SINGAPORE eDEVELOPMENT LIMITED

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

Unaudited Financial Statement for the Six Months Ended 30 June 2017

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

Consolidated Statement of Comprehensive Income	Announcement Year ended 6/30/2017 Unaudited S$'000	6/30/2016 Unaudited S$'000	Increase/ (Decrease) %
Revenue	6,214	893	596
Cost of sales	(5,226)	(714)	632
Gross profit	988	179	452
Other items of income			
Other income	129	490	(74)
Finance income	1	-	nm
Other items of expense			
Marketing expenses	(93)	160	(158)
Research and Development	(467)	(296)	58
Administrative expenses	(4,193)	(3,017)	39
Finance costs	-	(130)	(100)
Other expenses	(3,083)	(2,412)	28
Share of result of an associate	-	(291)	(100)
Loss before tax	(6,718)	(5,317)	26
Income tax expense	-	-	nm
Loss for the period	(6,718)	(5,317)	26
Attributable to:			
Owners of the Company	(6,298)	(5,285)	19
Non-controlling interests	(420)	(32)	1,213
Loss for the period	(6,718)	(5,317)	26
Other comprehensive income/(loss):			
Foreign currency translation	64	(95)	(167)
Other comprehensive income/(loss) for the period, net of tax	64	(95)	(167)
Total comprehensive loss for the period	(6,654)	(5,412)	23
Total comprehensive loss attributable to:			
Owners of the Company	(5,899)	(5,217)	13
Non-controling interests	(755)	(195)	287
Total comprehensive loss for the period	(6,654)	(5,412)	23

Notes to Consolidated Statement of Comprehensive Income	Group		
	6/30/2017 Unaudited	6/30/2016 Unaudited	Increase / (Decrease)
	S$'000	S$'000	%
Loss for the period is arrived at:			
After charging:			
Depreciation of property, plant and equipment	56	66	(15)
Finance cost	-	130	(100)
Amortised cost of employee share options	-	149	(100)
Withholding tax expense	626	548	14
Unrealised foreign exchange losses	2,459	1,440	71
Loss from early redemption of exchangeable notes	-	392	(100)
After crediting:			
Net fair value adjustment of financial asset / liability	58	466	(88)
Interest income	1	-	nm

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

	Announcements			
	Group		Company	
	6/30/2017	12/31/2016	6/30/2017	12/31/2016
Balance Sheets	**Unaudited**	**Audited**	**Unaudited**	**Audited**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Non-current assets				
Property, plant and equipment	188	197	21	23
Other Investment	286	-	-	-
Investment in subsidiaries	-	-	751	98
	474	197	772	121
Current assets				
Trade and other receivables	1,127	314	143	122
Prepaid operating expenses	217	193	79	32
Properties under development	70,599	71,098	-	-
Properties held for sale	426	2,002	-	-
Investment securities	352	311	21	21
Derivative assets	742	785	-	-
Due from Subsidiaries	-	-	51,218	48,769
Bank deposits pledged	3,635	3,816	-	-
Inventory	148	-	-	-
Cash and cash equivalents	4,273	3,885	2,291	1,377
	81,519	82,404	53,752	50,321
Total assets	**81,993**	**82,601**	**54,524**	**50,442**
Current liabilities				
Provision for income tax	809	809	-	-
Trade and other payables	15,709	15,338	1,898	1,783
Loans and borrowings	19,800	35,003	-	15,202
	36,318	51,150	1,898	16,985
Net current assets	45,201	31,254	51,854	33,336
Non-current liability				
Loans and borrowings	1,907	1,968	-	-
	1,907	1,968	-	-
Total liabilities	**38,225**	**53,118**	**1,898**	**16,985**
Net Assets	**43,768**	**29,483**	**52,626**	**33,457**
Equity attributable to owners of the Company				
Share capital	102,225	81,286	102,225	81,286
Other reserves	920	920	420	420
Foreign currency translation reserve	263	(136)	-	-
Retained earnings	(62,367)	(56,069)	(50,019)	(48,249)
	41,041	26,001	52,626	33,457
Non-controlling interests	2,727	3,482	-	-
Total equity	**43,768**	**29,483**	**52,626**	**33,457**
Total equity and liabilities	**81,993**	**82,601**	**54,524**	**50,442**

