the number of shares outstanding of each of the registrant’s classes of common stock, as of the latest practicable date. As of March 30, 2020, there were 704,043,324 shares outstanding of the registrant’s common stock, $0.001 par value.

DOCUMENTS INCORPORATED BY REFERENCE

None.

Throughout this Report on Form 10-K, the terms the "Company," "we," "us" and "our" refer to SeD Intelligent Home Inc., and "our board of directors" refers to the board of directors of SeD Intelligent Home Inc.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This Annual Report on Form 10-K contains forward-looking statements regarding, among other things, our future operating results and financial position, our business strategy, and other objectives for our future operations. The words "anticipate," "believe," "intend," "expect," "may," "estimate," "predict," "project," "potential" and similar expression are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our business, financial condition and results of operations. There are a number of important risks and uncertainties that could cause our actual results to differ materially from those indicated by forward-looking statements. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations disclosed in the forward-looking statements we make. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures or investments that we may make.

You should read this Report on Form 10-K and the documents that we have filed as exhibits to this Report on Form 10-K completely and with the understanding that our actual future results may be materially different from what we expect. The forward-looking statements contained in this Report on Form 10-K are made as of the date of this Report on Form 10-K, and we do not assume any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.

SeD Intelligent Home Inc.
Form 10-K
For the Year Ended December 31, 2019
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PART I

Item 1. Business.

General

SeD Intelligent Home Inc., formerly known as Homeownusa, was incorporated in the State of Nevada on December 10, 2009. Our address is 4800 Montgomery Lane, Suite 210, Bethesda, MD, 20814. Our telephone number is 301-971-3940.

On December 31, 2013, the Company's sole director and officer and nine other shareholders sold their interest in the Company to CloudBiz International Pte, Ltd ("CloudBiz"), a Singapore corporation. The total number of shares purchased was 15,730 which represented a 69% interest in the Company's issued and outstanding common stock (the "Transaction"). Along with the Transaction, the sole director and officer resigned and Mr. Conn Flanigan was appointed as the Company's Chief Executive Officer and sole director. On July 7, 2014 CloudBiz invested $37,000 in the Company. For such investment, CloudBiz received an additional 74 million shares of the Company's common stock. In October 2014, the Company issued 20,534 shares to 30 new investors for total proceeds of $2,053. On December 22, 2016 Cloudbiz International Pte. Ltd transferred 74,015,730 common shares to Singapore eDevelopment. Singapore eDevelopment subsequently contributed its ownership in the Company to its subsidiary SeD Home International, Inc. (which also owned SeD Home & REITs Inc. until December 29, 2017, at which time SeD Home International, Inc. contributed its shares of SeD Home & REITs Inc. to the Company). The majority of the Company's common stock continues to be owned by SeD Home International, Inc. On January 10, 2017, our board of directors appointed Fai H. Chan as Director. On March 10, 2017, Mr. Rongguo (Ronald) Wei, CPA, was appointed as Chief Financial Officer of the Company.

On March 10, 2017, our board of directors approved and ratified a change in the Company's fiscal year end from January 31 to December 31, effective immediately as of the date of the board approval. On September 5, 2017, the Company changed its name to SeD Intelligent Home Inc., and increased its number of authorized shares to 1,000,000,000 (the par value per share remained $.001).

On December 29, 2017, the Company, SeD Acquisition Corp., a Delaware corporation and wholly-owned subsidiary of the Company (the "Merger Sub"), SeD Home & REITs Inc. (Formerly known as SeD Home, Inc., and referred to herein as "SeD Home & REITs"), a Delaware corporation, and SeD Home International, Inc., a Delaware corporation entered into an Acquisition Agreement and Plan of Merger (the "Agreement") pursuant to which the Merger Sub was merged with and into SeD Home & REITs, with SeD Home & REITs surviving as a wholly-owned subsidiary of the Company. The closing of this transaction (the "Closing") also took place on December 29, 2017 (the "Closing Date"). Effective as of the Closing, the Company ceased to be a "shell company" as that term is defined in Rule 405 of the Securities Act and Rule 12b-2 of the Exchange Act. The Company's business operations became those operations that SeD Home & REITs is currently conducting, and may conduct in the future.

In connection with the acquisition of SeD Home & REITs, the Company appointed new officers and directors. Fai H. Chan and Moe T. Chan serve as co-Chief Executive Officers; Rongguo (Ronald) Wei and Alan W. L. Lui serve as Co-Chief Financial Officers, and our Board of Directors includes Fai H. Chan, Moe T. Chan, Conn Flanigan and Charles MacKenzie.

With the completion of the Company's acquisition of SeD Home & REITs, we entered into the business of land development. While the Company will own real estate, the Company does not intend to be a REIT for federal tax purposes.

SeD Home & REITs was incorporated in Delaware on February 24, 2015, and was named SeD Home USA, Inc. before changing its name in May of 2015 to SeD Home, Inc. On February 6, 2020, this name was changed to SeD Home & REITs Inc. Prior to the Closing, SeD Home & REITs was entirely owned and controlled by Singapore eDevelopment and certain of its subsidiaries since its incorporation. Since SeD Home and REITs' incorporation, the management and funding of SeD Home and REITs has been directed by Singapore eDevelopment's management, including Singapore eDevelopment's Chief Executive Officer and controlling shareholder, Fai H. Chan. The officers and directors of SeD Home & REITs are the same six individuals who are the officers and directors of the Company (listed above). SeD Home & REITs' Black Oak project is a 162-acre land sub-division development located north of Houston, Texas. SeD Home & REITs' Ballenger Run project is a 197-acre sub-division development near Washington D.C. in Frederick County, Maryland. SeD Home & REITs conducts its operations through twelve wholly and partially owned subsidiaries. SeD Home & REITs' affiliates provide project and asset management via separate agreements with consultants.

The land development business involves converting undeveloped land into buildable lots. When possible, in future projects we will attempt to mitigate risk by attempting to enter into contracts with strategic home building partners for the sale of lots to be developed. In such circumstances, it is our intention that (i) we will conduct a feasibility study on a particular land development; (ii) both SeD Home & REITs and the strategic home building partners will work together in connection with acquisition of the appropriate land; (iii) strategic home building partners will typically agree to enter into agreements to purchase up to 100% of the buildable lots to be developed; (iv) SeD Home & REITs and the strategic home building partners will enter into appropriate agreements; and (v) SeD Home & REITs will proceed to acquire the land for development and will be responsible for the infrastructure development, ensuring the completion of the project and delivery of buildable lots to the strategic home building partner.

We also intend, to the fullest extent practicable, to source land where local government agencies (including county, district and other municipalities) and public authorities, such as improvement districts, will reimburse the majority of infrastructure costs incurred by the land developer for developing the land to build taxable properties. The developers and public authorities enter into agreements whereby the developers are reimbursed for their costs of infrastructure.

The Company will also consider the potential to purchase foreclosure property development projects from banks, if attractive opportunities should arise.

The Company, utilizing the extensive business network of its management and majority shareholder, may from time to time attempt to forge joint ventures with other parties. Through its subsidiaries, SeD Home & REITs may manage such joint ventures.

In addition to the completion of our current projects, we intend to seek additional land development projects in diverse regions across the United States. Such projects may be within both the for-sale and for-rent markets, and we may expand from residential properties to other property types, including but not limited to commercial and retail properties. We will consider projects in diverse regions across the United States, however, SeD Home & REITs and its management and consultants have longstanding relationships with local owners, brokers, managers, lenders, tenants, attorneys and accountants to help it source deals throughout Maryland and Texas. SeD Home & REITs will continue to focus on off-market deals and raise appropriate financing.

SeD Home & REITs, via a subsidiary, is presently exploring opportunities to expand its current portfolio by developing communities solely designed for renters. SeD Home & REITs is exploring the potential to pursue this new endeavor in part to improve cash flow and smooth out the inconsistencies of income in residential land development. SeD Home & REITs will continue to attempt to mitigate risk and maximize returns.

Entering into the business of building homes with the intention of owning and renting those homes would provide an opportunity for SeD Home & REITs to create value by (i) acquiring properties for horizontal and vertical development; (ii) providing fee generation via property management and leasing; and (iii) capturing rent escalations over long term periods. SeD Home & REITs and its affiliates would provide property management for customers seeking to offload home maintenance and lawn care.

Through our subsidiaries, we will explore the potential to pursue other business opportunities related to real estate. The Company is evaluating the potential to enter into activities related to real estate and home technologies, although we note that these potential opportunities remain at the exploratory stage, and we may not pursue these opportunities at the discretion of our management. The Company is particularly exploring opportunities related to smart home and eco-friendly home technologies.

We also intend to enlarge the scope of property-related services. Additional planned activities, which we intend to be carried out through SeD Home & REITs, include financing, home management, realtor services, insurance and home title validation. We may particularly provide these services in connection with homes we build. These activities are also in the planning stages.

The Company has expended minimal resources on the projects currently being explored as potential additions to our core land development business, consisting primarily of management time, payments for market studies and expenditures for the development of proposed floor plans for potential residential developments. The Company has not yet determined the estimated time frame for when it might commence operations in any such new business opportunities.

As of December 31, 2019, we had total assets of $30,785,232 and total liabilities of $4,065,484. Total assets as of December 31, 2018 were $46,196,162 (as restated) and total liabilities were $13,733,045.

Employees

At the present time, the Company has four full time employees. Much of our work is done by contractors retained for projects, and at the present time we have no part time employees.

Compliance with Government Regulation

The development of our real estate projects will require the Company to comply with federal, state and local environmental regulations. In connection with this compliance, our real estate acquisition and development projects will require environmental studies. To date, the Company has spent approximately $42,356 on environmental studies and compliance. Such costs are reflected in construction progress costs in our financial statements.

The cost of complying with governmental regulations is significant and will increase if we add additional real estate projects and become involved in homebuilding in the future and are required to comply with certain due diligence procedures related to third party lenders.

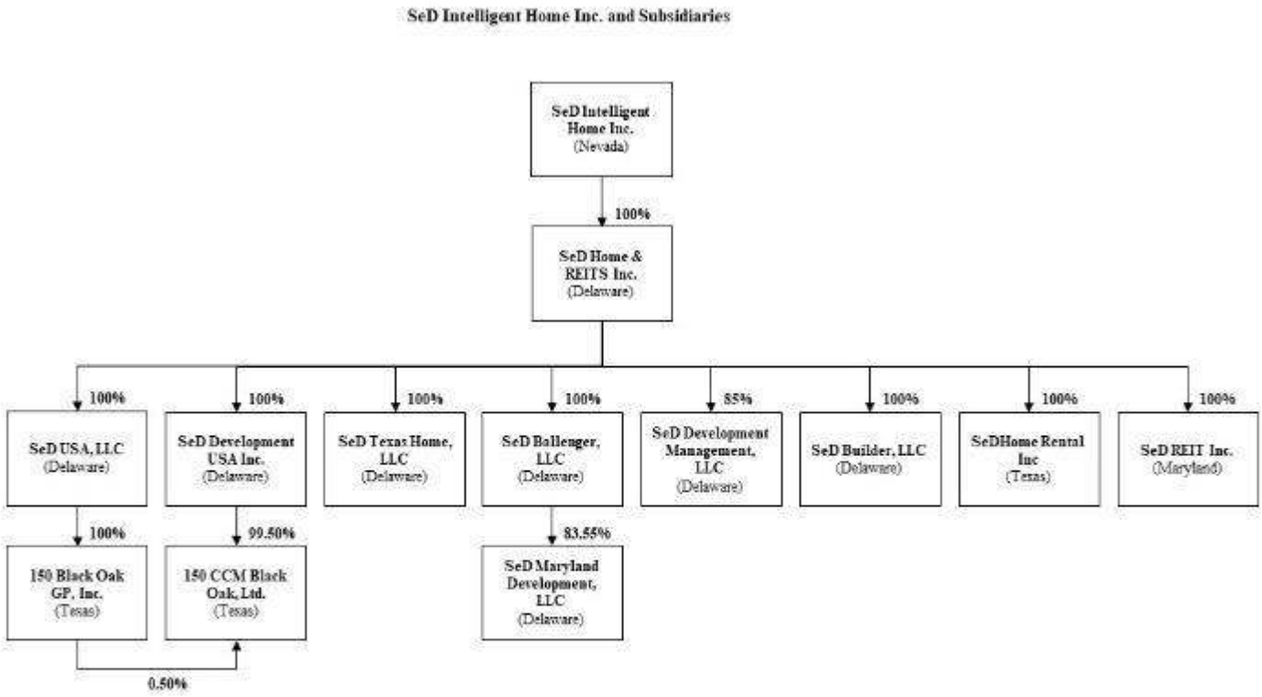
At the present time, we believe that we have all of the material government approvals that we need to conduct our business as currently conducted. We are subject to periodic local permitting that must be addressed, but we do not anticipate that such requirements for government approval will have a material impact on our business as presently conducted. We are required to comply with government regulations and to make filings from time to time with various government entities. Such work is typically handled by outside contractors we retain.

Intellectual Property

At the present time, the Company does not own any trademarks, but we anticipate filing trademark applications as we expand into new areas of business.

Corporate Organization

The following chart describes the Company’s ownership of various subsidiaries:



Black Oak

Our Black Oak project is a 162-acre land infrastructure development and sub-division project situated in Magnolia, Texas north of Houston. 150 Black Oak, Ltd. was a partnership formed by our former partner prior to our investment in this project. Black Oak had contracts to purchase seven contiguous parcels of land. Our initial equity investment was US$4.3 million for ownership of 60% of the partnership. Upon this initial investment in February 2014, we changed the name of the partnership to 150 CCM Black Oak, Ltd ("Black Oak") and subsequently increased our ownership to 69%. On July 23, 2018, SeD Development USA, LLC, a wholly owned subsidiary of the Company, entered into two Partnership Interest Purchase Agreements through which it purchased an aggregate of 31% of Black Oak. Prior to the Partnership Interest Purchase Agreements, the Company owned and controlled Black Oak through its 68.5% limited partnership interest and its ownership of the General Partner, 150 Black Oak GP, Inc, a 0.5% owner in Black Oak. As a result of the purchase, the Company, through its subsidiaries, now owns 100% of Black Oak. 150 Black Oak GP, Inc., is wholly owned by SeD USA, LLC, which in turn is wholly owned by SeD Home & REITs. The limited partnership interests are owned by SeD Development USA, Inc., which is wholly owned by SeD Home & REITs. 150 Black Oak GP, Inc. was previously jointly owned with a partner, but is now entirely owned by SeD USA, LLC.

Black Oak was obligated, under the Limited Partnership Agreement (as amended) signed between previous limited partners of Black Oak, to pay a $6,500 per month management fee to Arete Real Estate and Development Company (Arete), and $2,000 per month to American Real Estate Investments LLC (AREI). Arete was also entitled to be paid a developer fee of 3% of all development costs excluding certain costs. The fees were to accrue until $1,000,000 in revenue and/or builder deposits relating to the Black Oak Project has received. On December 31, 2017, the Company had $314,630 owed to Arete and $48,000 to AREI in accounts payable and accrued expenses. On April 26, 2018, SeD Development USA, Arete and AREI reached an agreement to terminate the terms related to management fees and developer fees in the Limited Partnership Agreement. In July 2018, per the terms of the termination agreement, Black Oak LP paid Arete $300,000 and AREI $30,000 to fulfill the commitments. Following the termination of these agreements and the payments, no further management fees or developer fees have accrued or been paid.

In October 2015, the project obtained a $6.0 million construction loan from Revere High Yield Fund, LP. This loan was paid off in October of 2017. Currently the Black Oak project does not have any financing from third parties.

The site plan at Black Oak allows for approximately 550-600 residential lots of varying sizes. We anticipate that our involvement in land development aspects of this project will take approximately three to five additional years to complete. Since February of 2015, we have completed several important tasks related to the project, including clearing certain portions of the property, paving certain roads within the project and complying with the local improvement district to ensure reimbursement of these costs.

The estimated construction costs (not including the cost of land and financing costs) and completion date for each phase are as follows:

Black Oak	**Estimated Construction Costs**	**Expected Completion Date**
Phase 1	$ 7,080,000	Completed
Phase 2	330,671	November 2020
Phase 3	422,331	March 2021
Phase 4	142,788	March 2022
Phase 5	3,293,000	January 2021
Total	$ 11,268,790	

On July 3, 2018, 150 CCM Black Oak Ltd. entered into a Purchase and Sale Agreement with Houston LD, LLC for the sale of 124 lots within the Black Oak project (the "Black Oak Purchase Agreement"). Pursuant to the Black Oak Purchase Agreement, it was agreed that 124 lots would be sold for a range of prices based on the lot type. In addition, Houston LD, LLC agreed to contribute a "community enhancement fee" for each lot, collectively totaling $310,000 which is held in escrow. 150 CCM Black Oak, Ltd. will apply these funds exclusively towards an amenity package on the property. The closing of the transactions contemplated by the Black Oak Purchase Agreement was subject to Houston LD, LLC completing due diligence to its satisfaction.

On October 12, 2018, 150 CCM Black Oak, Ltd. entered into an Amended and Restated Purchase and Sale Agreement (the "Amended and Restated Black Oak Purchase Agreement") for these 124 lots. Pursuant to the Amended and Restated Black Oak Purchase Agreement, the purchase price remained at $6,175,000. 150 CCM Black Oak, Ltd. was required to meet certain closing conditions and the timing for the closing was extended.

On January 18, 2019, the sale of 124 lots at Black Oak was completed for $6,175,000 and the community enhancement fee equal to $310,000 was delivered to the escrow account. An impairment of real estate of approximately $2.4 million related to this sale was recorded on December 31, 2018. The revenue was recognized in January, 2019, when the sale was closed, and no gain or loss was recognized in January, 2019.

On July 20, 2018, Black Oak LP received $4,592,079 of district reimbursement for previous construction costs incurred in the land development. Of this amount, $1,650,000 will remain on deposit in the District's Capital Projects Fund for the benefit of Black Oak LP and will be released upon receipt of the evidence of the: (a) execution of a purchase agreement between Black Oak LP and a home builder with respect to the Black Oak development and (b) of the completion, finishing and making ready for home construction of at least 105 unfinished lots in the Black Oak development. After entering the purchase agreement with Houston LD, LLC, the above requirements were met. The amount of the deposit will be released to the Company by presenting the invoices paid for land development. After releasing funds to the Company, the amount on deposit was $90,394 and $1,203,256 on December 31, 2019 and December 31, 2018, respectively.

On September 30, 2019, the Company recorded approximately $4.7 million of impairment on the Black Oak project based on discounted estimated future cash flows.

On December 31, 2019, the Company recorded approximately $1.2 million of additional impairment on the Black Oak project based on discounted estimated future cash flows.

At the present time, the Company is also considering expanding its current policy of selling buildable lots to include a strategy of building housing for sale or rent, particularly at our Black Oak property.

Ballenger Run

In November 2015, we completed the $15.65 million acquisition of Ballenger Run, a 197-acre land sub-division development located in Frederick County, Maryland. Previously, on May 28, 2014, the RBG Family, LLC entered into the Assignable Real Estate Sales Contract with NVR, Inc. ("NVR") by which RBG Family, LLC would sell the 197 acres for $15,000,000 to NVR. On December 10, 2014, NVR assigned this contract to SeD Maryland Development, LLC in the Assignment and Assumption Agreement and entered into a series of Lot Purchase Agreements by which NVR would purchase subdivided lots from SeD Maryland Development, LLC.

SeD Maryland Development's acquisition of the 197 acres was funded in part from a $5.6 million deposit from NVR Inc. ("NVR"). The balance of $10.05 million was derived from a total equity contribution of $15.2 million by SeD Ballenger LLC ("SeD Ballenger") and CNQC Maryland Development LLC (a unit of Qingjian International Group Co, Ltd, China, "CNQC"). The project is owned by SeD Maryland Development, LLC ("SeD Maryland"). SeD Maryland is 83.55% owned by SeD Ballenger and 16.45% by CNQC.

SeD Maryland entered into a Project Development and Management Agreement for Ballenger Run with MacKenzie Development Company, LLC and Cavalier Development Group, LLC on February 25, 2015. MacKenzie Development Company, LLC assigned its rights and obligations to this agreement to Adams Aumiller Properties, LLC on September 9, 2017. Pursuant to this Project Development and Management Agreement, Adams Aumiller, LLC and Cavalier Development Group, LLC coordinate and manage the construction, financing, and development of Ballenger Run. SeD Maryland compensates Adams Aumiller LLC and Cavalier Development Group, LLC with a monthly aggregate fee of $14,667 until all single family and townhome lots are sold. The monthly aggregate fee will then adjust to $11,000 which will continue for approximately eight months to allow all close out items to be finished including the release of guarantees and securities as required by government authorities. The Project Development and Management Agreement for Ballenger Run also requires SeD Maryland to pay a fee of $1,200 and $500 for each single-family and townhome, respectively, sold to a third party. SeD Maryland also paid a fee of $50,000 after the sale of the parcel underlying the multi-family lots in August 2018.

This property was initially zoned for 443 entitled Residential Lots, 210 entitled Multifamily Units and 200 entitled continuing care retirement community units approved for twenty (20) years from the date of a Developers Rights & Responsibilities Agreement dated October 8, 2014, as amended on September 6, 2016. In July 2019 we received required government approval to revise the zoning of this property to include 479 entitled residential lots and 210 entitled multi-family units, with no entitled continuing care retirement community units. We anticipate that the completion of our involvement in this project will take approximately three years from the date of this Annual Report.

Revenue from Ballenger Run is anticipated to come from three main sources:

- The sale of 479 entitled and constructed residential lots to NVR;
- The sale of the lot for the 210 entitled multi-family units; and
- The sale of 479 front foot benefit assessments.

Revenues may be adversely impacted, if we fail to attain certain goals, meet certain conditions or if market prices for this development unexpectedly begin to drop.

The estimated construction costs (not include land cost and financing costs) and completion date for each phase are as follows:

Ballenger Run	**Estimated Construction Costs**	**Expected Completion Date**
Phase 1	$ 13,786,000	Completed
Phase 2	10,210,000	Completed
Phase 3	10,170,000	December 2020
Phase 4	3,460,000	July 2021
Phase 5	1,690,000	December 2021
Total	$ 39,316,000	

Financing from Union Bank (f/k/a The Bank of Hampton Roads, Shore Bank and Xenith Bank) closed simultaneous with the settlement on the land on November 23, 2015, pursuant to a subsequent amendment to the terms of this loan, the loan provides (i) for a maximum of $11 million outstanding; (ii) that the maturity of this loan will be December 31, 2019; and (iii) includes an $800,000 letter of credit facility, with an annual rate of 1.5% on all issued letters of credit.

This loan is to fund the development of the first 276 lots, the multi-family parcel and senior living parcel, the amenities associated with these phases, and certain road improvements. The Union Bank Revolving Loan was repaid in January 2019.

On April 17, 2019, SeD Maryland Development LLC entered into a Development Loan Agreement with Manufacturers and Traders Trust Company ("M&T Bank") which is comprised of: (1) a Note in the principal amount not to exceed at any one time outstanding the sum of $8,000,000, with a cumulative loan advance amount of $18,500,000, and (2) a letter of credit facility in an aggregate amount of up to $900,000 (the "L/C Facility"). The Note bears an interest rate of the one month LIBOR plus 375 basis points. Commissions on each letter of credit ("L/C") will be 1.5% per annum on the face amount of the L/C. Other standard lender fees will apply in the event L/C is drawn down. The Note is a revolving line of credit. The L/C Facility is not a revolving loan, and amounts advanced and repaid may not be re-borrowed. Repayment of the Development Loan Agreement is secured by $2,600,000 collateral fund and a Deed of Trust issued to M&T Bank on the property owned by SeD Maryland. As of December 31, 2019, the outstanding balance of the revolving loan was $0.

On April 17, 2019, SeD Maryland Development LLC and Union Bank terminated the Revolving Credit Note. After termination, Union Bank still held $602,150 as collateral for these outstanding Letters of Credit (L/C). The L/C collateral was released in June 2019, when all L/Cs were transferred to the M&T Bank L/C Facility.

Expenses from Ballenger Run include, but are not limited to costs associated with land prices, closing costs, hard development costs, cost in lieu of construction, soft development costs and interest costs. We presently estimate these costs to be between $55 and $56 million. We may also encounter expenses which we have not anticipated, or which are higher than presently anticipated.

This project will have five phases. The first two phases have been completed and we are currently in the third and fourth phase for completion of this project.

The following chart describes the various phases of this project (the chart does not reflect our current attempt to revise the zoning at this project to reflect the addition of 36 villa lots to replace the 200 continuing care retirement community units originally planned):



Phase 1 construction of all infrastructure was completed in 2017. The initial model lot sales with NVR began in May 2017 and all lot sales of varying types as outlined in the chart set forth above are continuing through the first quarter of 2018. In the fourth quarter of 2017 all improvement plans and cost estimates were approved for Phases 2A, 2B, 2C and 2D. Phase 2B is the next phase of lot takedowns for NVR. Phase 2B plat recordation and final construction began in March of 2018. Lot sales to NVR also began in March of 2018. Phases 2A and 2C plat recordation and construction began in June of 2018. Phase 2D construction began in September 2018.

Sale of Residential Lots

The 479 Residential Lots were contracted for sale under a Lot Purchase Agreement to NVR, a company based in the US and listed on the New York Stock Exchange. NVR is a home builder which is engaged in the construction and sale of single-family detached homes, townhouses and condominium buildings. It also operates a mortgage banking and title services business. Under the Lot Purchase Agreements, NVR provided SeD Home & REITs with an upfront deposit of $5.6 million and has agreed to purchase the lots at a range of prices. The lot types and quantities to be sold to NVR under the Lot Purchase Agreements include the following:

Lot Type	Quantity
Single Family Detached Large	85
Single Family Detached Small	89
Single Family Detached Neo Traditional	33
Single Family Attached 28’ Villa	121
Single Family Attached 20’ End Unit	46
Single Family Attached 16’ Internal Unit	105
Total	479

There are five different types of Lot Purchase Agreements (“LPAs”), which are essentially the same except for the price and unit details for each type of lot. Under the LPAs, NVR shall purchase 30 available lots per quarter. The LPAs provide several conditions related to preparation of the lots which must be met so that a lot can be made available for sale to NVR. SeD Maryland is to provide customary lot preparation including but not limited to survey, grading, utilities installation, paving, and other infrastructure and engineering. In the event NVR does not purchase the lots under the LPAs, SeD Maryland would be entitled to keep the NVR deposit and terminate the LPAs. Should SeD Maryland breach the LPAs, it would have to return the remainder of the NVR deposit that has not already been credited to NVR for any sales of lots under the LPAs and NVR would be able to seek specific performance of the LPAs as well as any other rights available at law or in equity.

The sale of 13 model lots to NVR began in May of 2017. 123 lots were sold in the year ended December 31, 2019, compared to 102 lots sold in the year ended December 31, 2018. NVR has started marketing houses and has commenced sales.

Sale of Lots for the Multi-family Units

In June 2016, SeD Maryland entered into a lot purchase agreement with Orchard Development Corporation relating to the sale of 210 multifamily units in the Ballenger Run Project for a total purchase price of $5,250,000, which closed on August 7, 2018.

Sale of the Front Foot Benefit Assessments

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. Front foot benefit assessments are subject to amendment by regulatory agencies, legislative bodies, and court rulings, and any changes to front foot benefit assessments could cause us to reassess these projections.

Wetland Impact Permit

The Ballenger Run project required a joint wetland impact permit, which requires the review of several state and federal agencies, including the U.S. Army Corps of Engineers and Maryland Department of the Environment. The permit is primarily required for Phase 3 of construction but it also affects a pedestrian trail at the Ballenger Run project and the multi-family sewer connection. The U.S. Army Corps of Engineers allowed us to proceed with construction on Phase 1 but required archeological testing. In November 2018, the archeological testing was completed with no further recommendations on Phase 1 of the project. Required architectural studies on the final phase of development will likely result in the loss of only one lot, however, we cannot be certain of future reviews and their impact on the project. The U.S. Army Corps of Engineers and Maryland Department of the Environment permits were issued in June 2019. A modification to the permit for a temporary stream crossing was also issued in October 2019 allowing for the commencement of construction on Phase 3.

K-6 Grade School Site

In connection with getting the necessary approvals for the Ballenger Project, we agreed to transfer thirty acres of land that abuts the development for the construction of a local K-6 grade school. We will not be involved in the construction of such school.

Home Incubation Project

Recognizing that large land sub-division projects have a longer time horizon, we previously introduced a home incubation initiative to market completed U.S. single-family homes, with existing tenants, to investors in Asia (the "Home Incubation Project").

Under the Home Incubation Project, we purchased 27 homes, mostly located in Texas. We sold 24 of the homes by the end of 2016, an additional two in 2017 and the last one in December of 2019.

Competition

There are a number of companies engaged in the development of land. Should we expand our operations into the business of constructing homes ourselves, we will face increased competition, including competition from large, established and well-financed companies, some of which may have considerable ties and experience in the geographical areas in which we seek to operate. Similarly, as we consider other opportunities, we may wish to pursue in addition to our current land development business, we anticipate that we will face experienced competitors.

We will compete in part on the basis of the skill, experience and innovative nature of our management team, and their track record of success in diverse industries.

Item 1A. Risk Factors.

An investment in our common stock involves a high degree of risk. You should carefully consider the risks described below and the other information in this report before making a decision to invest in our common stock. If any of the following risks and uncertainties develop into actual events, our business, results of operations and financial condition could be adversely affected. In those cases, the trading price of our common stock could decline and you may lose all or part of your investment.

Risks Related to Our Company

Management has identified a material weakness in the design and effectiveness of our internal controls, which, if not remediated, could affect the accuracy and timeliness of our financial reporting and result in misstatements in our financial statements.

In connection with the preparation of our Report on Form 10-K, an evaluation was carried out by management, with the participation of our Co-Chief Executive Officers and Co-Chief Financial Officers, of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act") as of December 31, 2019. Disclosure controls and procedures are designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified, and that such information is accumulated and communicated to management, including the Co-Chief Executive Officers and Co-Chief Financial Officers, to allow timely decisions regarding required disclosure.

During evaluation of disclosure controls and procedures as of December 31, 2019, conducted as part of our annual audit and preparation of our annual financial statements, management conducted an evaluation of the effectiveness of the design and operations of our disclosure controls and procedures and concluded that our disclosure controls and procedures were not effective. Management determined that at December 31, 2019, we had a material weakness that relates to the relatively small number of staff who have bookkeeping and accounting. This limited number of staff prevents us from segregating duties within our internal control system.

This material weakness, which remained unremediated by the company as of December 31, 2019, could result in a misstatement to the accounts and disclosures that would result in a material misstatement to our annual or interim consolidated financial statements that would not be prevented or detected. If we do not remediate the material weakness or if other material weaknesses are identified in the future, we may be unable to report our financial results accurately or to report them on a timely basis, which could result in the loss of investor confidence and have a material adverse effect on our stock price as well as our ability to access capital and lending markets.

We will need additional capital to expand our current operations or to enter into new fields of operations.

Both the expansion of our current land development operations into new geographic areas and the proposed expansion of the Company into new businesses in the real estate industry will require additional capital. We will need to seek additional financing either through borrowing, private offerings of our securities or through strategic partnerships and other arrangements with corporate partners. We cannot be assured that additional financing will be available to us, or if available, will be available to us on terms favorable to us. If adequate additional financing is not available on acceptable terms, we may not be able to implement our business development plan or expand our operations.

We must retain key personnel for the success of our business.

Our success is highly dependent on the skills and knowledge of our management team, including their knowledge of our projects and network of relationships. If we are unable to retain the members of such team, or adequate substitutes, this could have a material adverse effect on our business and financial condition.

If we fail to effectively manage our growth our future business results could be harmed and our managerial and operational resources may be strained.

As we proceed with the expansion of our operations, we expect to experience significant and rapid growth in the scope and complexity of our business. We will need to hire additional personnel in order to successfully advance our operations. This growth is likely to place a strain on our management and operational resources. The failure to develop and implement effective systems, or to hire and retain sufficient personnel for the performance of all of the functions necessary to effectively service and manage our potential business, or the failure to manage growth effectively, could have a materially adverse effect on our business and financial condition.

There are risks related to conflicts of interest with our partners in the Ballenger Run Project.

The Company owns the Ballenger Run Project with another LLC member. This entity is controlled, however, by the Company not only through the Company's majority voting interest in such project, but also through the control of the entity responsible for such project's day-to-day operations. The project will be dependent upon SeD Development Management LLC, a subsidiary of SeD Home & REITs, for the services required for its operations. The Company's control of both the voting control of this project as well as the control of the entity responsible for the day to day interests of the project could create conflicts of interest between our Company and our partner in the project. SeD Maryland, the owner of the project, has no employees, and this project will be dependent upon SeD Development Management LLC and its affiliates for the services required for its operations.

The terms of the Management Agreement between SeD Maryland and SeD Development Management LLC were not negotiated at arm's-length, although it was adopted by CNQC, the other member. Pursuant to the Management Agreement, the owners of SeD Maryland, SeD Ballenger and CNQC, have delegated the day-to-day operations of developing Ballenger Run to SeD Development Management, LLC.

Despite this delegation, potential conflict between CNQC and SeD Development Management, LLC regarding the management of day-to-day operations of Ballenger Run could undermine our ability to effectively implement our vision for these projects, and could result in costly and time-consuming litigation.

Members of our management may face competing demands relating to their time, and this may cause our operating results to suffer.

Fai H. Chan, one of our Co-Chief Executive Officers, is both an officer and director of Singapore eDevelopment, the entity which owns SeD Home International, Inc., our majority shareholder. Mr. Chan is involved in a number of other projects other than our Company's real estate business and will continue to be so involved. Moe T. Chan is a consultant to Singapore eDevelopment and will also be involved in projects other than our Company's real estate business. Both of our Co-Chief Executive Officers have their primarily residences and business offices in Asia, and accordingly, there will be limits on how often they are able to visit the locations of our real estate projects. Similarly, our Co-Chief Financial Officers are both also engaged in non-real estate activities of Singapore eDevelopment, and only one of our Co-Chief Financial Officers resides and works in the United States (at an office located in Bethesda, MD).

Since some members of our board of directors are not residents of the United States, shareholders may not be able to enforce a U.S. judgment for claims brought against such directors.

Several members of our senior management team, including our Co-Chief Executive Officers, have their primary residences and business offices in Asia, and some portion of the assets of these directors are located outside the United States. As a result, it may be more difficult for shareholders to enforce a lawsuit within the United States against these non-U.S. residents than if they were residents of the United States. Also, it may be more difficult for shareholders to enforce any judgment obtained in the United States against the assets of our non-U.S. resident management located outside the United States than if these assets were located within the United States. A foreign court may not enforce liabilities predicated on U.S. federal securities laws in original actions commenced in certain foreign jurisdictions, or judgments of U.S. courts obtained in actions based upon the civil liability provisions of U.S. federal securities laws.

Concentration of ownership of our common stock by our majority shareholder will limit other investors from influencing significant corporate decisions.

Our majority shareholder will be able to make decisions such as (i) making amendments to our certificate of incorporation and by-laws, (ii) whether to issue additional shares of common stock and preferred stock, (iii) employment decisions, including compensation arrangements, (iv) whether to enter into material transactions with related parties, (v) election and removal of directors and (vi) any merger or other significant corporate transactions. The interests of our majority shareholder may not coincide with the interests of other shareholders.

Our relationship with our majority shareholder and its parent and affiliates may be on terms which are perceived by investors as more or less favorable than those that could be obtained from third parties.

Our majority shareholder, SeD Home International, Inc., presently owns 99.99% of our issued and outstanding common stock. While we anticipate that such percentage will be diluted over time, our majority shareholder, its parent and affiliates will be perceived as having influence over our management and operations, and any loans or other agreements which we may enter into with our majority shareholder and its parent and affiliates may be perceived by investors as being on terms that are less favorable than we could otherwise receive; such perception could adversely impact the price of our common stock. Similarly, such agreements could be perceived as being on terms more favorable than those that could be obtained from third parties, and any unwillingness by our majority shareholder and its parent and affiliates to engage with our common stock could discourage investors.