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

	As at 30/6/2017 (Unaudited)		As at 31/12/2016 (Audited)	
	Secured S$'000	Unsecured S$'000	Secured S$'000	Unsecured S$'000
Amount repayable in one year or less, or on demand				
Floating Rate USD Loan - Ballenger Run	10,863	-	10,453	-
Fixed Rate USD Loan - Black Oak	8,266	-	8,687	-
Interest free USD Loan	-	-	-	15,202
Floating Rate AUD Loan	671	-	661	-
Amount repayable in one year or less, or on demand	19,800	-	19,801	15,202
Amount repayable after one year				
Corporate Bond	1,907	-	1,968	-
	1,907	-	1,968	-
Total Loans and Borrowings	21,707	-	21,769	15,202

The outstanding loans of the Group as at 30 June 2017 are as follows:

- In November 2015, for the Ballenger Run project, the Group obtained a US$8.0 (S$11.0) million construction loan facility which was secured by a lien over the land related to the project and a cash deposit of US$2.6 (S$3.6) million and is repayable in full before 22 November 2018. The interest rate is based on one month LIBOR + 380 basis points adjusted monthly during the loan term until maturity, with a floor interest rate of 4.5% per annum. As at 30 June 2017, US$7.9 (S$10.9) million has been drawn down and remained outstanding. Prior to full settlement of the loan, the Group is required to make principal repayment equal to 95% of property sales. As the Group is generating revenue from property sales in FY2017, the balance is classified under current liability.

- In October 2015, for the Black Oak project, a short-term construction loan of US$6.0 (S$8.3) million was fully drawn down from a private equity fund ("the Lender") and is secured by a lien over the land related to the project. As at 30 June 2017, the loan has been fully drawn down and remained outstanding. The loan bears a fixed interest rate of 13% per annum and is repayable in full before 1 October 2017.

- During the last financial year, a US$15.0 (S$20.7) million loan facility was provided by Hengfai Business Development Pte. Ltd. ("HBD"), a substantial shareholder of the Company and a wholly-owned company of Mr Chan Heng Fai, CEO, Executive Director and a controlling shareholder of the Company. As at 31 December 2016, US$10.5 (S$15.2) million ("HBD loan") has been drawn down to finance a land purchase. The loan facility is unsecured, 6% interest bearing per annum starting from 1 January 2017 (interest-free prior to FY2017) and the outstanding loan of US$10.5 million is repayable upon demand before 31 December 2017.

  On 26 January 2017, the Company announced the proposed conversion of HBD loan into new shares of the Company. Subject to shareholders' approval, the Company shall allot and issue 372,855,000 new shares ("conversion shares") at an issue price of S$0.04 for each conversion share to HBD. The Company shall also issue five (5) free detachable warrants, each carrying the right to subscribe for one (1) new share at an exercise price of S$0.048 for each exercise share, on the basis of five (5) warrants for every one (1) conversion share to HBD. The proposed conversion was completed on 5 April 2017.

- A$0.6 (S$0.7) million short-term loan was drawn down from an Australian financial institution for land purchases for development in Mandurah (South of Perth), Western Australia. The loan is secured by a mortgage against the land and personal guarantees from the CEO of the Company and the executive director of SeD Perth Pty. Ltd. The loan bears a variable interest rate, currently at 6.15% per annum, determined as a weighted average of various prevailing market rates and on 5 January 2017 the loan was renegotiated to be repayable on 31 December 2018.

- During FY2016, the Company through its Hong Kong subsidiary has issued a total of US$1.5 (S$2.1) million corporate bonds to external parties. The Company has recognised the corporate bonds net of transaction costs amounting to S$0.2 million. The corporate bonds bear an interest rate of 8% per annum and are repayable in 3 years from the issue date. On maturity, the subscriber has an option to acquire a property built by SeD Home Inc. ("SeD Home") under the Black Oak Project. SeD Home shall facilitate the use of the monies due on maturity date as a sale consideration to acquire the property at cost price.

  SeD Home and Mr. Chan Heng Fai have agreed to share the guarantee of the principal amount of the corporate bonds for a period of 3 years from the issue date up to US$10.0 (S$13.8) million and US$5.0 (S$7.2) million, respectively.