Risks Relating to the Real Estate Industry

The market for real estate is subject to fluctuations that may impact the value of the land or housing inventory that we hold, which may impact the price of our common stock.

Investors should be aware that the value of any real estate we own may fluctuate from time to time in connection with broader market conditions and regulatory issues which we cannot predict or control, including interest rates, the availability of credit, the tax benefits of homeownership and wage growth, unemployment and demographic trends in the regions in which we conduct business. Should the price of real estate decline in the areas in which we have purchased land, the price at which we will be able to sell lots to home builders, or if we build houses, the price at which can sell such houses to buyers, will decline.

The coronavirus or other adverse public health developments could have a material and adverse effect on our business operations, financial condition and results of operations.

In December 2019, a novel strain of coronavirus was first identified in Wuhan, Hubei Province, China, and has since spread to a number of other countries, including the United States. The coronavirus, or other adverse public health developments, could have a material and adverse effect on our business operations. The coronavirus' far-reaching impact on the global economy could negatively affect various aspects of our business, including demand for real estate. In addition, the coronavirus could directly impact the ability of our staff and contractors to continue to work, and our ability to conduct our operations in a prompt and efficient manner. The coronavirus may adversely impact the timeliness of local government in granting required approvals. Accordingly, the coronavirus may cause the completion of important stages in our projects to be delayed. The extent to which the coronavirus may impact our business will depend on future developments, which are highly uncertain and cannot be predicted.

The regulation of mortgages could adversely impact home buyers' willingness to buy new homes which we may be involved in building and selling.

If we become active in the construction and sale of homes to customers, the ability of home buyers to get mortgages could have an impact on our sales, as we anticipate that the majority of home buyers will be financed through mortgage financing.

An increase in interest rates will cause a decrease in the willingness of buyers to purchase land for building homes and completed homes.

An increase in interest rates will likely impact sales, reducing both the number of homes and lots we can sell and the price at which we can sell them.

Our business, results of operations and financial condition could be adversely impacted by significant inflation or deflation.

Significant inflation could have an adverse impact on us by increasing the costs of land, materials and labor. We may not be able to offset cost increases caused by inflation. In addition, our costs of capital, as well as those of our future business partners, may increase in the event of inflation, which may cause us to need to cancel projects. Significant deflation could cause the value of our inventories of land or homes to decline, which could sharply impact our profits.

New environmental regulations could create new costs for our land development business, and other business in which we may commence operations.

At the present time, we are subjected to a number of environmental regulations. If we expand into the business of building homes ourselves, we will be subjected to an increasing number of environmental regulations. The number and complexity of local, state and federal regulations may increase over time. Additional environmental regulations can add expenses to our existing business, and to businesses which we may enter into the future, which may reduce our profits.

Zoning and land use regulations impacting the land development and homebuilding industries may limit our activities and increase our expenses, which would adversely affect our profits.

We must comply with zoning and land use regulations impacting the land development and home building industries. We will need to obtain the approval of various government agencies to expand our operations as currently into new areas and to commence the building of homes. Our ability to gain the necessary approvals is not certain, and the expense and timing of approval processes may increase in ways that adversely impact our profits.

The availability and cost of skilled workers in the building trades may impact the timing and profitability of projects that we participate in.

Should there be a lack of skilled workers to be retained by our Company and its partners, the ability to complete land development and potential construction projects may be delayed.

Shortages in required materials could impact the profitability of construction partnerships we may participate in.

Should a shortage of required materials occur, such shortage could cause added expense and delays that will undermine our profits.

Our ability to have a positive relationship with local communities could impact our profits.

Should we develop a poor relationship with the communities in which we will operate, such relationship will impact our profits.

We may face litigation in connection with either our current activities or activities which we may conduct in the future.

As we expand our activities, the likelihood of litigation shall increase. The expenses of such litigation may be substantial. We may be exposed to litigation for environmental, health, safety, breach of contract, defective title, construction defects, home warranty and other matters. Such litigation could include expensive class action matters. We could be responsible for matters assigned to subcontractors, which could be both expensive and difficult to predict.

As we expand operations, we will incur greater insurance costs and likelihood of uninsured losses.

If we expand our operations into home building, we may experience material losses for personal injuries and damage to property in excess of insurance limits. In addition, our premiums may raise.

Health and safety incidents that occur in connection with our potential expansion into the home building business could be costly.

If we commence operations in the homebuilding business, we will be exposed to the danger of health and safety risks to our employees and contractors. Health and safety incidents could result in the loss of the services of valued employees and contractors and expose us to significant litigation and fines. Insurance may not cover, or may be insufficient to cover, such losses.

Adverse weather conditions, natural disasters and man-made disasters may delay our projects or cause additional expenses.

The land development operations which we currently conduct and the construction projects which we may become involved in at a later date may be adversely impacted by unexpected weather and natural disasters, including but not limited to storms, hurricanes, tornados, floods, blizzards, fires or earthquakes. Man-made disasters including terrorist attacks, electrical outages and cyber-security incidents may also impact the costs and timing of the completion of our projects. Cyber-security incidents, including those that result in the loss of financial or other personal data, could expose us to litigation and reputational damage. If insurance is unavailable to us on acceptable terms, or if our insurance is not adequate to cover business interruptions and losses from the conditions described above and similar incidents, or results of operations will be adversely affected. In addition, damage to new homes caused by these conditions may cause our insurance costs to increase.

We have a concentration of revenue and credit risk with one customer.

We have been highly dependent on sales of residential lots to NVR. Pursuant to agreements between NVR and SeD Maryland Development, LLC, NVR will be the sole purchaser of 479 residential lots at our Ballenger project (subject to an increase in zoning approvals for the number of residential lots from 443 to 479). During 2018 and 2019, we received $12.0 million and $15.9 million in revenue from lot sales to NVR, respectively. Therefore, at the present time, a significant portion of our business depends largely on NVR's continued relationship with us. A decision by NVR to discontinue or limit its relationship with us could have a material adverse impact on the Company.

Risks Associated with Real Estate Related Debt and Other Investments

Any real estate debt security that we originate or purchase is subject to the risks of delinquency and foreclosure.

We may originate and purchase real estate debt securities, which are subject to numerous risks including delinquency and foreclosure. We will not have recourse to the personal assets of our tenants. The ability of a lessee to pay rent depends primarily upon the successful operation of the property, rather than upon the existence of independent income or assets of the tenant.

Any hedging strategies we utilize may not be successful in mitigating our risks.

We may enter into hedging transactions to manage, for example, the risk of interest rate or price changes. To the extent that we may occasionally use derivative financial instruments, we will be exposed to credit, basis and legal enforceability risks. Derivative financial instruments may include interest rate swap contracts, interest rate cap or floor contracts, futures or forward contracts, options or repurchase agreements. In this context, credit risk is the failure of the counterparty to perform under the terms of the derivative contract. If the fair value of a derivative contract is positive, the counterparty owes us, which creates credit risk for us. Basis risk occurs when the index upon which the contract is based is more or less variable than the index upon which the hedged asset or liability is based, thereby making the hedge less effective. Finally, legal enforceability risks encompass general contractual risks, including the risk that the counterparty will breach the terms of, or fail to perform its obligations under, the derivative contract. We may not be able to manage these risks effectively.

Risks Related to Our Potential Expansion into New Fields of Operations

If we pursue the development of new technologies, we will be required to respond to rapidly changing technology and customer demands.

In the event that the Company enters the business of developing “Smart Home” and similar technologies (an area which we are presently exploring), the future success of such operation will depend on our ability to adapt to technological advances, anticipate customer demands and develop new products. We may experience technical or other difficulties that could delay or prevent the development, introduction or marketing of products. Also, we may not be able to adapt new or enhanced services to emerging industry standards, and our new products may not be favorably received.

Risks Related to Our Common Stock

The shares of our common stock are currently not being traded and there can be no assurance that there will be an active market in the future.

Our shares of common stock are not publicly traded, and if trading commences, the price may not reflect our value. There can be no assurance that there will be an active market for our shares of common stock in the future. As a result, investors may not be able to liquidate their investment or liquidate it at a price that reflects the value of the business.

It is possible that we will not establish an active market unless our stock is listed for trading on an exchange, and we cannot assure shareholders that we will ever satisfy exchange listing requirements.

It is possible that a significant trading market for our shares will not develop unless the shares are listed for trading on a national exchange. Exchange listing would require us to satisfy a number of tests as to corporate governance, public float, shareholders, equity, assets, market makers and other matters, some of which we do not currently meet. We cannot assure shareholders that we will ever satisfy listing requirements for a national exchange or that there ever will be significant liquidity in our shares.

If we issue additional shares of our common stock, shareholders will experience dilution of their ownership interest.

We may issue shares of our authorized but unissued equity securities in the future. Such shares may be issued in connection with raising capital, acquiring assets or firing or retaining employees or consultants. If we issue such shares, shareholders’ ownership will be diluted.

We do not intend to pay dividends in the foreseeable future, and investors should not purchase our stock expecting to receive dividends.

We have not paid any dividends on our common stock in the past, and we do not anticipate that we will pay dividends in the foreseeable future. Accordingly, some investors may decline to invest in our common stock, and this may reduce the liquidity of our stock.

The limitations on liability for officers, directors and employees under the laws of the State of Nevada and the existence of indemnification rights for our officers, directors and employees could result in substantial expenditures by the Company and could discourage lawsuits against our officers, directors and employees.

Our Articles of Incorporation contain a specific provision that eliminates the liability of our officers and directors for monetary damages to our company and shareholders. Further, we intend to provide indemnification to our officers and directors to the fullest extent permitted by the laws of the State of Nevada. We may also enter into employment and other agreements in the future pursuant to which we will have indemnification obligations. The foregoing indemnification obligations could result in the Company incurring substantial expenditures to cover the cost of settlement or damage awards against officers and directors. These obligations may discourage the filing of derivative litigation by our shareholders against our officers and directors even where such litigation may be perceived as beneficial by our shareholders.

Item 1B. Unresolved Staff Comments.

Not Applicable.

Item 2. Properties.

Black Oak

The Black Oak property is located in Montgomery County in Magnolia, Texas. This property is located east of FM 2978 via Standard Road to Dry Creek Road and South of the Woodlands, one of the most successful, fastest growing master planned communities in Texas. This residential land development consists of approximately 450 lots on 162 acres. Black Oak LP is the primary developer responsible for all infrastructure development. This property is included in Harris County Improvement District #17.

Ballenger Run

Ballenger Run is a residential land development project located in Frederick County in Frederick, Maryland. This property is located approximately 40 miles from Washington, DC, 50 miles from Baltimore and is located less than four miles from I-70 and I-270. Ballenger Run is situated on approximately 197 acres of land and entitled for 689 residential units consisting of 479 residential Lots and 210 multi-family units. SeD Maryland Development, LLC is the primary developer responsible for all infrastructure development.

Development of Properties

At the present time, the Company is considering expanding its current policy of selling buildable lots to include a strategy of building housing for sale or rent, particularly at our Black Oak property.

Office Space

At the present time, the Company is renting offices in Houston, Texas and Bethesda, Maryland through SeD Home & REITs. At the present time, our office space is sufficient for our operations as presently conducted, however, as we expand into new projects and into new areas of operations, we anticipate that we will require additional office space.

Item 3. Legal Proceedings.

The Company is not a party to any pending legal proceedings, and no such proceedings are known to be contemplated.

There are no material proceedings to which any director, officer or affiliate of the Company, or any owner of record or beneficially of more than five percent of any class of voting securities of the Company, or any associate of any such director, officer, affiliate of the Company, or security holder is a party adverse to the Company or any of its subsidiaries or has a material interest adverse to the Company or any of its subsidiaries.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Company's Common Equity, Related Stockholder Matters and Small Business Issuer Purchases of Equity Securities

Market Information

There is presently no established public trading market for our shares of common stock. We plan to reapply for quoting of our common stock on the OTC Bulletin Board. However, we can provide no assurance that our shares of common stock will be quoted on the Bulletin Board or, if traded, that a public market will materialize. In connection with the change of the Company's name from Homeownusa to SeD Intelligent Home Inc., the Company's symbol changed from HMUS to SEDH on December 13, 2017.

Holders

As of March 30, 2020, the Company had 53 shareholders.

Dividends

Since inception we have not paid any dividends on our common stock. We currently do not anticipate paying any cash dividends in the foreseeable future on our common stock. Although we intend to retain our earnings, if any, to finance the exploration and growth of our business, our board of directors will have the discretion to declare and pay dividends in the future. Payment of dividends in the future will depend upon our earnings, capital requirements, and other factors, which our board of directors may deem relevant.

Securities authorized for issuance under equity compensation plans.

The Company does not have securities authorized for issuance under any equity compensation plans

Performance graph

Not applicable to smaller reporting companies.

Recent sales of unregistered securities; use of proceeds from registered securities

On December 29, 2017, we issued 630,000,000 shares of our Common Stock to SeD Home International, Inc., the sole shareholder of SeD Home & REITs, in exchange for all 500,000,000 of the issued and outstanding shares of SeD Home & REITs. Such securities were not registered under the Securities Act of 1933 and were issued pursuant to the exemption under Section 4(2) of the Securities Act.

Purchases of Equity Securities by the issuer and affiliated purchasers

The Company did not repurchase any shares of the Company's common stock during 2019.

Item 6. Selected Financial Data.

Not applicable to smaller reporting companies.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

This Form 10-K contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. For this purpose, any statements contained in this Form 10-K that are not statements of historical fact may be deemed to be forward-looking statements. Without limiting the foregoing, words such as "may", "will", "expect", "believe", "anticipate", "estimate" or "continue" or comparable terminology are intended to identify forward-looking statements. These statements by their nature involve substantial risks and uncertainties, and actual results may differ materially depending on a variety of factors, many of which are not within our control. These factors include by are not limited to economic conditions generally and in the industries in which we may participate; competition within our chosen industry, including competition from much larger competitors; technological advances and failure to successfully develop business relationships.

Results of Operations

Results of Operations for the Year Ended December 31, 2019 Compared to the Year Ended December 31, 2018

	Year Ended	
	December 31, 2019	December 31, 2018
		(As Restated)
Revenue	$ 22,855,445	$ 17,675,034
Cost of Sales	$ 20,364,293	$ 15,641,324
General and Administrative	$ 861,645	$ 748,480
Impairment of Real Estate	$ 5,920,599	$ 2,404,547
Net Loss	$ (4,674,119)	$ (1,082,197)

Revenue

Revenue was $22,855,445 for the period ended December 31, 2019 as compared to $17,675,034 for the period ended December 31, 2018. This increase in revenue is primarily attributable to the Company having an increase in property sales from the Ballenger project and first sale of a section of Black Oak Project. Pursuant to a lot purchase agreement dated July 3, 2018, 150 CCM Black Oak Ltd sold 124 lots located in the Company's Black Oak to Houston LD, LLC for a total purchase price of $6,175,000. As for our Ballenger Project, builders are required to purchase a minimum number of lots based on their applicable sale agreements. We collect revenue only from the sale of lots to builders. We are not involved in the construction of homes at the present time.

Income from the sale of Front Foot Benefits, assessed on Ballenger Run project lots, increased from $413,613 in the year ended December 31, 2018 to $548,457 in year ended December 31, 2019. The increase is a result of the increased sale of properties in 2019.

Operating Expenses

Cost of sales increased from $15,641,324 in the period ended December 31, 2018 to $20,364,293 in the period ended December 31, 2019. The Company had a gross margin of 10.9% in 2019 compared to 11.5% in 2018, because the sale of Black Oak section one has zero gross margin, which lowers the Company's gross margin.

The general and administrative expenses increased from $748,480 for the period ended December 31, 2018 to $861,645 for the period ended December 31, 2019 due to an increase in professional fees.

We recorded approximately $5.9 million impairment of real estate for Black Oak project in 2019 based on discounted estimated future cash flows. In 2018 we recorded approximately $2.4 million impairment of real estate, after we determined that our Black Oak 124 lots sale to Houston LD, LLC had a loss of approximately $2.4 million.

Net Loss

After a net loss of $1,082,197 for the period ended December 31, 2018, we had a net loss of $4,674,119 for the period ended on December 31, 2019, a mixed result from our increased property sales from our Ballenger project and impairment of Black Oak sale to Houston LD LLC.

Liquidity and Capital Resources

Our real estate assets have decreased to $24,858,569 as of December 31, 2019 from $41,359,998 (as restated) as of December 31, 2018. This decrease primarily reflects a higher increase in the cost of sales than in the capitalized costs related to the construction in progress. The $5.9 million impairment of real estate booked for the Black Oak also contributed to the decrease. Our liabilities declined from $13,733,045 at December 31, 2018 to $4,065,484 at December 31, 2019. Our total assets have decreased to $30,785,232 as of December 31, 2019 from $46,196,162 (as restated) as of December 31, 2018.

As of December 31, 2019, we had cash in the amount of $1,083,329, compared to $715,754 as of December 31, 2018. Our Ballenger Run revolver loan balance from M&T Bank was $0 at December 31, 2019, compared to Union Bank revolver loan balance of $13,899 at December 31, 2018. The loan from Union Bank was repaid in January of 2019.

Currently the Black Oak project does not have any financing from third parties. On July 20, 2018, Black Oak was reimbursed $4,592,079 from the Harris County Improvement District 17 (“HC17”) for previous expenses incurred by Black Oak in the development and installation of infrastructure within the Black Oak project. The future development timeline of Black Oak is based on multiple limiting conditions, including the amount of funds which may be raised from capital markets, the loans from third party financial institutions, and government reimbursements which may be received. The development will be step by step and expenses will be contingent on the amount of funding we will receive.

Summary of Cash Flows

A summary of cash flows from operating, investing and financing activities for the years ended December 31, 2019 and 2018 are as follows:

	2019	2018
Net Cash Provided by Operating Activities	$ 7,586,441	$ 12,209,666
Net Cash Used in Investing Activities	$ -	$ (3,000)
Net Cash Used in financing activities	$ (6,828,733)	$ (10,576,405)
Net Increase in Cash	$ 757,708	$ 1,630,261
Cash and restricted cash at beginning of the year	$ 4,645,164	$ 3,014,903
Cash and restricted cash at end of the year	$ 5,402,872	$ 4,645,164

Cash Flows from Operating Activities

Cash flows from operating activities include costs related to assets which we plan to sell, such as land purchased for development and resale, and costs related to construction, which are capitalized in the book. In 2019, cash provided by operating activities was $7,586,441 compared with 2018, in which the cash provided was $12,209,666. With the completion of Phase One of our Black Oak project, development speed was adjusted. The Company’s development funding conditions and development costs decreased as well.

Cash Flows from Investing Activities

Cash flows used in investing activities in 2018 include purchases of office fixture and computer equipment.

Cash Flows from Financing Activities

In 2018 SeD Maryland Development paid down the Union Bank loan by $8.3 million and Black Oak also paid back approximately $2.2 million of related party borrowings. In 2019 the Company paid back approximately $5.7 million of related party borrowings. Additionally, SeD Maryland Development distributed approximately $1.1 million in cash to the minority shareholder.

Seasonality

The real estate business is subject to seasonal shifts in costs as certain work in more likely to be performed at certain times of year. This may impact the expenses of SeD Home & REITs from time to time. In addition, should we commence building homes, we are likely to experience periodic spikes in sales as we commence the sales process at a particular location.

Off-Balance Sheet Arrangements

As of December 31, 2019, we did not have any off-balance sheet arrangements, as defined under applicable SEC rules.

Critical Accounting Policies and Estimates

We have established various accounting policies under US GAAP. Some of these policies involve judgments, assumptions and estimates by management. We base these estimates on historical experience, available current market information and on various other assumptions that management believes are reasonable under the circumstances. Additionally, we evaluate the results of these estimates on an ongoing basis. We are subject to uncertainties such as the impact of future events, economic, environmental and political factors and changes in our business environment. Accordingly, actual results could differ from these estimates. The accounting policies that we deem most critical are as follows:

Revenue Recognition and Cost of Sales

Accounting Standards Codification ("ASC") 606, Revenue from Contracts with Customers ("ASC 606"), establishes principles for reporting information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts to provide goods or services to customers. The Company adopted this new standard on January 1, 2018 under the modified retrospective method. The adoption did not have a material effect on our financial statements.

In accordance with ASC 606, revenue is recognized when a customer obtains control of promised goods or services. The amount of revenue recognized reflects the consideration to which we expect to be entitled to receive in exchange for these goods or services. The provisions of ASC 606 include a five-step process by which we determine revenue recognition, depicting the transfer of goods or services to customers in amounts reflecting the payment to which we expect to be entitled in exchange for those goods or services. ASC 606 requires us to apply the following steps: (1) identify the contract with the customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations in the contract; and (5) recognize revenue when, or as, we satisfy the performance obligation. A detailed breakdown of the five-step process for the revenue recognition of our Ballenger project, which was approximately all the revenue of the Company in 2019 and 2018, is as follows:

- Identify the contract with a customer.

The Company has signed agreements with the builders for developing the raw land to ready to build lots. The contract has agreed upon prices, timelines, and specifications for what is to be provided.

- Identify the performance obligations in the contract.

Performance obligations of the company include delivering developed lots to the customer, which are required to meet certain specifications that are outlined in the contract. The customer inspects all lots prior to accepting title to ensure all specifications are met.

- Determine the transaction price.

The transaction price is specified in the contract. Any subsequent change orders or price changes are required to be approved by both parties.

- Allocate the transaction price to performance obligations in the contract.

Each lot is considered to be a separate performance obligation, for which the specified price in the contract is allocated to.

- Recognize revenue when (or as) the entity satisfies a performance obligation.

The builders do the inspections to make sure all conditions/requirements are met before taking title of lots. The Company recognizes revenue when title is transferred. The Company does not have further performance obligations once title is transferred.

Contract Assets and Contract Liabilities

Based on our contracts, we invoice customers once our performance obligations have been satisfied, at which point payment is unconditional. Accordingly, our contracts do not give rise to contract assets or liabilities under ASC 606. Accounts receivable are recorded when the right to consideration becomes unconditional. We disclose receivables from contracts with customers separately in the statement of financial position.

Cost of Sales

Land acquisition costs are allocated to each lot based on the size of the lot comparing to the total size of all lots in the project. Development costs and capitalized interest are allocated to lots sold based on the total expected development and interest costs of the completed project and allocating a percentage of those costs based on the selling price of the sold lot compared to the expected sales values of all lots in the project.

Real Estate Assets

Real estate assets are recorded at cost, except when real estate assets are acquired that meet the definition of a business combination in accordance with Financial Accounting Standards Board (“FASB”) ASC 805, “Business Combinations,” which acquired assets are recorded at fair value. Interest, property taxes, insurance and other incremental costs (including salaries) directly related to a project are capitalized during the construction period of major facilities and land improvements. The capitalization period begins when activities to develop the parcel commence and ends when the asset constructed is completed. The capitalized costs are recorded as part of the asset to which they relate and are reduced when lots are sold.

See the following chart for details of the capitalized construction costs of Ballenger and Black Oak projects as of December 31, 2019 and 2018:

	As of December 31, 2019		
	Ballenger Run	**Black Oak**	**Total**
	($)	**($)**	**($)**
Hard Construction Costs	18,857,552	3,366,525	22,224,077
Engineering	2,890,373	1,804,034	4,694,407
Consultation	330,387	105,267	435,654
Project Management	3,042,600	800,505	3,843,106
Legal	327,011	234,106	561,117
Taxes	1,092,247	556,194	1,648,441
Other Services	488,717	29,398	518,114
Impairment of Real Estate	-	(5,920,599)	(5,920,599)
Construction - Sold Lots	(21,713,668)	(1,364,805)	(23,078,473)
Total	$ 5,315,220	$ (389,375)	$ 4,925,845
Capitalized Finance Costs			$ 6,159,624
Contruction in Progress			$ 11,085,469

	As of December 31, 2018		
	Ballenger Run	**Black Oak**	**Total**
	($)	($)	($)
Hard Construction Costs	14,842,910	1,216,069	16,058,979
Engineering	2,173,718	1,505,118	3,678,836
Consultation	328,663	134,687	463,350
Project Management	2,352,754	800,506	3,153,260
Legal	275,311	205,199	480,510
Taxes	708,386	838,382	1,546,768
Other Services	413,794	55,811	469,605
Impairment of Real Estate	-	(2,404,547)	(2,404,547)
Construction - Sold Lots	(12,242,418)	-	(12,242,418)
Total	$ 8,853,118	$ 2,351,225	$ 11,204,343
Capitalized Finance Costs			$ 10,855,379
Contruction in Progress			$ 22,059,722

The Company capitalized interest from related party borrowings of $79,662 and $409,005 for the years ended December 31, 2019 and 2018, respectively. The Company capitalized interest from the third-party borrowings of $3,822 and $245,844 for the years ended December 31, 2019 and 2018, respectively. As of December 31, 2019 and 2018, total capitalized finance related costs were $6,159,624 and $10,855,379, respectively.

The following tables show the Company's forecasts of the phases of the development and costs for each phase of development:

Ballenger Run	**Estimated Construction Costs**	**Expected Completion Date**
Phase 1	$ 13,786,000	Completed
Phase 2	$ 10,210,000	Completed
Phase 3	$ 10,170,000	December 2020
Phase 4	$ 3,460,000	July 2021
Phase 5	$ 1,690,000	December 2021
Total	$ 39,316,000	

Black Oak	Estimated Construction Costs	Expected Completion Date
Phase 1	$ 7,080,000	$ Completed
Phase 2	$ 330,671	November 2020
Phase 3	$ 422,331	March 2021
Phase 4	$ 142,788	March 2022
Phase 5	$ 3,293,000	January 2021
Total	$ 11,268,790	

A property is classified as “held for sale” when all of the following criteria for a plan of sale have been met:

(1) management, having the authority to approve the action, commits to a plan to sell the property;
(2) the property is available for immediate sale in its present condition, subject only to terms that are usual and customary;
(3) an active program to locate a buyer and other actions required to complete the plan to sell, have been initiated;
(4) the sale of the property is probable and is expected to be completed within one year or the property is under a contract to be sold;
(5) the property is being actively marketed for sale at a price that is reasonable in relation to its current fair value; and
(6) actions necessary to complete the plan of sale indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

When all of these criteria have been met, the property is classified as “held for sale”. “Real estate held for sale” only included El Tesoro project, a project owned by SeD USA, LLC. The last home from El Tesoro project was sold in December, 2019. As of December 31, 2019, the Company had $0 real estate held for sale.

In addition to our annual assessment of potential triggering events in accordance with ASC 360, the Company applies a fair value-based impairment test to the net book value assets on an annual basis and on an interim basis if certain events or circumstances indicate that an impairment loss may have occurred.

On October 12, 2018, 150 CCM Black Oak, Ltd. entered into an Amended and Restated Purchase and Sale Agreement for these 124 lots. Pursuant to the Amended and Restated Purchase and Sale Agreement, the purchase price remained $6,175,000, 150 CCM Black Oak, Ltd. was required to meet certain closing conditions and the timing for the closing was extended. On January 18, 2019, the sale of 124 lots in Magnolia, Texas was completed. After allocating costs of revenue to this sale, we had approximately $2.4 million loss from this sale and recognized approximately $2.4 million as the impairment of real estate in 2018.

On September 30, 2019, the Company recorded approximately $4.7 million of impairment on the Black Oak project based on discounted estimated future cash flows.

On December 31, 2019, the Company recorded approximately $1.2 million of additional impairment on the Black Oak project based on discounted estimated future cash flows.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Not applicable to smaller reporting companies.

Item 8. Financial Statements

SeD Intelligent Home Inc. and Subsidiaries
CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2019 and 2018

Contents	**Page(s)**
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Consolidated Statements of Operations for the Year Ended December 31, 2019 and 2018 (As Restated)	27
Consolidated Statements of Stockholders' Equity at December 31, 2019 and 2018 (As Restated)	28
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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and
Stockholders of SeD Intelligent Home Inc. and Subsidiaries

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of SeD Intelligent Home Inc. and Subsidiaries (the Company) as of December 31, 2019 and 2018, and the related consolidated statements of operations, stockholders' equity, and cash flows for each of the years in the two-year period ended December 31, 2019, and the related notes (collectively referred to as the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2019 and 2018, and the results of its operations and its cash flows for each of the years in the two-year period ended December 31, 2019, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

We have served as the Company's auditor since 2014.

/s/ Rosenberg Rich Baker Berman, P.A.

Somerset, New Jersey

March 30, 2020

SeD Intelligent Home Inc. and Subsidiaries
Consolidated Balance Sheets

	December 31, 2019	December 31, 2018 (As Restated)
Assets:		
Real Estate		
Construction in Progress	$ 11,085,469	$ 22,059,722
Land Held for Development	13,773,100	19,164,028
Real Estate Held For Sale	-	136,248
	24,858,569	41,359,998
Cash	1,083,329	715,754
Restricted Cash	4,319,543	3,929,410
Accounts Receivable	166,294	112,706
Related Party Receivable	211,271	-
Prepaid Expenses	33,219	46,443
Fixed Assets, Net	2,211	8,248
Deposits	23,603	23,603
Operating Lease Right-Of-Use (Asset)	87,193	-
Total Assets	$ 30,785,232	$ 46,196,162
Liabilities and Stockholders' Equity:		
Liabilities:		
Accounts Payable and Accrued Expenses	$ 783,576	$ 1,749,268
Accrued Interest - Related Parties	324,982	2,344,227
Tenant Security Deposits	-	1,225
Builder Deposits	2,445,269	3,878,842
Note Payable	-	13,899
Notes Payable - Related Parties	-	5,745,584
Operating Lease Liability	91,330	-
Income Tax Payable	420,327	-
Total Liabilities	4,065,484	13,733,045
Stockholders' Equity:		
Common Stock, at par $0.001, 1,000,000,000 shares authorized and 704,043,324 issued, and outstanding at December 31, 2019 and 2018, respectively	704,043	704,043
Additional Paid In Capital	32,542,720	32,542,720
Accumulated Deficit	(8,802,076)	(3,670,974)
Total Stockholders' Equity	24,444,687	29,575,789
Non-controlling Interests	2,275,061	2,887,328
Total Stockholders' Equity	26,719,748	32,463,117
Total Liabilities and Stockholders' Equity	$ 30,785,232	$ 46,196,162

See accompanying notes to consolidated financial statements.

SeD Intelligent Home Inc. and Subsidiaries
Consolidated Statements of Operations
For the Years Ended December 31, 2019 and 2018

	2019	2018
Revenue		(As Restated)
Rental	$ 8,730	$ 8,730
Property	22,846,715	17,666,304
	22,855,445	17,675,034
Operating Expenses		
Cost of Sales	20,364,293	15,641,324
General and Administrative	861,645	748,480
Impairment of Real Estate	5,920,599	2,404,547
	27,146,537	18,794,351
Loss From Operations	(4,291,092)	(1,119,317)
Other Income		
Interest Income	41,062	31,437
Other Income	7,299	5,683
	48,361	37,120
Net Loss Before Income Taxes	(4,242,731)	(1,082,197)
Income Tax Expense	431,388	-
Net Loss	(4,674,119)	(1,082,197)
Net Income Attributable to Non-controlling Interests	456,983	495,940
Net Loss Attributable to Common Stockholders	$ (5,131,102)	$ (1,578,137)
Net Loss Per Share - Basic and Diluted	$ (0.01)	$ (0.00)
Weighted Average Common Shares Oustanding - Basic and Diluted	704,043,324	704,043,324

See accompanying notes to consolidated financial statements.

SeD Intelligent Home Inc. and Subsidiaries
Statements of Stockholders' Equity
For Two Year Period ended on December 31, 2019

	Common Stock					
	Shares	**Par Value $0.001**	**Additional Paid in Capital**	**Accumulated Deficit**	**Minority Interest**	**Total Stockholders Equity**
January 1, 2018	704,043,324	$ 704,043	$32,739,017	$(2,092,837)	$2,255,091	$33,605,314
Acquisition of Minority Interest			(196,297)		136,297	(60,000)
Net (Loss) Income (As Restated)	-			(1,578,137)	495,940	(1,082,197)
December 31, 2018 (As Restated)	704,043,324	$ 704,043	$32,542,720	$(3,670,974)	$2,887,328	$32,463,117
Distribution to Minority Interest					(1,069,250)	(1,069,250)
Net (Loss) Income				(5,131,102)	456,983	(4,674,119)
December 31, 2019	704,043,324	$ 704,043	$32,542,720	(8,802,076)	$2,275,061	$26,719,748

See accompanying notes to consolidated financial statements.

SeD Intelligent Home Inc. and Subsidiaries
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2019 and 2018

	2019	2018 (As Restated)
Cash Flows From Operating Activities		
Net Loss	$ (4,674,119)	$ (1,082,197)
Adjustments to reconcile net loss to net cash from operating activities:		
Depreciation	6,037	16,814
Impairment of Real Estate	5,920,599	2,404,547
Changes in Operating Assets and Liabilities		
Real Estate	10,580,830	10,918,824
Right-Of-Use Operating	73,872	-
Accounts Receivable	(53,588)	400,337
Related Party Receivable	(211,271)	-
Prepaid Expenses	5,453	3,460
Accounts Payable and Accrued Expenses	(944,046)	618,152
Accrued Interest - Related Parties	(2,019,245)	409,005
Operating Lease Liability	(83,610)	-
Tenant Security Deposits	(1,225)	(1,400)
Builder Deposits	(1,433,573)	(1,477,876)
Income Tax Payable	420,327	-
Net Cash Provided By Operating Activities	7,586,441	12,209,666
Cash Flows Used in Investing Activities		
Purchase of Fixed Assets	-	(3,000)
Net Cash Used In Investing Activities	-	(3,000)
Cash Flows Used in Financing Activities		
Acquisition of Minority Interest	-	(60,000)
Repayments to Note Payable	(13,899)	(8,258,398)
Repayment to Notes Payable - Related Parties	(5,745,584)	(2,258,007)
Cash Dividend Distribution to Minority Shareholder	(1,069,250)	-
Net Cash Used In Financing Activities	(6,828,733)	(10,576,405)
Net Increase in Cash and Restricted Cash	757,708	1,630,261
Cash and Restricted Cash - Beginning of Year	4,645,164	3,014,903
Cash and Restricted Cash - End of Year	$ 5,402,872	$ 4,645,164
Supplementary Cash Flow Information		
Cash Paid For Interest	$ 3,822	$ 287,738
Supplemental Disclosure of Non-Cash Investing and Financing Activities		
Amortization of Debt Discount Capitalized	$ 381,823	$ 140,277

See accompanying notes to consolidated financial statements.

SeD Intelligent Home Inc. and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2019

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

SeD Intelligent Home Inc. (the "Company"), formerly known as Homeownusa, was incorporated in the State of Nevada on December 10, 2009. On December 29, 2017, the Company, acquired SeD Home & REITs Inc. ("SeD Home & REITs") by reverse merger. SeD Home & REITs, a Delaware corporation, was formed on February 24, 2015 and named SeD Home USA, Inc. before changing its name to SeD Home, Inc. in May of 2015. On February 6, 2020, this name was changed to SeD Home & REITs Inc. SeD Home & REITs is principally engaged in developing, selling, managing, and leasing residential properties in the United States in current stage and may expand from residential properties to other property types, including but not limited to commercial and retail properties. The Company is 99.99% owned by SeD Home International, Inc., which is wholly – owned by Singapore eDevelopment Limited ("SeD Ltd"), a multinational public company, listed on the Singapore Exchange Securities Trading Limited ("SGXST").