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

	1H2017	1H 2016
	Announcement	
Consolidated Cash Flow Statement	**Unaudited**	**Unaudited**
	S$'000	**S$'000**
Operating activities		
Loss before tax	(6,718)	(5,317)
Adjustments for:-		
Depreciation of property, plant and equipment	56	66
Net fair value adjustment on derivative liability	-	(466)
Loss from early redemption of exchangeable note	-	392
Amortised cost of Employee Share Options	-	149
Fair value gain in investment securities	(58)	-
Share of result of an associate	-	291
Withholding tax expense	626	548
Unrealised exchange loss	2,459	1,440
Finance costs	-	130
Finance income	(1)	-
Operating cash flows before changes in working capital	(3,636)	(2,767)
Changes in working capital:-		
Decrease in trade and other receivables	137	1,319
Increase in prepaid operating expenses	(24)	(7)
Increase in inventory	(148)	-
Increase in properties under development	(2,940)	(2,535)
Decrease / (Increase) in properties held for sales	1,479	(396)
Increase in Investment Securities	-	(4)
(Decrease) / Increase in trade and other payables	(255)	805
Decrease in accrued operating expenses	-	(402)
Cash flows used in operations	(5,387)	(3,987)
Interest received	1	25
Interest paid	(789)	(1,697)
Net cash flows used in operating activities	**(6,175)**	**(5,659)**
Investing activities		
Purchase of property, plant and equipment	(34)	(82)
Net cash outflow on acquisition of a subsidiary	(300)	-
Investment in associate	-	(415)
Net cash flows (used in) / from investing activities	**(334)**	**(497)**
Financing activities		
Proceeds from loans and borrowings	872	802
Proceeds from issuance of private placement shares	-	7,020
Repayment of exchangeable notes	-	(5,000)
Advances from director	-	2,500
Repayment of private bond	-	(1,348)
Repayment of HBD Loan	(14,914)	-
Proceeds from issuance of shares pursuant to conversion of HBD Loan	14,914	-
Proceeds from issuance of new ordinary shares	6,150	-
Share issuance expenses	(125)	(177)
Net cash generated from financing activities	**6,897**	**3,797**
Net increase / (decrease) in cash and cash equivalents	**388**	**(2,359)**
Effect of exchange rate changes on cash and cash equivalent	**-**	**158**
Cash and cash equivalents at beginning of financial period	**3,885**	**7,123**
Cash and cash equivalents at end of financial period	**4,273**	**4,922**

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

The Group (Unaudited)	Attributable to owners of the Company						Non-controlling interests
	Share capital	Other reserves			Accum'd losses	Total equity	
		Other reserve	Share option reserve	Foreign currency translation reserve			
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Balance at 1 January 2017	81,286	500	420	(136)	(56,069)	26,001	3,482
Loss of the period	-	-	-	-	(6,298)	(6,298)	(420)
Foreign currency translation	-	-	-	399	-	399	(335)
Total comprehensive income (loss) for the period	-	-	-	399	(6,298)	(5,899)	(755)
Issuance of new ordinary shares	21,064	-	-	-	-	21,064	-
Share issuance expenses	(125)	-	-	-	-	(125)	-
Balance at 30 June 2017	**102,225**	**500**	**420**	**263**	**(62,367)**	**41,041**	**2,727**
Balance at 1 January 2016	68,521	500	549	(69)	(49,083)	20,418	3,432
Loss of the period	-	-	-	-	(5,285)	(5,285)	(32)
Foreign currency translation	-	-	-	68	-	68	(163)
Total comprehensive income for the period	-	-	-	68	(5,285)	(5,217)	(195)
Grant of equity-settled share options to employees	-	-	149	-	-	149	-
Issuance of new ordinary shares	7,020	-	-	-	-	7,020	-
Share issuance expenses	(177)	-	-	-	-	(177)	-
Balance at 30 June 2016	**75,364**	**500**	**698**	**(1)**	**(54,368)**	**22,193**	**3,237**

The Company (Unaudited)	Attributable to owners of the Company			
	Share capital	Share option reserve	Accum'd losses	Total equity
	S$'000	S$'000	S$'000	S$'000
Balance at 1 January 2017	81,286	420	(48,249)	33,457
Loss net of tax, representing total comprehensive income for the period	-	-	(1,770)	(1,770)
Grant of equity-settled share options to employees	-	-	-	-
Issuance of new ordinary shares	21,064	-	-	21,064
Share issuance expenses	(125)	-	-	(125)
Balance at 30 June 2017	**102,225**	**420**	**(50,019)**	**52,626**
Balance at 1 January 2016	68,521	549	(48,331)	20,739
Loss net of tax, representing total comprehensive income for the period	-	-	(1,560)	(1,560)
Grant of equity-settled share options to employees	-	149	-	149
Issuance of new ordinary shares	7,020	-	-	7,020
Share issuance expenses	(177)	-	-	(177)
Balance at 30 June 2016	**75,364**	**698**	**(49,891)**	**26,171**