Principles of Consolidation

The consolidated financial statements include all accounts of the entities as of the reporting period ending dates and for the reporting periods as follows:

Name of consolidated subsidiary	State or other jurisdiction of incorporation or organization	Date of incorporation or formation	Attributable interest as of December 31, 2019	Attributable interest as of December 31, 2018
SeD Home & REITs Inc.	Delaware	February 24, 2015	100%	100%
SeD USA, LLC	Delaware	August 20, 2014	100%	100%
150 Black Oak GP, Inc.	Texas	January 23, 2014	100%	100%
SeD Development USA, Inc.	Delaware	March 13, 2014	100%	100%
150 CCM Black Oak Ltd.	Texas	January 23, 2014	100%	100%
SeD Ballenger, LLC	Delaware	July 7, 2015	100%	100%
SeD Maryland Development, LLC	Delaware	October 16, 2014	83.55%	83.55%
SeD Development Management, LLC	Delaware	June 18, 2015	85%	85%
SeD Builder, LLC	Delaware	October 21, 2015	100%	100%
SeD Texas Home, LLC	Delaware	June 16, 2015	100%	100%
SeDHome Rental Inc.	Texas	December 19, 2018	100%	100%
SeD REIT Inc.	Maryland	August 20, 2019	100%	n/a

All intercompany balances and transactions have been eliminated. Non–controlling interest represents the minority equity investment in the Company's subsidiaries, plus the minority investors' share of the net operating results and other components of equity relating to the non–controlling interest.

As of December 31, 2019 and 2018, the aggregate noncontrolling interest was $2,275,061 and $2,887,328, respectively, which are separately disclosed on the Consolidated Balance Sheet.

On December 29, 2017, the Company, SeD Acquisition Corp., a Delaware corporation and wholly owned subsidiary of the Company (the "Merger Sub"), SeD Home & REITs Inc., a Delaware corporation, and SeD Home International, Inc., a Delaware corporation entered into an Acquisition Agreement and Plan of Merger (the "Agreement") pursuant to which the Merger Sub was merged with and into SeD Home & REITs, with SeD Home & REITs surviving as a wholly owned subsidiary of the Company. The closing of this transaction (the "Closing") also took place on December 29, 2017 (the "Closing Date"). Prior to the Closing, SeD Home International, Inc. was the owner of 100% of the issued and outstanding common stock of SeD Home & REITs and was also the owner of 99.96% of the Company's issued and outstanding common stock. The Company acquired all of the outstanding common stock of SeD Home & REITs from SeD Home International, Inc. in exchange for issuing to SeD Home International, Inc. 630,000,000 shares of the Company's common stock. Accordingly, SeD Home International, Inc. remains the Company's largest shareholder, and the Company is now the sole shareholder of SeD Home & REITs. The Agreement and the transactions contemplated thereby were approved by the Board of Directors of each of the Company, the Merger Sub, SeD Home International, Inc., and SeD Home & REITs.

The Agreement is considered a business combination of companies under common control and therefore, the consolidated financial statements include the financial statements of both companies.

Basis of Presentation

The Company's consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP").

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts in the consolidated financial statements. Actual results could differ from those estimates.

Earnings (Loss) per Share

Basic earnings (loss) per share is computed by dividing the net loss attributable to the common stockholders by weighted average number of shares of common stock outstanding during the period. Fully diluted earnings (loss) per share is computed similar to basic income (loss) per share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential common shares had been issued and if the additional common shares were dilutive. There were no dilutive financial instruments issued or outstanding for the periods ended December 31, 2019 or 2018.

Fair Value of Financial Instruments

For purpose of this disclosure, the fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation. The carrying amount of the Company's short-term financial instruments approximates fair value due to the relatively short period to maturity for these instruments.

Cash and Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less at the date of acquisition to be cash equivalents. There were no cash equivalents as of December 31, 2019 and 2018.

Restricted Cash

As a condition to the loan agreement with the Union Bank (formerly known as Xenith Bank, f/k/a The Bank of Hampton Roads), the Company was required to maintain a minimum of $2,600,000 in an interest-bearing account maintained by the lender as additional security for the loan. The funds remained as collateral for the loan until the loans were paid off in full in April 2019 and the collateral cash was released. As of December 31, 2019 and 2018, the Union Bank collateral cash amount was $0 and $2,726,154, respectively.

On April 17, 2019, SeD Maryland Development LLC entered into a Development Loan Agreement with Manufacturers and Traders Trust Company ("M&T Bank") which is comprised of: (1) a Note in the principal amount not to exceed at any one time outstanding the sum of $8,000,000, with a cumulative loan advance amount of $18,500,000, and (2) a letter of credit facility in an aggregate amount of up to $900,000 (the "L/C Facility"). The Note bears an interest rate of the one month LIBOR plus 375 basis points. Commissions on each letter of credit ("L/C") will be 1.5% per annum on the face amount of the L/C. Other standard lender fees will apply in the event L/C is drawn down. The Note is a revolving line of credit. The L/C Facility is not a revolving loan, and amounts advanced and repaid may not be re-borrowed. Repayment of the Development Loan Agreement is secured by $2,600,000 collateral fund and a Deed of Trust issued to M&T Bank on the property owned by SeD Maryland. As of December 31, 2019, the outstanding balance of the revolving loan was $0.

On July 20, 2018, Black Oak LP received $4,592,079 of district reimbursement for previous construction costs incurred in land development. Of this amount, $1,650,000 will remain on deposit in the District's Capital Projects Fund for the benefit of Black Oak LP and will be released upon receipt of the evidence of: (a) the execution of a purchase agreement between Black Oak LP and a home builder with respect to the Black Oak development; and (b) the completion, finishing and readying for home construction of at least 105 unfinished lots in the Black Oak development. After entering the purchase agreement with Houston LD, LLC, the above requirements were met. The amount of the deposit will be released to the Company by presenting the invoices paid for land development. After releasing funds to the Company, the amount on deposit was $90,394 and $1,203,256 on December 31, 2019 and December 31, 2018, respectively.

Accounts Receivable

Accounts receivable include all receivables from buyers, contractors and all other parties. The Company records an allowance for doubtful accounts based on a review of the outstanding receivables, historical collection information and economic conditions. No allowance was necessary at December 31, 2019 and 2018.

Property and Equipment and Depreciation

Property and equipment are recorded at cost. Expenditures for major additions and betterments are capitalized. Maintenance and repairs are charged to operations as incurred. Depreciation is computed by the straight-line method (after taking into account their respective estimated residual values) over the estimated useful lives, which are 3 years.

Real Estate Assets

Real estate assets are recorded at cost, except when real estate assets are acquired that meet the definition of a business combination in accordance with Financial Accounting Standards Board ("FASB") ASC 805, "Business Combinations," which acquired assets are recorded at fair value. Interest, property taxes, insurance and other incremental costs (including salaries) directly related to a project are capitalized during the construction period of major facilities and land improvements. The capitalization period begins when activities to develop the parcel commence and ends when the asset constructed is completed. The capitalized costs are recorded as part of the asset to which they relate and are reduced when lots are sold.

The Company capitalized interest from related party borrowings of $79,662 and $409,005 for the years ended December 31, 2019 and 2018, respectively. The Company capitalized interest from the third-party borrowings of $3,822 and $245,844 for the years ended December 31, 2019 and 2018, respectively.

A property is classified as "held for sale" when all of the following criteria for a plan of sale have been met:

(1) management, having the authority to approve the action, commits to a plan to sell the property;

(2) the property is available for immediate sale in its present condition, subject only to terms that are usual and customary;

(3) an active program to locate a buyer and other actions required to complete the plan to sell, have been initiated;

(4) the sale of the property is probable and is expected to be completed within one year or the property is under a contract to be sold;

(5) the property is being actively marketed for sale at a price that is reasonable in relation to its current fair value; and

(6) actions necessary to complete the plan of sale indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

When all of these criteria have been met, the property is classified as “held for sale”. “Real estate held for sale” only includes El Tesoro project, a project owned by SeD USA, LLC. The last home in El Tesoro project was sold in December, 2019.

In addition to our annual assessment of potential triggering events in accordance with ASC 360, the Company applies a fair value-based impairment test to the net book value assets on an annual basis and on an interim basis if certain events or circumstances indicate that an impairment loss may have occurred.

On October 12, 2018, 150 CCM Black Oak, Ltd. entered into an Amended and Restated Purchase and Sale Agreement for these 124 lots. Pursuant to the Amended and Restated Purchase and Sale Agreement, the purchase price remained $6,175,000, 150 CCM Black Oak, Ltd. was required to meet certain closing conditions and the timing for the closing was extended. On January 18, 2019, the sale of 124 lots at the Company’s Black Oak project in Magnolia, Texas was completed. After allocating costs of revenue to this sale, we had approximately $2.4 million loss from this sale and recognized approximately $2.4 million as the impairment of real estate in 2018.

On September 30, 2019, the Company recorded approximately $4.7 million of impairment on the Black Oak project based on discounted estimated future cash flows.

On December 31, 2019, the Company recorded approximately $1.2 million of additional impairment on the Black Oak project based on discounted estimated future cash flows.

Revenue Recognition

Accounting Standards Codification ("ASC") 606, Revenue from Contracts with Customers ("ASC 606"), establishes principles for reporting information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts to provide goods or services to customers. The Company adopted this new standard on January 1, 2018 under the modified retrospective method. The adoption of this new standard did not have a material effect on our financial statements.

In accordance with ASC 606, revenue is recognized when a customer obtains control of promised goods or services. The amount of revenue recognized reflects the consideration to which we expect to be entitled to receive in exchange for these goods or services. The provisions of ASC 606 include a five-step process by which we determine revenue recognition, depicting the transfer of goods or services to customers in amounts reflecting the payment to which we expect to be entitled in exchange for those goods or services. ASC 606 requires us to apply the following steps: (1) identify the contract with the customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations in the contract; and (5) recognize revenue when, or as, we satisfy the performance obligation. A detailed breakdown of the five-step process for the revenue recognition of our Ballenger project, which were essentially all of the revenue of the Company in 2019 and 2018, is as follows:

- Identify the contract with a customer.

The Company has signed agreements with the builders for developing the raw land to ready to build lots. The contract has agreed upon prices, timelines, and specifications for what is to be provided.

- Identify the performance obligations in the contract.

Performance obligations of the company include delivering developed lots to the customer, which are required to meet certain specifications that are outlined in the contract. The customer inspects all lots prior to accepting title to ensure all specifications are met.

- Determine the transaction price.

The transaction price is specified in the contract. Any subsequent change orders or price changes are required to be approved by both parties.

- Allocate the transaction price to performance obligations in the contract.

Each lot is considered to be a separate performance obligation, for which the specified price in the contract is allocated to.

- Recognize revenue when (or as) the entity satisfies a performance obligation.

The builders do the inspections to make sure all conditions/requirements are met before taking title of lots. The Company recognizes revenue when title is transferred. The Company does not have further performance obligations once title is transferred.

Contract Assets and Contract Liabilities

Based on our contracts, we invoice customers once our performance obligations have been satisfied, at which point payment is unconditional. Accordingly, our contracts do not give rise to contract assets or liabilities under ASC 606. Accounts receivable are recorded when the right to consideration becomes unconditional. We disclose receivables from contracts with customers separately in the statement of financial position.

Cost of Sales

Land acquisition costs are allocated to each lot based on the area method, the size of the lot comparing to the total size of all lots in the project. Development costs and capitalized interest are allocated to lots sold based on the total expected development and interest costs of the completed project and allocating a percentage of those costs based on the selling price of the sold lot compared to the expected sales values of all lots in the project.

If allocation of development costs based on the projection and relative expected sales value is impracticable, those costs could also be allocated based on area method, the size of the lot comparing to the total size of all lots in the project.

Income Taxes

Deferred income tax assets and liabilities are determined based on the estimated future tax effects of net operating loss and credit carry-forwards and temporary differences between the tax basis of assets and liabilities and their respective financial reporting amounts measured at the current enacted tax rates. The differences relate primarily to net operating loss carryforward from date of acquisition and to the use of the cash basis of accounting for income tax purposes. The Company records an estimated valuation allowance on its deferred income tax assets if it is more likely than not that these deferred income tax assets will not be realized.

The Company recognizes a tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. The tax benefits recognized in the consolidated financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The Company has not recorded any unrecognized tax benefits.

The Company’s tax returns for 2018, 2017, 2016 and 2015 remain open to examination.

Recent Accounting Pronouncements

In December 2019, the FASB issued ASU 2019-12, Income Taxes (Topic 740), Simplifying the Accounting for Income Taxes. ASU 2109-12 eliminates certain exceptions to the guidance in Topic 740 related to the approach for intra-period tax allocation, the methodology for calculating income taxes in an interim period and the recognition of deferred tax liabilities for outside basis differences. The new guidance also simplifies aspects of the accounting for franchise taxes, enacted change in tax laws or rates and clarifies the accounting transactions that result in a step-up in the tax basis of goodwill. The guidance is effective for fiscal years beginning after December 15, 2020 and interim periods within those fiscal years. We are currently in the process of evaluating the effect that ASU 2019-12 will have on the Company's Consolidated Financial Results.

In August 2018, the FASB issued ASU 2018-15, Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40), Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract ("ASU 2018-15"). ASU 2018-15 amends ASC 350-40 and aligns the accounting for costs incurred to implement a cloud computing arrangement that is a service contract with the guidance on capitalizing costs associated with developing or obtaining internal-use software. The guidance is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. The Company will adopt ASU 2018-15 effective January 1, 2020. We do not believe that the adoption of ASU 2018-15 will have a material impact on the Company's Consolidated Financial Statements.

In November 2016, the FASB issued ASU 2016-18, Statement of Cash Flows (Topic 230): Restricted Cash (ASU 2016-18), which requires that restricted cash and cash equivalents be included as components of total cash and cash equivalents as presented on the statement of cash flows. ASU 2016-18 was effective for fiscal years, and interim periods within those years, beginning after December 15, 2017 and a retrospective transition method is required. This guidance did not impact financial results, but resulted in a change in the presentation of restricted cash and restricted cash equivalents within the statement of cash flows. The Company adopted this guidance in the 2019 and 2018 Consolidated Statement of Cash Flows.

On February 25, 2016, the Financial Accounting Standards Board (FASB) released Accounting Standards Update No. 2016-02, Leases (Topic 842) (the Update). This ASU requires an entity to recognize a right-of-use asset (“ROU”) and lease liability for all leases with terms of more than 12 months. The amendments also require certain quantitative and qualitative disclosures about leasing arrangements. Leases will be classified as finance or operating, with classification affecting the pattern and classification of expense recognition in the income statement. The new standard is was effective for the Company on January 1, 2019. Based on this standard, the Company recognized new ROU assets and lease liabilities on its balance sheet for one of our office rental leases. On December 31, 2019, the Company recognized operating lease liabilities of $91,330 with corresponding ROU assets of $87,193, based on the present value of the remaining rental payments for our Bethesda Office lease on the consolidated balance sheet.

In May 2014, the FASB issued accounting standard update (“ASU”) No. 2014-09, “Revenue from Contracts with Customers (Topic 606)” (“ASU 2014-09”). The standard’s core principle is that a company will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. In doing so, companies will need to use more judgment and make more estimates than under previous guidance. This may include identifying performance obligations in the contract, estimating the amount of variable consideration to include in the transaction price and allocating the transaction price to each separate performance obligation. In July 2015, the FASB approved the proposal to defer the effective date of ASU 2014-09 standard by one year. Early adoption was permitted after December 15, 2016, and the standard became effective for public entities for annual reporting periods beginning after December 15, 2017 and interim periods therein. In 2016, the FASB issued final amendments to clarify the implementation guidance for principal versus agent considerations (ASU No. 2016-08), accounting for licenses of intellectual property and identifying performance obligations (ASU No. 2016-10), narrow-scope improvements and practical expedients (ASU No. 2016-12) and technical corrections and improvements to ASU 2014-09 (ASU No. 2016-20) in its new revenue standard. The Company has performed a review of the requirements of the new revenue standard and is monitoring the activity of the FASB and the transition resource group as it relates to specific interpretive guidance. The Company reviewed customer contracts, applied the five-step model of the new standard to its contracts, and compared the results to its current accounting practices. The adoption of this standard required increased disclosures related to the disaggregation of revenue and the application of the five step method to our contracts.

In March 2018, the FASB issued ASU 2018-05, “Income Taxes (Topic 740) – Amendments to SEC paragraphs Pursuant to SEC Staff Accounting Bulletin (SAB) No. 118.” ASU 2018-05 amends the Accounting Standards Codification to incorporate various SEC paragraphs pursuant to the issuance of SAB 118, which addresses the application of generally accepted accounting principles in situations when a registrant does not have necessary information available, prepared, or analyzed (including computation) in reasonable detail to complete the accounting for certain income tax effects of the Tax Cuts and Jobs Act. The ASU does not have material impact on the Company.

In February 2018, the FASB issued ASU No. 2018-02, Reporting Comprehensive Income - Reclassification of Certain tax Effects from Accumulated Other Comprehensive Income to help businesses present some effects form the Tax Act's reduction in the corporate tax rate in their income statements. ASU 2018-02 gives the option of reclassifying what are called the “stranded” tax effects within accumulated other comprehensive income (loss) to retained earnings (deficit) during each fiscal year or quarter in which the effect of the lower tax rate is recorded. ASU 2018-02 instructs businesses to provide a disclosure in their financial statement footnotes that describes the accounting policy they used to release the income tax effects from accumulated other comprehensive income (loss), whether they are reclassifying the stranded income tax effects from the Tax Act, and information about the other effects on taxes from the reclassification. The ASU does not have material impact on the Company.

Subsequent Events

The Company evaluated the events and transactions subsequent to December 31, 2019, the balance sheet date, through March 30, 2020, the date the consolidated financial statements were available to be issued.

2. CONCENTRATION OF CREDIT RISK

The group maintains cash balances at various financial institutions. These balances are secured by the Federal Deposit Insurance Corporation. At times, these balances may exceed the federal insurance limits. On December 31, 2019 and 2018, uninsured cash balances were $4,558,582 and $3,783,330, respectively.