Note:

(1) The Company has on 5 April 2017 completed the Proposed Conversion following the allotment and issuance of 372,855,000 Conversion Shares at the Conversion Price of S$0.040 for each Conversion Share and the issuance of 1,864,275,000 free detachable 2017 Warrants, each carrying the right to subscribe for one (1) Exercised Share at an Exercise Price of S$0.048 for each Exercised Share, on the basis of five (5) 2017 Warrants for every one (1) Conversion Share allotted and issued to Hengfai Business Development Pte. Ltd., an associate of Mr Chan Heng Fai, a Director and Controlling Shareholder of the Company.

(2) On 21 October 2016, 139,098,617 Rights Shares and 695,493,085 Warrants were allotted and issued by the Company pursuant to the renounceable non-underwritten rights issue at an issue price of S$0.04 for each rights share, on the basis of one (1) rights share for every three (3) existing shares held by the shareholders of the Company as at the books closure date, and the issue of free detachable warrants, each carrying the right to subscribe for one (1) new ordinary share at an exercise price of S$0.04 for each exercised share, on the basis of five (5) warrants for every one (1) rights share subscribed for.

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

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

	Number of shares	Share Capital (S$'000)
As at 30 June 2016 (unaudited)	417,295,850	75,364
As at 30 June 2017 (unaudited)	1,096,456,707	102,225

Types of Convertibles	Number of Outstanding Convertibles	Number of Shares that may be issued on conversion of all outstanding convertibles
As at 30 June 2017		
1. Bonus Warrants	-	-
2. Piggyback Warrants	-	-
3. Share Options under CSOS	1,592,000	1,592,000
4. 2016 Warrants	528,285,845	528,285,845
5. 2017 Warrants	1,864,275,000	1,864,275,000
As at 30 June 2016		
1. Bonus Warrants	59,531,652	59,531,652
2. Piggyback Warrants	9,333,224	9,333,224
3. Share Options under CSOS	3,714,667	3,714,667
4. 2016 Warrants	-	-
5. 2017 Warrants	-	-

The Company does not have any treasury shares and subsidiary holdings as at 30 June 2016 and 30 June 2017.

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

	Number of shares
As at 31 December 2016 (audited)	569,862,252
As at 30 June 2017 (unaudited)	1,096,456,707

The Company did not have any treasury shares as at 30 June 2017 and 31 December 2016.

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

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

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

Not applicable. The Company does not have subsidiary holdings during and as at the end of the current financial period reported on.

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

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

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

Not applicable.

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

The Group has adopted the same accounting policies and methods of computation in the financial statements for the current financial period as those used in the Group's most recently audited financial statements for the financial year ended 31 December 2016 ("**FY2016**"), except as disclosed in paragraph 5 below.

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

The Group has adopted the new and revised Singapore Financial Reporting Standards ("FRS") and Interpretations of Financial Reporting Standards ("INT FRS") that are relevant to its operations and are effective for the financial periods beginning on or after 1 January 2017. The adoption of these new and revised FRS and INT FRS did not result in material adjustments to the Group's financial statements for the financial period ended 30 June 2017.

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

Loss Per Ordinary Share	Group Six months ended	
	30/6/2017	30/6/2016
Loss net of tax attributible to the owners of the Company (S$000)	(6,298)	(5,285)
Weighted average number of shares ('000)	846,095	332,439
Basic and diluted loss per ordinary share (Singapore cents)	(0.74)	(1.59)

The basic loss per ordinary share as at 30 June 2016 and 2017 was computed by dividing the loss net of tax attributable to owners of the Company by the weighted average number of ordinary shares.

† *The basic and diluted loss per ordinary share are the same as the outstanding convertibles as at 30 June 2016 and 2017 and are anti-dilutive.*

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

	Group		Company	
	30/6/2017 (Unaudited)	31/12/2016 (Audited)	30/6/2017 (Unaudited)	31/12/2016 (Audited)
Net Asset value per ordinary share (Singapore cents)	3.74	4.56	4.80	5.87

The net asset value per ordinary share as at 30 June 2017 and 31 December 2016 were computed based on the net assets and liabilities of the Group and the Company as at the end of the respective financial periods and based on 1,096,456,707 and 569,862,252 ordinary shares in issue as at the end of the respective financial period.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the followings:- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Review of Statement of Comprehensive Income
Six Months ended 30 June 2017 ("1H2017") vs Six Months ended 30 June 2016 ("1H2016")