The Company had three customers in the year ended December 31, 2019: the purchaser for Ballenger project, NVR Inc. (“NVR”), a NYSE publicly listed US homebuilding and mortgage company, who is the only purchaser of 479 residential lots, the purchaser of Phase 1 of Black Oak project - Houston LD, LLC and a private customer for the house in our El Tesoro project. During the year ended December 31, 2019, the Company earned revenues from property sales from these three customers representing approximately 72%, 27% and 1%, respectively. During the year ended December 31, 2018, the Company earned revenues from property sales in Ballenger project to NVR and Orchard Development Corporation, the purchaser of the parcel of 210 multifamily units. Sales to both customers represented approximately 70% and 30% of gross sales, respectively. As of December 31, 2019 and 2018, no accounts receivable was outstanding from these customers.

3. PROPERTY AND EQUIPMENT

Property and equipment stated at cost, less accumulated depreciation and amortization, consisted of the following:

	December 31, 2019	December 31, 2018
Computer Equipment	$ 41,597	$ 41,597
Furniture and Fixtures	24,393	24,393
	65,990	65,990
Accumulated Depreciation	(63,779)	(57,742)
Fixed Assets Net	$ 2,211	$ 8,248

Depreciation expense was $6,037 and $16,814 for the years ended December 31, 2019 and 2018, respectively.

4. BUILDER DEPOSITS

In November 2015, SeD Maryland Development, LLC (“Maryland”) entered into lot purchase agreements with NVR, Inc. (“NVR”) relating to the sale of single-family home and townhome lots to NVR in the Ballenger Run Project. The purchase agreements were amended two times thereafter. Based on the agreements, NVR is entitled to purchase 479 lots for a price of approximately $64 million, which escalates 3% annually after June 1, 2018.

As part of the agreements, NVR provided was required to give a deposit in the amount of $5,600,000. Upon the sale of lots to NVR, 9.9% of the purchase price is taken from the deposit. A violation of the agreements by NVR would cause NVR to forfeit the deposit. On December 31, 2019 and 2018, there was $2,445,269 and $3,878,842 outstanding, respectively.

5. NOTES PAYABLE

Union Bank Loan

On November 23, 2015, SeD Maryland entered into a Revolving Credit Note with the Union Bank in the original principal amount of $8,000,000. During the term of the loan, cumulative loan advances may not exceed $26,000,000. The line of credit bears interest at LIBOR plus 3.8% with a floor rate of 4.5%. The interest rate at December 31, 2018 was 6.125%. Beginning December 1, 2015, interest only payments were due on the outstanding principal balance. The entire unpaid principal and interest sum was due and payable on November 22, 2018, with the option of one twelve-month extension period. The loan is secured by a deed of trust on the property, $2,600,000 of collateral cash, and a Limited Guaranty Agreement with SeD Ballenger. The Company also had an $800,000 letter of credit from the Union Bank. The letter of credit was due on November 22, 2018 and bore interest at 15%. In September 2017, SeD Maryland Development LLC and the Union Bank modified the Revolving Credit Note, which increased the original principal amount from $8,000,000 to $11,000,000 and extended the maturity date of the loan and letter of credit to December 31, 2019. Accordingly, this change in terms of the Union Bank Loan was accounted for as a modification in accordance with *ASC 470 – Debt*.

As of December 31, 2019 and 2018, the principal balance were $0 and $13,899, respectively. On April 17, 2019, the Union Bank Loan was paid off and SeD Maryland Development LLC and Union Bank terminated the Revolving Credit Note. After termination, the collateral cash was released and all L/Cs were transferred to the M&T Bank L/C Facility.

M&T Bank Loan

On April 17, 2019, SeD Maryland Development LLC entered into a Development Loan Agreement with Manufacturers and Traders Trust Company ("M&T Bank") in the principal amount not to exceed at any one time outstanding the sum of $8,000,000, with a cumulative loan advance amount of $18,500,000. The line of credit bears interest rate on LIBOR plus 375 basis points. SeD Maryland Development LLC was also provided with a Letter of Credit ("L/C") Facility in an aggregate amount of up to $900,000. The L/C commission will be 1.5% per annum on the face amount of the L/C. Other standard lender fees will apply in the event L/C is drawn down. The loan is a revolving line of credit. The L/C Facility is not a revolving loan, and amounts advanced and repaid may not be re-borrowed. Repayment of the Loan Agreement is secured by $2,600,000 collateral fund and a Deed of Trust issued to the Lender on the property owned by SeD Maryland. As of December 31, 2019, the outstanding balance of the revolving loan was $0.

6. RELATED PARTY TRANSACTIONS

Loan from SeD Home Limited

SeD Home & REITs receives advances from SeD Home Limited (an affiliate of SeD Ltd), to fund development and operation costs. The advances bear interest at 10% and are payable on demand. As of December 31, 2019 and 2018, SeD Home & REITs had outstanding principal due of $0 and $1,116,406 and accrued interest of $228,557 and $193,382.

Loan from SeD Home International

SeD Home & REITs receives advances from SeD Home International. The advances bore interest at 18% until August 30, 2017 when the interest rate was adjusted to 5% and have no set repayment terms. On December 31, 2019 and 2018, there was $0 and $4,629,178 of principal and $94,424 and $2,150,845 of accrued interest outstanding, respectively. The accrued outstanding interests for year 2018 include the remaining amount $1,723,122 after interest was forgiven on August 30, 2017 as discussed in previous paragraph.

Other Transactions

On November 29, 2016 an affiliate of SeD Home & REITs entered into three $500,000 bonds for a total of $1.5 million that are to incur annual interest at 8% and the principal shall be paid in full on November 29, 2019. SeD Home & REITs agreed to guarantee the payment obligations of these bonds. Further, at the maturity date, the bondholder has the right to propose to acquire a property built by SeD Home & REITs, and SeD will facilitate that transaction. The proposed acquisition purchase price would be at SeD Home & REITs' cost. If the cost price is more than $1.5 million, the proposed acquirer would pay the difference, and if the cost price is below $1.5 million, the affiliate of SeD would pay the difference in cash. On November 29, 2019, all three bonds were fully paid by cash.

Management Fees

Previously, Black Oak LP was obligated under the Limited Partnership Agreement (as amended) to pay a $6,500 per month management fee to Arete Real Estate and Development Company (Arete), a related party through common ownership and $2,000 per month to American Real Estate Investments LLC (AREI), a related party through common ownership. Arete was also entitled to a developer fee of 3% of all development costs excluding certain costs. The fees were to be accrued until $1,000,000 is received in revenue and/or builder deposits relating to the Black Oak Project.

On December 31, 2017, the Company had $314,630 owed to Arete and $48,000 to AREI in accounts payable and accrued expenses.

On April 26, 2018, SeD Development USA, Arete and AREI reached an agreement to terminate the terms related to management fees and developer fees in the Limited Partnership Agreement. In July 2018, per the terms of the termination agreement, Black Oak LP paid Arete $300,000 and AREI $30,000 to fulfill the commitments.

MacKenzie Equity Partners, owned by a Charles MacKenzie, a Director of the Company, has a consulting agreement with the Company since 2015. Per the terms of the agreement, as amended on January 1, 2018, the Company pays a monthly fee of $15,000 with an additional $5,000 per month due upon the close of the sale to Houston LD, LLC. From January 2019, the Company pays a monthly fee of $20,000 for the consulting services. The Company incurred expenses of $240,000 in the years 2019 and 2018, which were capitalized as part of Real Estate on the balance sheet as the services relate to property and project management. On December 31, 2019 and 2018, the Company owed this related party $0 and $60,000, respectively.

Advance to HF Enterprises Inc.

The Company pays some operating expenses for HF Enterprise Inc., a related party under the common control of Chan Heng Fai, the CEO of the Company. The advances are interest free with no set repayment terms. On December 31, 2019 and December 31, 2018, the balance of these advances was $211,271 and $0, respectively.

Purchase of Minority Interest of Black Oak LP

On July 23, 2018, SeD Development USA, LLC, a wholly owned subsidiary of the Company, entered into two Partnership Interest Purchase Agreements through which it purchased an aggregate of 31% of Black Oak LP for $60,000. In addition, if and when Black Oak LP receives at least $15 million in net reimbursement receivable proceeds from HC17 and/or Aqua Texas, Inc. (net of any expenses Harris County Improvement District 17 and/or Aqua Texas, Inc. may deduct), Black Oak LP shall pay Fogarty Family Trust II, one of two previous partners of Black Oak LP, an amount equal to 10% of the net reimbursement receivable proceeds received from HC17 and/or Aqua Texas, Inc. that exceeds $15 million; provided however, this obligation shall only apply to reimbursement revenue received on or before December 31, 2025. Prior to the Partnership Interest Purchase Agreements, the Company owned and controlled Black Oak LP through its 68.5% limited partnership interest and its ownership of the General Partner, 150 Black Oak GP, Inc, a 0.5% owner in Black Oak LP. As a result of the purchase, the Company, through its subsidiaries, now owns 100% of Black Oak LP.

Consulting Services

A law firm, owned by Conn Flanigan, a Director of the Company, performs consulting services for the Company. The Company incurred expenses of $38,584 and $101,979 for the years ended December 31, 2019 and 2018, respectively. On December 31, 2019 and December 31, 2018, the Company owed this related party $0 and $8,000, respectively.

7. SHAREHOLDERS' EQUITY

Purchase of Minority Interest of Black Oak LP

On July 23, 2018, the Company entered into two Partnership Interest Purchase Agreements through which it purchased an aggregate of 31% of Black Oak LP for $60,000 and fulfilled the agreement thereafter.

Cash Dividend Distributions

From January to December, 2019, SeD Maryland Development LLC Board approved five payment distribution plans to members and paid total $1,069,250 in distributions to the minority shareholder.

8. COMMITMENTS AND CONTINGENCIES

Leases

The Company leases office space in Texas and Maryland. Both leases expire in 2020 and have monthly rental payments ranging between $2,499 and $8,205, respectively. Rent expense was $113,884 and $120,071 for the year ended December 31, 2019 and 2018, respectively. The below table summarizes future payments due under these leases as of December 31, 2019.

The balance of the operating lease right-of-use asset and operating lease liability as of December 31, 2019 was $87,193 and $91,330, respectively.

Supplemental Cash Flow and Other Information Related to Operating Leases are as follows:

	Year Ended December 31, 2019
Weighted Average Remaining Operating Lease Term (in years)	1
Weighted average Operating Lease Discount	6.1%

The below table summarizes future payments due under these leases as of December 31, 2019.

For the Years Ended December 31:

2020	106,918
Total	$ 106,918

Lot Sale Agreements

On February 19, 2018, SeD Maryland entered into a contract to sell the Continuing Care Retirement Community Assisted Independent Living parcel to Orchard Development Corporation. It was agreed that the purchase price for the 5.9 acre lot would be $2,900,000 with a $50,000 deposit. It was also agreed that Orchard Development Corporation would have the right to terminate the transaction during the feasibility study period, which would last through May 30, 2018, and receive a refund of its deposit. On April 13, 2018, Orchard Development Corporation indicated that it would not be proceeding with the purchase of the CCRC parcel. On December 31, 2018, SeD Maryland entered into the Third Amendment to the Lot Purchase Agreement for Ballenger Run with NVR. Pursuant to the Third Amendment, SeD Maryland will convert the 5.9 acre CCRC parcel to 36 lots (these will be 28 feet wide villa lots) and sell such lots to NVR. In July, 2019 SeD Maryland received required zoning approval to change the number of such lots from 85 to 121.

9. INCOME TAXES

On December 22, 2017, President Trump signed into law the “Tax Cuts and Jobs Act” (TCJA) that significantly reformed the Internal Revenue Code of 1986, as amended. The TCJA reduces the corporate tax rate to 21 percent beginning with years starting January 1, 2018. Because a change in tax law is accounted for in the period of enactment, the deferred tax assets and liabilities have been adjusted to the newly enacted U.S. corporate rate, and the related impact to the tax expense has been recognized in the current year.

The components of income tax expense and the effective tax rates for the years ended December 31, 2019 and 2018 are as follows:

	Year Ended December 31,	
	2019	2018
Current:		
Federal	$ 251,266	$ (23,471)
State	180,122	18,924
Total Current	431,388	(4,547)
Deferred:		
Federal	(1,443,564)	(300,341)
State	(618,108)	(128,601)
Total Deferred	(2,061,672)	(428,942)
Valuation Allowance	2,061,672	433,489
Total Incom Tax Expense	$ 431,388	$ -
Pre-tax Loss	$ (4,242,731)	$ (1,082,197)
Effective Income Tax Rate	-10%	0%

A reconciliation of our income tax expense at federal statutory income tax rate of 21% to our income tax expense at the effective tax rate is as follows:

	Year Ended December 31,	
	2019	2018
Tax at the Statutory Federal Rate	$ (868,486)	$ 691,613
State Income Taxes (Net of Federal Benefit)	(328,309)	290,271
Changes in Valutation Allowance, Net	1,628,183	(981,884)
Total Income Tax Expense	$ 431,388	$ -

Deferred tax assets consist of the following at December 31, 2019 and 2018:

	Year Ended December 31,	
	2019	2018
Interest Income	(4,574,401)	(4,023,599)
Interest Expense	4,327,741	3,928,264
Depreciation and Amortization	(5,802)	6,302
Management Fee	531,968	404,342
Impairment	1,924,305	114,433
Accrued Expense	105,175	105,175
Partnership Loss	(263,152)	(144,723)
Others	15,839	38,747
Net Operating Loss	-	4,547
	2,061,673	433,488
Valuation Allowance	(2,061,673)	(433,488)
Net Deferred Tax Asset	-	-

As of December 31, 2019, the Company did not have federal and Maryland state net operating loss carry-forwards. The full utilization of the deferred tax assets in the future is dependent upon the Company's ability to generate taxable income. Accordingly, a valuation allowance of an equal amount has been established. During the year ended December 31, 2019, the valuation allowance increased by $1,628,183.

As of December 31, 2019, total current tax liability is $420,327, including federal income tax liability $251,266 and Maryland state income tax liability $169,061. The deferred tax asset cannot be used to offset the current tax liability. As of December 31, 2018, no tax liability was recorded.

10. SUBSEQUENT EVENTS

Distribution to Minority Shareholders

On February 21, 2020, the Board of Managers of SeD Maryland Development LLC (the 83.55% owned subsidiary of the Company which owns the Company's Ballenger Project) authorized the payment of distributions to its members in the amount of $1,200,000. Accordingly, the minority member of SeD Maryland Development LLC received a distribution in the amount of $197,400, with the remainder being distributed to a subsidiary of the Company, which is eliminated upon consolidation.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

Not Applicable.

Item 9A. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

In connection with the preparation of our Report on Form 10-K, an evaluation was carried out by management, with the participation of our Chief Executive Officers and Chief Financial Officers, of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (Exchange Act) as of December 31, 2019. Disclosure controls and procedures are designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified, and that such information is accumulated and communicated to management, including the Chief Executive Officers and Chief Financial Officers, to allow timely decisions regarding required disclosure.

During evaluation of disclosure controls and procedures as of December 31, 2019 conducted as part of our annual audit and preparation of our annual financial statements, management conducted an evaluation of the effectiveness of the design and operations of our disclosure controls and procedures and concluded that our disclosure controls and procedures were ineffective for those reasons set forth below.

Management's Report on Internal Control over Financial Reporting

Management is responsible for the preparation and fair presentation of the financial statements included in this annual report. The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America and reflect management's judgment and estimates concerning effects of events and transactions that are accounted for or disclosed.

Management is also responsible for establishing and maintaining adequate internal control over financial reporting. Our internal control over financial reporting includes those policies and procedures that pertain to our ability to record, process, summarize and report reliable data. Management recognizes that there are inherent limitations in the effectiveness of any internal control over financial reporting, including the possibility of human error and the circumvention or overriding of internal control. Accordingly, even effective internal control over financial reporting can provide only reasonable assurance with respect to financial statement presentation. Further, because of changes in conditions, the effectiveness of internal control over financial reporting may vary over time.

In order to ensure that our internal control over financial reporting is effective, management regularly assesses controls and did so most recently for its financial reporting as of December 31, 2019. This assessment was based on criteria for effective internal control over financial reporting described in the Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations (COSO) of the Treadway Commission. In connection with management's evaluation of the effectiveness of the Company's internal control over financial reporting as of December 31, 2019, management determined that the Company did not maintain effective controls over financial reporting due to limited staff with US GAAP and SEC Reporting experience. Management determined that the ineffective controls over financial reporting constitute a material weakness.

This annual report filed on Form 10-K does not include an attestation report of the Company's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our registered public accounting firm pursuant to temporary rules of the Securities and Exchange Commission that permit us to provide only management's report in this annual report.

Changes in Internal Control over Financial Reporting

We continue taking steps to enhance and improve the design of our internal controls over financial reporting. During the period covered by this Annual Report on Form 10-K, we have not been able to completely remediate the material weaknesses identified above. To remediate such weaknesses, we plan to appoint additional qualified personnel to the audit committee with financial accounting, GAAP, and SEC experience.

Item 9B. Other Information.

Not Applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

Identification of directors and executive officers

On December 31, 2013 Conn Flanigan was appointed as Chief Executive Officer and Chief Financial Officer of the Company and a member of our board of directors. On January 10, 2017, our board of directors appointed Fai H. Chan as Director to hold office until the next annual meeting of shareholders and until his successor is duly elected and qualified or until his resignation or removal. On March 10, 2017, Mr. Conn Flanigan resigned as the Chief Financial Officer. Mr. Flanigan continues to serve as the Secretary of the Company, and as a member of our board of directors. Effective as of March 10, 2017, Mr. Rongguo (Ronald) Wei, CPA, was appointed as Chief Financial Officer of the Company.

In connection with the acquisition of SeD Home & REITs on December 29, 2017, the Company appointed new officers and directors. Fai H. Chan and Moe T. Chan serve as co-Chief Executive Officers; Rongguo (Ronald) Wei and Alan W. L. Lui serve as Co-Chief Financial Officers, and our Board of Directors include Fai H. Chan, Moe T. Chan, Conn Flanigan and Charles MacKenzie.

The board of directors has no nominating or compensation committees. The company's current Audit Committee consists of Conn Flanigan.