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

In 1H2017,

a. The Property Development Business' home incubation delivered two units located in El Tesoro, Houston, Texas, U.S. to buyers in 1H2017. Accordingly, the Group recognised S$0.5 million in revenue and S$0.2 million in gross profit in 1H2017. The remaining three units are expected to be sold in 2H2017.

b. Ballenger Run, the Group's U.S. project in Frederick County, Maryland, generated S$2.1 million in revenue and S$0.4 million in gross profit in 1H2017 from the sale of 13 model lots.

c. A townhouse located in Washington, DC, U.S. was sold for S$1.1 million in February 2017 and reported a gross loss S$0.2 million due to capitalized interest expense.

d. The Group acquired a 53% equity stake in U.S. company, iGalen International Inc ("iGalen") to conduct the distribution of dietary and health supplements through network marketing. Sales income and gross profit in 1H2017 amounted to S$2.5 million and S$0.5 million.

Marketing expenses in 1H2017 was due to the promotion of the iGalen networking marketing business, amounting to S$0.1 million.

Administrative expenses increased to S$4.2 million in 1H2017 from S$3.0 million in 1H2016 mainly due to additional expenses of S$1.1 million associated with the network marketing business which commenced in 1H2017.

Research and development expenditure increased to S$0.5 million in 1H2017 from S$0.3 million in 1H2016 mainly due to the additional expenses of S$0.3 million associated with the Biomedical business partially offset by the streamlining and restructuring of HotApp's operations amounting to S$0.1 million.

Other income decreased to S$0.1 million in 1H2017 from S$0.5 million in 1H2016. In 1H2017, the other income of S$0.1 million was due to the fair value gain on marketable securities and the deposit forfeited by the customer. In 1H2016, other income was due to a fair value gain.

Other expenses amounted to S$3.1 million in 1H2017 comprising S$2.5 million in unrealised foreign exchange losses arising from the depreciation of the U.S. Dollar in 1H2017 on U.S. Dollar-based assets relating to the Group's U.S. property development operations and S$0.6 million of withholding tax.

Depreciation decreased by S$0.01 million due to the disposal of a number of fixed assets in the second half of 2016.

Review of Balance Sheet
As at 30 June 2017 vs 31 December 2016

a) Property, plant & equipment

The Group purchased additional fixed assets totalling S$0.03 million in 1H2017 comprising furniture, fixtures and computers. The Group's fixed assets depreciated by S$0.1 million during 1H2017.

b) Other investment

The Group has an investment in Global Opportunity Fund ("GOF"), managed by Hengfai Asset Management Pte Ltd ("HFAM") amounting to S$0.3 million.

c) Trade and other receivables

Trade and other receivables increased to S$1.1 million as at 30 June 2017 from S$0.3 million as at 31 December 2016 mainly due to S$0.9 million receivable from network marketing.

d) Properties under development

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

Related costs comprised land purchase costs and other costs such as project financing, project management, development and construction. Additional development and financing costs of S$3.0 million incurred in 1H2017 were offset by the unrealised exchange loss of S$3.4 million.

e) Property held for sales

The Group acquired 27 tenanted single-family homes in El Tesoro, Houston, Texas, for resale in FY2015. As at 30 June 2017, three units remain on hand.

In addition, the Group purchased one townhouse located in Washington, DC. in FY2015 which was sold in 1H2017.

f) Investment securities

The Group has invested in shares of a U.S. listed company amounting to S$0.4 million.

g) Derivative assets

A promissory note of S$0.8 million from a company listed in the U.S. OTC market has been received for providing consulting services.

h) Bank deposits pledged

The deposit pledged is related to a US$2.6 (S$3.6) million collateral put up for the US$8 million construction loan for Ballenger Run project.

i) Inventory
The increase in inventory amounting to S$0.1 million related to the distribution of the biomedical product through the network marketing platform in 1H2017.

j) Trade and other payables

Trade and other payables increased marginally to S$15.7 million in 1H2017 mainly due to payables recognised relating to the launch and operation of the network marketing business of S$1.1 million, offset by the decrease in payables relating to the property business of US$0.7 million.

k) Loans and borrowings

Loans and borrowings decreased significantly to S$19.8 million in 1H2017 from S$35.0 million in 1H2016 mainly to the conversion of the US$10.5 million HBD loan into equity.

l) Working capital

The increase of S$13.9 million in working capital relates to the decrease in current assets and current liabilities amounting to S$0.9 million and S$14.8 million respectively.