The name, age and position of our officers and directors are set forth below:

Name	Age	Position(s)
Fai H. Chan	75	Co-Chief Executive Officer and Chairman of the Board of Directors
Moe T. Chan	41	Co-Chief Executive Officer and Member of the Board of Directors
Conn Flanigan	51	Secretary and Member of the Board of Directors
Charles MacKenzie	49	Member of the Board of Directors
Rongguo (Ronald) Wei	48	Co-Chief Financial Officer
Alan W. L. Lui	49	Co-Chief Financial Officer

The mailing address for each of the officers and directors named above is c/o of the Company at: 4800 Montgomery Lane, Suite 210, Bethesda, MD, 20814.

Business Experience

Fai H. Chan. Mr. Chan has served as a member of our Board of Directors since January 10, 2017 and has served as Co-Chief Executive Officer of the Company since December 29, 2017. Mr. Chan is an expert in banking and finance, with 45 years of experience in these industries. He has also restructured numerous companies in various industries and countries during the past 40 years. Mr. Chan has served as the Chief Executive Officer of Singapore eDevelopment Limited, a diversified holding company listed on the Catalist of the Singapore Exchange Securities Trading Limited, since April 2014, and has served as a director of that company since May of 2013. Since March, 2018, Mr. Chan has served as a Chairman of the Board and Chief Executive Officer of HF Enterprises Inc. Additionally, Mr. Chan has served as a member of the Board of Directors of HotApp Blockchain Inc., a technology company since October of 2014, as Executive Chairman since December 2017 and has served as the Acting Chief Executive Officer of HotApp Blockchain since August 2018, having previously served as Chief Executive Officer from December of 2014 until June of 2017. He has served as a director of Document Security Systems, Inc., an NYSE listed company, since January 2017 and as Chairman of the Board since March of 2019. Mr. Chan has also served as a non-executive director of Holista CollTech Ltd., an ASX listed company, since July 2013 and has served as a director of Vivacitas Oncology Inc. since May of 2017. Mr. Chan has served as a director of OptimumBank Holdings, Inc. and Optimum Bank since June 2018.

Mr. Chan's previous experiences include serving as Managing Chairman of ZH International Holdings Limited (formerly known as Heng Fai Enterprises Limited), an investment holding company listed on the HKSE, from 1992 to 2015. Mr. Chan was formerly the Managing Director of SingHaiyi Group Ltd., a property development, investment and management company listed on the Singapore Exchange Mainboard, from November 2003 to September 2013, and the Executive Chairman of China Gas Holdings Limited, a Hong Kong listed investor and operator of city gas pipeline infrastructure in China from 1997 to 2002. Mr. Chan served on the Board of RSI International Systems, Inc., the developer of RoomKeyPMS, a web-based property management system, from June 2014 to February 2019.

Mr. Chan has also served as a director of Global Medical REIT Inc., a healthcare facility real estate company, from December 2013 to July 2015. He was a director of American Housing REIT Inc. from October of 2013 to July of 2015. He served as a director of Skywest Ltd., a public Australian airline company from 2005 to 2006. Mr. Chan was a director of Global Med Technologies, Inc., a medical company engaged in the design, development, marketing and support information for management software products for healthcare-related facilities, from May 1998 until December 2005.

Director Qualifications of Fai H. Chan:

The board of directors appointed Mr. Chan in recognition of his abilities to assist the Company in expanding its business and the contributions he can make to the Company's strategic direction.

Moe T. Chan. Moe Chan was appointed Co-Chief Executive Officer of our Company and a member of our Board of Directors on December 29, 2017. Moe Chan served as the Group Chief Development Officer of Singapore eDevelopment from July of 2015 until August of 2018. Moe Chan now serves as a Consultant to Singapore eDevelopment and continues to be responsible for Singapore eDevelopment's international property development business (including serving as Co-Chief Executive Officer and a member of the Board of SeD Home & REITs). Moe Chan served as an Executive Director of Singapore eDevelopment from January of 2016 until August of 2018. From April 2014 to June 2015 Moe Chan was the Chief Operating Officer of HKSE listed ZH International Holdings Limited (formerly known as Heng Fai Enterprises Limited) and was responsible for that company's global business operations consisting of REIT ownership and management, property development, hotels and hospitality, as well as property and securities investment and trading. Prior to that, he was an executive director (from March 2006 to February 2014) and the Chief of Project Development (from April 2013 to February 2014) of Singapore Exchange Mainboard listed SingHaiyi Group Ltd, overseeing its property development projects. He was also a non-executive director of the Toronto Stock Exchange-listed RSI International Systems Inc., a hotel software company, from July 2007 to August 2016.

Moe T. Chan has a diverse background and experience in the fields of property, hospitality, investment, technology and consumer finance. He holds a Master's Degree in Business Administration with honors from the University of Western Ontario, a Master's Degree in Electro-Mechanical Engineering with honors and a Bachelor's Degree in Applied Science with honors from the University of British Columbia. Moe Chan is the son of Fai H. Chan.

Director Qualifications of Moe T. Chan:

The board of directors appointed Moe Chan in recognition of his extensive knowledge of real estate and ability to assist the Company in expanding its business.

Conn Flanigan. Mr. Flanigan is a member of our Board of Directors and a practicing attorney specializing in corporate, real estate, and securities law. Mr. Flanigan is a legal advisor to Singapore eDevelopment and has served as officer and director to several US subsidiaries of Singapore eDevelopment. Mr. Flanigan served as the Secretary and General Counsel for Global Medical REIT Inc. (NYSE:GMRE) from December 2013 to May 2017. From September 2013 to May 2017, Mr. Flanigan also served as Chief Executive Officer, General Counsel and Secretary, and as a director, of American Housing REIT Inc. Mr. Flanigan served as a member of the Board Directors of Amarantus Bioscience Holdings, Inc., a biotech company, from February 2017 until May 2017. Mr. Flanigan served as a director of HotApp Blockchain Inc. from October 2014 until September 2018 and as legal counsel and Secretary from December 2014 until September 2018. From February 2000 until May 2017, Mr. Flanigan was employed as General Counsel by subsidiaries of ZH International Holdings, Ltd., including eBanker USA.com, Inc. and ZH USA, LLC. In this role, he served as General Counsel and Secretary for other ZH International Holdings, Ltd. subsidiaries. Mr. Flanigan received a B.A. in International Relations from the University of San Diego in 1990 and a Juris Doctor Degree from the University of Denver Sturm College of Law in 1996.

Director Qualifications of Conn Flanigan:

Mr. Flanigan's service as an officer, director and employee of various entities has provided him with significant knowledge and experience regarding corporate financial and governance matters.

Charles MacKenzie. Mr. MacKenzie has served as a member of the Company's Board of Directors since December 29, 2017 and serves as the Chief Development Officer for SeD Development Management, a subsidiary of SeD Home & REITs, since July of 2015. Mr. MacKenzie also has served as a member of the Board of Directors of SeD Home & REITs since October of 2017. In December 2019 Mr. MacKenzie was appointed the Chief Development Officer of HF Enterprises Inc. He was previously the Chief Development Officer for Inter- American Development (IAD), a subsidiary of Heng Fai Enterprises from April of 2014 to June of 2015. Mr. MacKenzie was the owner of Smartbox Portable Storage, a residential moving and storage company from October 2006 to a successful sale in February 2017. Mr. MacKenzie focuses on acquisitions and development of residential and mixed-use projects within the United States. Mr. MacKenzie specializes in site selection, contract negotiations, marketing and feasibility analysis, construction and management oversight, building design and investor relations. Mr. MacKenzie has developed over 1,300 residential units inclusive of single-family homes, multi-family, and senior living dwellings totaling more than $110M and over 650,000 square feet of commercial valued at over $100M. Mr. MacKenzie received a BA and graduate degree from St. Lawrence University where he served on Board of Trustees from 2003-2007.

Director Qualifications of Charles MacKenzie:

The board of directors appointed Charles MacKenzie in recognition of his extensive knowledge of real estate and ability to assist the Company in expanding its business.

Rongguo (Ronald) Wei. Mr. Wei has served as the Company's Chief Financial Officer since March 10, 2017. Mr. Wei is a finance professional with more than 15 years of experience working in public and private corporations in the United States. As the Chief Financial Officer of SeD Development Management LLC, Mr. Wei is responsible for oversight of all finance, accounting, reporting, and taxation activities for that company. Prior to joining SeD Development Management LLC in August of 2016, Mr. Wei worked for several different US multinational and private companies including serving as Controller at American Silk Mill, LLC, a textile manufacturing and distribution company, from August of 2014 to July of 2016, serving as a Senior Financial Analyst at Air Products & Chemicals, Inc., a manufacturing company, from January of 2013 to June of 2014 and serving as a Financial/Accounting Analyst at First Quality Enterprise, Inc., a personal products company, from 2011 to 2012. Before Mr. Wei came to United States, he worked as an equity analyst in Hong Yuan Securities, an investment bank, in Beijing, China, concentrating on industrial and public company research and analysis. Mr. Wei is a Certified Public Accountant and received his Master of Business Administration from the University of Maryland and a Master of Business Taxation from the University of Minnesota. Mr. Wei also holds a Master in Business degree from Tsinghua University and a Bachelor degree from Beihang University. Mr. Wei served as a member of the Board Directors of Amarantus Bioscience Holdings, Inc., a biotech company, from February 2017 until May 2017, and has served as Chief Financial Officer of such company since February, 2017 to November, 2017. Mr. Wei has also served as Co-Chief Financial Officer of HF Enterprises Inc. since March, 2018.

Alan W. L. Lui. Mr. Lui has served as the Company's Co-Chief Financial Officer since December 29, 2017 and has served as the Co-Chief Financial Officer of SeD Home & REITs since October of 2017. Mr. Lui has served as Chief Financial Officer of HotApp Blockchain Inc., a technology company since May 12, 2016 and has served as a director of one of HotApp's subsidiaries since July of 2016. Mr. Lui has been Chief Financial Officer of Singapore eDevelopment, the Company's majority shareholder since November 1, 2016 and served as its Acting Chief Financial Officer since June 22, 2016. Since October of 2016, Mr. Lui has also served as a director of BMI Capital Partners International Ltd, a Hong Kong investment consulting company. He has also served as a director of LiquidValue Asset Management Pte Limited (formerly known as Hengfai Asset Management Pte. Ltd.), a Singapore fund management company, since April, 2018. Mr. Lui has also served a Co-Chief Financial Officer of HF Enterprises Inc. since March, 2018. From June of 1997 through March of 2016, Mr. Lui served in various executive roles at ZH International Holdings Ltd. (a Hong Kong-listed company formerly known as Heng Fai Enterprises Ltd), including as Financial Controller. Mr. Lui oversaw the financial and management reporting and focusing on its financing operations, treasury investment and management. He has extensive experience in financial reporting, taxation and financial consultancy and management in Hong Kong. He also managed all financial forecasts and planning. Mr. Lui is a Certified Practicing Accountant in Australia and received a Bachelor's Degree in Business Administration from the Hong Kong Baptist University in 1993.

Section 16(a) Beneficial Ownership Reporting Compliance

To our knowledge, no director, officer or beneficial owner of more than ten percent of any class of our equity securities, failed to file on a timely basis reports required by Section 16(a) of the Exchange Act during the fiscal year ended December 31, 2019.

Code of Ethics

We have not yet adopted a code of ethics that applies to our principal executive officer, principal financial officer, principal accounting officer or controller or persons performing similar functions. We intend to adopt a code of ethics in the immediate future.

Corporate Governance

There have been no changes in any state law or other procedures by which security holders may recommend nominees to our board of directors. We do not have a nominating committee, however we intend to appoint one in the immediate future.

Audit Committee

Our board of directors has an Audit Committee consisting of Mr. Flanigan. The Audit Committee does not at the present time have an audit committee financial expert serving on its Audit Committee; however, our board intends to appoint an audit committee financial expert in the immediate future.

Family Relationships

Fai H. Chan, our Co-Chief Executive Officer, Chairman of our Board and Chairman of the Board and Chief Executive Officer of our majority shareholder and its corporate parent is the father of Moe T. Chan, our other Co-Chief Executive Officer and a Member of our Board.

Involvement in Certain Legal Proceedings

None of our directors, executive officers and control persons has been involved in any of the following events during the past ten years:

- Any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time,
- Any conviction in a criminal proceeding or being subject to any pending criminal proceeding (excluding traffic violations and other minor offenses);
- Being subject to any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting his or her involvement in any type of business, securities or banking activities; or
- Being found by a court of competent jurisdiction (in a civil action), the Commission or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended, or vacated.

Conflicts of Interest

Except as provided for in Article XI of the Company's By-Laws: Board Director Compensation, no officer, director or security holder of the company may be involved in pecuniary interest in any investment acquired or disposed of by the registrant or in any transaction to which the registrant or any of its subsidiaries is party or has an interest.

None of the directors, officers, security holders or affiliates of the registrant may engage, for their own account, business activities of the types conducted by the registrant and its subsidiaries.

Item 11. Executive Compensation.

At the present time, neither SeD Intelligent Home Inc. nor SeD Home & REITs and its subsidiaries is a party to any compensation arrangements with any officer or director of either entity and has made no provisions for paying cash or non-cash compensation to such officers and directors, except for Charles MacKenzie and Rongguo (Ronald) Wei. A subsidiary of SeD Home & REITs is paying salaries to four employees at the present time, which includes Mr. Wei, and has consulting arrangements with certain individuals, including Mr. MacKenzie.

In 2019, Mr. Wei was compensated by SeD Development Management LLC for his services to SeD Home & REITs at a rate of $118,800 per year. Mr. Wei has been compensated by SeD Development Management LLC since 2016. Mr. Wei was not paid by SeD Intelligent Home Inc. prior to its acquisition of SeD Home & REITs. SeD Development Management LLC will continue to compensate Mr. Wei at the same rate, and he will perform services for SeD Intelligent Home Inc. as well as its subsidiary SeD Home & REITs.

A company controlled by Mr. MacKenzie was paid consulting fees of approximately $15,000 per month in 2018 and $20,000 per month in 2019, which includes payment for his services to SeD Home & REITs and its subsidiaries.

Mr. Flanigan serves in various director and officer positions with subsidiaries of Singapore eDevelopment. Mr. Flanigan's law firm has been paid legal fees by various subsidiaries of Singapore eDevelopment in the past, including those fees paid to his law firm by SeD Home & REITs and its subsidiaries that are described in Item 13.

Mr. Fai H. Chan is compensated by Singapore eDevelopment, where he serves as Chief Executive Officer. Mr. Alan Lui is also employed and compensated by Singapore eDevelopment. Mr. Moe T. Chan serves as a consultant to Singapore eDevelopment. As part of their duties as officers or consultants of Singapore eDevelopment, each of these three individuals works on a number of matters for Singapore eDevelopment, including devoting various amounts of time to the management of Singapore eDevelopment's various subsidiaries and divisions, such as SeD Intelligent Home and SeD Home & REITs. The amount of time each of these individuals spends on matters related to SeD Intelligent Home and SeD Home & REITs has varied greatly based on the Company's needs, and no definite statement may be made as to what percentage of these three individuals' time has been spent or will be spent in the future on matters related to SeD Intelligent Home and SeD Home & REITs. SeD Intelligent Home and SeD Home & REITs and its subsidiaries do not compensate these three individuals for their services. Neither SeD Intelligent Home Inc. nor SeD Home & REITs and its subsidiaries is charged for the services of Fai H. Chan, Moe T. Chan and Alan Lui and Singapore eDevelopment does not have a management contract with SeD Intelligent Home, SeD Home & REITs or any of its subsidiaries. Neither SeD Intelligent Home Inc. nor SeD Home & REITs and its subsidiaries is charged for the services of Fai H. Chan, Moe T. Chan and Alan Lui and Singapore eDevelopment does not have a management contract with SeD Intelligent Home, SeD Home & REITs or any of its subsidiaries.

In connection with the acquisition of SeD Home & REITs by SeD Intelligent Home Inc., SeD Intelligent Home Inc. and its subsidiaries intend to enter into revised compensation agreements with officers, directors and certain employees in the immediate future.

The table below summarizes all compensation awarded to, earned by, or paid to SeD Intelligent Home Inc.'s named executive officer for all services rendered in all capacities to us for the period from January 1, 2018 through December 31, 2019.

SUMMARY COMPENSATION TABLE

Name and Principal Position (1)	Year	Salary Bonus Stock Awards	Option Awards	Non-Equity Incentive Plan Comp	Nonqualified Deferred Comp Earnings	Al Other Comp	Total
Fai H. Chan (2)	2019						
Chairman of the Board and Co-Chief Executive Officer	2018						
Moe T. Chan (2)	2019						
Director and Co-Chief Executive Officer	2018						
Conn Flanigan (3)	2019						
Director and Former Chief Executive Officer	2018						
Rongguo (Ronald) Wei (5)	2019	$ 118,800					$ 118,800
Co-Chief Financial Officer	2018	$ 118,800					$ 118,800
Alan W. L. Lui (2)(6)	2019						
Co-Chief Financial Officer	2018						
Charles MacKenzie (7)	2019					$ 240,000(8)	$ 240,000(8)
Director	2018					$ 240,000(8)	$ 240,000(8)

(1) Effective as of December 29, 2017, Mr. Fai H. Chan was appointed as our Chairman and Co-Chief Executive Officer; Moe T. Chan was appointed as a member of our Board and as Co-Chief Executive Officer; Rongguo (Ronald) Wei and Alan W. L. Lui were appointed as our Co-Chief Financial Officers; and Charles MacKenzie joined the Company's Board of Directors.
(2) Singapore eDevelopment compensates Mr. Fai H. Chan, Mr. Moe T. Chan and Mr. Lui for their services to a number of divisions and subsidiaries of Singapore eDevelopment. Each of these three individuals works on a number of matters for Singapore eDevelopment, including devoting various amounts of time to matters related to SeD Intelligent Home Inc. SeD Intelligent Home Inc. does not compensate these individuals and Singapore eDevelopment does not charge SeD Intelligent Home Inc. for their services.
(3) Mr. Flanigan resigned as Chief Executive Officer on December 29, 2017 but continues to serve as a member of our Board of Directors.
(4) Mr. Flanigan's law firm was paid $101,979 in total fees by various subsidiaries of SeD Home for Mr. Flanigan's services in 2018 and $38,584 in 2019.
(5) Mr. Wei was compensated by SeD Home & REITs' subsidiary SeD Development Management LLC in 2018 and 2019.
(6) Mr. Lui was appointed Co-Chief Financial Officer of SeD Home & REITs in October of 2017.
(7) Mr. MacKenzie joined SeD Home & REITs' Board of Directors in October of 2017.
(8) A company controlled by Mr. MacKenzie was paid total consulting fees of $240,000 in 2018 and 2019 by SeD Home & REITs.

As of the date of this Report, the Company does not have any stock option plans, retirement, pension, or profit sharing plans for the benefit of any of our officers or directors.

Outstanding Equity Awards at Fiscal Year-End

There were no grants of stock options through the date of this report.

We do not have any long-term incentive plans that provide compensation intended to serve as incentive for performance.

The board of directors of the Company has not adopted a stock option plan. The company has no plans to adopt it but may choose to do so in the future. If such a plan is adopted, this may be administered by the board or a committee appointed by the board (the "Committee"). The committee would have the power to modify, extend or renew outstanding options and to authorize the grant of new options in substitution therefore, provided that any such action may not impair any rights under any option previously granted. The Company may develop an incentive based stock option plan for its officers and directors.

Stock Awards Plan

The company has not adopted a Stock Awards Plan but may do so in the future. The terms of any such plan have not been determined.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

Security Ownership

The following table sets forth, as of December 31, 2019, and as of March 30, 2020, the number and percentage of our outstanding shares of common stock owned by (i) each person known to us to beneficially own more than 5% of its outstanding common stock, (ii) each director, (iii) each named executive officer and significant employee, and (iv) all officers and directors as a group.

The number of shares listed below includes shares that each shareholder listed in the table has the right to acquire beneficial ownership of within 60 days.

Name and Address (2)	Number of Common Shares Beneficially Owned	Percentage of Outstanding Common Shares (1)
Fai H. Chan (3)	704,015,730	99.99%
Moe T. Chan	0	0.00%
Conn Flanigan	0	0.00%
Charles MacKenzie	0	0.00%
Rongguo (Ronald) Wei	0	0.00%
Alan W. L. Lui	0	0.00%
All Directors and Officers (6 individuals)	704,015,730	99.99%
Singapore eDevelopment (3)	704,015,730	99.99%
SeD Home International, Inc. (3)	704,015,730	99.99%

(1) Based upon 704,043,324 outstanding common shares as of December 31, 2019 and March 30, 2020.
(2) The mailing address for each individual and entity set forth above is c/o SeD Intelligent Home Inc., 4800 Montgomery Lane, Suite 210, MD 20814.
(3) Fai H. Chan may be deemed to be the beneficial owner of those 704,015,730 shares held by Singapore eDevelopment's subsidiary SeD Home International, Inc., as he is the Chief Executive Officer and majority shareholder of Singapore eDevelopment. Mr. Chan owns a majority of the issued and outstanding shares of Singapore eDevelopment indirectly through an entity he owns.

Change of Control

The Company is not aware of any arrangement which may at a subsequent date result in a change in control of the Company.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

Family Relationships

Fai H. Chan, our Co-Chief Executive Officer, Chairman of our Board and Chairman of the Board and Chief Executive Officer of our majority shareholder and its corporate parent is the father of Moe T. Chan, our other Co-Chief Executive Officer and a Member of our Board.

Policies and Procedures for Transactions with Related Persons

Our board of directors intends to adopt a written related person transaction policy to set forth the policies and procedures for the review and approval or ratification of related person transactions. Related persons include any executive officer, director or a holder of more than 5% of our common stock, including any of their immediate family members and any entity owned or controlled by such persons. Related person transactions refer to any transaction, arrangement or relationship, or any series of similar transactions, arrangements or relationships in which (i) we were or are to be a participant, (ii) the amount involved exceeds $120,000, and (iii) a related person had or will have a direct or indirect material interest. Related person transactions include, without limitation, purchases of goods or services by or from the related person or entities in which the related person has a material interest, indebtedness, guarantees of indebtedness, and employment by us of a related person, in each case subject to certain exceptions set forth in Item 404 of Regulation S-K under the Securities Act.

We expect that the policy will provide that in any related person transaction, our audit committee and board of directors will consider all of the available material facts and circumstances of the transaction, including: the direct and indirect interests of the related persons; in the event the related person is a director (or immediate family member of a director or an entity with which a director is affiliated), the impact that the transaction will have on a director's independence; the risks, costs and benefits of the transaction to us; and whether any alternative transactions or sources for comparable services or products are available. After considering all such facts and circumstances, our audit committee and board of directors will determine whether approval or ratification of the related person transaction is in our best interests. For example, if our audit committee determines that the proposed terms of a related person transaction are reasonable and at least as favorable as could have been obtained from unrelated third parties, it will recommend to our board of directors that such transaction be approved or ratified. Our audit committee will recommend that our board of directors reject any transaction if it could affect our ability to comply with securities laws and regulations.

Transactions with Related Persons, Promoters, and Certain Control Persons

Loan from SeD Home Limited

SeD Home & REITs receives advances from SeD Home Limited (an affiliate of SeD Ltd), to fund development and operation costs. The advances bear interest at 10% and are payable on demand. As of December 31, 2019 and 2018, SeD Home & REITs had outstanding principal due of $0 and $1,116,406 and accrued interest of $228,557 and $193,382.

Loan from SeD Home International

SeD Home & REITs receives advances from SeD Home International. The advances bore interest at 18% until August 30, 2017 when the interest rate was adjusted to 5% and have no set repayment terms. On December 31, 2019 and 2018, there was $0 and $4,629,178 of principal and $94,424 and $2,150,845 of accrued interest outstanding, respectively. The accrued outstanding interests for year 2018 include the remaining amount $1,723,122 after interest was forgiven on August 30, 2017 as discussed in previous paragraph.

Other Transactions

On November 29, 2016 an affiliate of SeD Home & REITs entered into three $500,000 bonds for a total of $1.5 million that are to incur annual interest at 8% and the principal shall be paid in full on November 29, 2019. SeD Home & REITs agreed to guarantee the payment obligations of these bonds. Further, at the maturity date, the bondholder has the right to propose to acquire a property built by SeD Home & REITs, and SeD will facilitate that transaction. The proposed acquisition purchase price would be at SeD Home & REITs' cost. If the cost price is more than $1.5 million, the proposed acquirer would pay the difference, and if the cost price is below $1.5 million, the affiliate of SeD would pay the difference in cash. On November 29, 2019, all three bonds were fully paid by cash.

Management Fees

Previously, Black Oak LP was obligated under the Limited Partnership Agreement (as amended) to pay a $6,500 per month management fee to Arete Real Estate and Development Company (Arete), a related party through common ownership and $2,000 per month to American Real Estate Investments LLC (AREI), a related party through common ownership. Arete was also entitled to a developer fee of 3% of all development costs excluding certain costs. The fees were to be accrued until $1,000,000 is received in revenue and/or builder deposits relating to the Black Oak Project.

On December 31, 2017, the Company had $314,630 owed to Arete and $48,000 to AREI in accounts payable and accrued expenses.

On April 26, 2018, SeD Development USA, Arete and AREI reached an agreement to terminate the terms related to management fees and developer fees in the Limited Partnership Agreement. In July 2018, per the terms of the termination agreement, Black Oak LP paid Arete $300,000 and AREI $30,000 to fulfill the commitments.

MacKenzie Equity Partners, owned by a Charles MacKenzie, a Director of the Company, has a consulting agreement with the Company since 2015. Per the terms of the agreement, as amended on January 1, 2018, the Company pays a monthly fee of $15,000 with an additional $5,000 per month due upon the close of the sale to Houston LD, LLC. From January 2019, the Company pays a monthly fee of $20,000 for the consulting services. The Company incurred expenses of $240,000 in the years 2019 and 2018, which were capitalized as part of Real Estate on the balance sheet as the services relate to property and project management. On December 31, 2019 and 2018, the Company owed this related party $0 and $60,000, respectively.

Advance to HF Enterprises Inc.

The Company pays some operating expenses for HF Enterprise Inc., a related party under the common control of Chan Heng Fai, the CEO of the Company. The advances are interest free with no set repayment terms. On December 31, 2019 and December 31, 2018, the balance of these advances was $211,271 and $0, respectively.

Purchase of Minority Interest of Black Oak LP

On July 23, 2018, SeD Development USA, LLC, a wholly owned subsidiary of the Company, entered into two Partnership Interest Purchase Agreements through which it purchased an aggregate of 31% of Black Oak LP for $60,000. In addition, if and when Black Oak LP receives at least $15 million in net reimbursement receivable proceeds from HC17 and/or Aqua Texas, Inc. (net of any expenses Harris County Improvement District 17 and/or Aqua Texas, Inc. may deduct), Black Oak LP shall pay Fogarty Family Trust II, one of two previous partners of Black Oak LP, an amount equal to 10% of the net reimbursement receivable proceeds received from HC17 and/or Aqua Texas, Inc. that exceeds $15 million; provided however, this obligation shall only apply to reimbursement revenue received on or before December 31, 2025. Prior to the Partnership Interest Purchase Agreements, the Company owned and controlled Black Oak LP through its 68.5% limited partnership interest and its ownership of the General Partner, 150 Black Oak GP, Inc, a 0.5% owner in Black Oak LP. As a result of the purchase, the Company, through its subsidiaries, now owns 100% of Black Oak LP.

Consulting Services

A law firm, owned by Conn Flanigan, a Director of the Company, performs consulting services for the Company. The Company incurred expenses of $38,584 and $101,979 for the years ended December 31, 2019 and 2018, respectively. On December 31, 2019 and December 31, 2018, the Company owed this related party $0 and $8,000, respectively.

Item 14. Principal Accounting Fees and Services

The following table indicates the fees paid by us for services performed for the years ended December 31, 2019 and December 31, 2018:

	Year Ended December 31, 2019	Year Ended December 31, 2018
Audit Fees	$ 61,500	$ 61,500
Audit-Related Fees	$ 0	$ 0
Tax Fees	$ 25,000	$ 25,000
All Other Fees	$ 0	$ 0
Total	$ 86,500	$ 86,500

Audit Fees. This category includes the aggregate fees billed for professional services rendered by the independent auditors during the years ended December 31, 2019 and December 31, 2018 for the audit of our financial statements and review of previous years' Form 10-Qs.

Tax Fees. This category includes the aggregate fees billed for tax services rendered in the preparation of our federal and state income tax returns.

All Other Fees. This category includes the aggregate fees billed for all other services, exclusive of the fees disclosed above, rendered during the year ended December 31, 2019 and December 31, 2018.

PART IV

Item 15. Exhibits, Financial Statement Schedules

(a)(1) List of Financial statements included in Part II hereof:

Balance Sheets as of December 31, 2019 and December 31, 2018
Statements of Operations for the twelve months ended December 31, 2019 and December 31, 2018
Statements of Stockholders' Equity (Deficit) for the period December 31, 2018 through December 31, 2019
Statements of Cash Flows for the twelve months ended December 31, 2019 and December 31, 2018

(a)(2) List of Financial Statement schedules included in Part IV hereof:

None.

(a)(3) Exhibits

The following exhibits are filed with this report or incorporated by reference:

Exhibit No.	Description
2.1	Acquisition Agreement and Plan of Merger dated December 29, 2017 by and among SeD Intelligent Home Inc., SeD Acquisition Corp., SeD Home International, Inc. and SeD Home, Inc. incorporated herein by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on December 29, 2017.
3.1	Certificate of Incorporation of the Company, incorporated herein by reference to Exhibit 3.1 to the Company's Registration Statement on Form S-11 filed with the Securities and Exchange Commission on October 20, 2010.
3.2	Bylaws of the Company, incorporated herein by reference to Exhibit 3.2 to the Company's Registration Statement on Form S-11 filed with the Securities and Exchange Commission on October 20, 2010.
3.3	Amendment to the Company's Articles of Incorporation, incorporated herein by reference to Exhibit 3.3 to Company's Quarterly Report on Form 10-Q, filed with the Securities and Exchange Commission on November 2, 2017.
3.4	Certificate of Incorporation of SeD Home & REITs Inc. incorporated herein by reference to Exhibit 3.4 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on December 29, 2017.
3.5	Bylaws of SeD Home & REITs Inc. incorporated herein by reference to Exhibit 3.5 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on December 29, 2017.
4.1	Description of the Company's Common Stock.
10.1	Agreement of Limited Partnership of 150 CCM Black Oak, Ltd., dated as of March 20, 2014, by and between 150 Black Oak GP, Inc. and CCM Development USA Corporation, American Real Estate Investments, LLC and the Fogarty Family Trust II incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on December 29, 2017.
10.2	Amendment of Agreement of Limited Partnership of 150 CCM Black Oak, Ltd., dated as of November 7, 2014, by and between 150 Black Oak GP, Inc. and CCM Development USA Corporation, American Real Estate Investments, LLC and the Fogarty Family Trust II incorporated herein by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on December 29, 2017.
10.3	Amendment of Agreement of Limited Partnership of 150 CCM Black Oak, Ltd., by and between 150 Black Oak GP, Inc. and CCM Development USA Corporation, American Real Estate Investments, LLC and the Fogarty Family Trust II incorporated herein by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on December 29, 2017.

10.4	Amendment of Agreement of Limited Partnership of 150 CCM Black Oak, Ltd., dated as of September 26, 2014, by and between 150 Black Oak GP, Inc. and CCM Development USA Corporation, American Real Estate Investments, LLC and the Fogarty Family Trust II incorporated herein by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on December 29, 2017.
10.5	Form of Lot Purchase Agreement for Ballenger Run, entered into as of December 10, 2014, by and among SeD Maryland Development, LLC and NVR, Inc. d/b/a Ryan Homes incorporated herein by reference to Exhibit 10.5 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on December 29, 2017.
10.6	Management Agreement, entered into as of July 15, 2015, by and between SeD Maryland Development, LLC and SeD Development Management, LLC incorporated herein by reference to Exhibit 10.6 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on December 29, 2017.
10.7	Amended and Restated Limited Liability Company Agreement of SeD Maryland Development, LLC, dated as of September 16, 2015, by and between SeD Maryland Development, LLC and SeD Development Management, LLC incorporated herein by reference to Exhibit 10.7 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on December 29, 2017.
10.8	Consulting Services Agreement, dated as of May 1, 2017, between SeD Development Management LLC and MacKenzie Equity Partners LLC incorporated herein by reference to Exhibit 10.8 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on June 1, 2018.
10.9	Project Development and Management Agreement for Ballenger Run PUD, dated as of February 25, 2015 by and between MacKenzie Development Company, LLC and Cavalier Development Group, LLC, incorporated herein by reference to Exhibit 10.9 to the Company's Quarterly Report on Form 10-Q, filed with the Securities and Exchange Commission on May 15, 2018.
10.10	Assignment and Assumption Agreement, dated as of September 15, 2017, by and between MacKenzie Development Company, LLC and Adams-Aumiller Properties, LLC, incorporated herein by reference to Exhibit 10.10 to the Company's Quarterly Report on Form 10-Q, filed with the Securities and Exchange Commission on May 15, 2018.
10.11	Lot Purchase Agreement, dated as of July 20, 2016, by and between SeD Maryland Development, LLC and Orchard Development Corporation, incorporated herein by reference to Exhibit 10.11 to the Company's Quarterly Report on Form 10-Q, filed with the Securities and Exchange Commission on November 14, 2018.
10.12	Partnership Interest Purchase Agreement, dated as of July 23, 2018, by and between SeD Development USA, Inc. and American Real Estate Investors, LLC, incorporated herein by reference to Exhibit 10.12 to the Company's Quarterly Report on Form 10-Q, filed with the Securities and Exchange Commission on November 14, 2018.
10.13	Partnership Interest Purchase Agreement, dated as of July 23, 2018, by and between SeD Development USA, Inc. and Fogarty Family Trust II, incorporated herein by reference to Exhibit 10.13 to the Company's Quarterly Report on Form 10-Q, filed with the Securities and Exchange Commission on November 14, 2018.
10.14	Purchase and Sale Agreement, by and among 150 CCM Black Oak, Ltd. and Houston LD, LLC, dated as of July 3, 2018, incorporated herein by reference to Exhibit 10.14 to the Company's Annual Report on Form 10-K, filed with the Securities and Exchange Commission on April 1, 2019.
10.15	Amended and Restated Purchase and Sale Agreement, by and among 150 CCM Black Oak, Ltd. and Houston LD, LLC, dated as of October 12, 2018, incorporated herein by reference to Exhibit 10.15 to the Company's Annual Report on Form 10-K, filed with the Securities and Exchange Commission on April 1, 2019.
10.16	Development Loan Agreement, dated as of April 17, 2019, by and between SeD Maryland Development, LLC and Manufacturers and Traders Trust Company, incorporated herein by reference to Exhibit 10.16 to the Company's Quarterly Report on Form 10-Q, filed with the Securities and Exchange Commission on November 12, 2019.
21	Subsidiaries of the Company.
31.1a	Certification of Co-Chief Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.1b	Certification of Co-Chief Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2a	Certification of Co-Chief Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2b	Certification of Co-Chief Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officers and Chief Financial Officers Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

Item 16. Form 10-K Summary

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SeD Intelligent Home Inc.

Dated: March 30, 2020

By: /s/ Rongguo (Ronald) Wei
Name: Rongguo (Ronald) Wei
Title: Co-Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Fai H. Chan Fai H. Chan	Co-Chief Executive Officer, Director (Principal Executive Officer)	March 30, 2020
/s/ Moe T. Chan Moe T. Chan	Co-Chief Executive Officer, Director (Principal Executive Officer)	March 30, 2020
/s/ Conn Flanigan Conn Flanigan	Secretary, Director	March 30, 2020
/s/ Charley MacKenzie Charley MacKenzie	Director	March 30, 2020
/s/ Rongguo (Ronald) Wei Rongguo (Ronald) Wei	Co-Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	March 30, 2020
/s/ Alan W. L. Lui Alan W. L. Lui	Co-Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	March 30, 2020