The current assets movement is mainly attributed to the decrease in properties held for sales of S$1.6 million and the decrease in properties under development of S$0.5 million, offset by the increase in cash and cash equivalents of S$0.4 million and the increase in trade and other receivables of S$0.8 million.

The current liabilities movement is mainly attributed to the decrease in loans and borrowings amounting to S$15.2 million, offset by the increase in trade and other payables of S$0.4 million.

Review of Consolidated Cash Flow Statement

Cash and cash equivalents increased by S$0.4 million to S$4.3 million in 1H2017 from S$3.9 million in FY2016.

Operating Activities
Net cash used in operating activities amounted to S$6.2 million in 1H2017 as compared to S$5.7 million in 1H2016. The Group had a net cash outflow of S$3.6 million from its operating activities before changes in working capital. This mainly relates to the loss before tax of S$6.7 million and the adjustments of the non-cash items including S$2.5 million foreign exchange loss due to the depreciation of the US dollar and S$0.6 million withholding tax expense.

The increase in working capital of S$1.8 million is mainly due to the S$2.9 million increase in properties under development, S$0.1 million increase in inventory and S$0.3 million decrease in trade and other payables, offset by the S$1.5 million decrease in properties held for sales and S$0.1 million decrease in trade and other receivables.

Interest Paid
The decrease in interest payment is mainly due to S$1.1 million paid for the early redemption of the exchangeable note in 1H2016. The exchangeable notes were fully redeemed in FY2016.

Investing Activities
Net cash used in investing activities amounted to S$0.3 million relating to acquisition of a subsidiary of S$0.3 million and purchase of fixed assets of S$0.03 million..

Financing Activities
Net cash from financing activities for 1H2017 amounted to S$6.9 million due to:
(i) The proceeds from loans and borrowings of S$0.9 million received from the loan drawdown for the Ballenger Run project; and
(ii) the issuance of new ordinary shares from the exercise of 2016 warrants amounting to S$6.2 million offset by its issuance expenses amounting to S$0.1 million.

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

The Group had on 4 August 2017 issued a performance guidance announcement cautioning shareholders that the Group expects to report a loss for 1H2017.

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

Subsequent to the Corporate and Business Update on 31 October 2016, the Group has advanced on several initiatives to accelerate corporate recovery and enhance shareholder value.

International Property Development

Construction activities at the Group's two U.S. land subdivision projects, Ballenger Run and Black Oak, are progressing. Revenue recognition has commenced for the former in 1H2017 and will commence for the latter in next year.

On 24 January 2017, the Group received shareholders' approval to expand the scope of its property development business. This allows the Group to capitalise on opportunities in the property market and develop new revenue streams. In view of the favourable location of Black Oak, SeD Home Inc. intends to embark on homebuilding activities in partnership with other U.S. homebuilders.

Apart from homebuilding, SeD Home Inc. is also exploring, through strategic partnerships, to enlarge the scope of its services to include financing, home management, realtor services, insurance and home validation. The Company is hopeful that providing such services will enable the Group to seize business opportunities in the property sector, as well as to secure revenue and profit in the near-to-medium term, complementing its existing land subdivision projects which have longer gestation periods.

SeD Home Inc. has completed the restructuring of its balance sheet through the conversion of existing debt from its parent, SeD, to equity. Subsequently, it has also commenced discussion with family offices to raise equity funding for SeD Home Inc.

Biomedical Business

As part of a strategic shift to diversify and develop new revenue streams, the Group received shareholders' approval on 24 January 2017 to diversify into biomedical science, healthcare and biotechnology industries.

Accordingly, the Group incorporated Global BioLife Inc. ("Global BioLife") on 2 May 2017 to carry out its biomedical activities. Advanced research has been initiated for the *Linebacker* platform – a new universal therapeutic drug platform that seeks to offer a breakthrough option for multiple diseases to be cured. The *Linebacker* intellectual property has since been assigned to Global BioLife. The Group expects to obtain validating laboratory data for *Linebacker* by 2H2017 with the platform to be completed by 1H2018.

As announced on 14 February 2017, the Group acquired a 53%-stake in iGalen International Inc ("iGalen") to conduct the distribution of dietary and health supplements through network marketing. As at 30 June 2017, iGalen has achieved S$2.5 million in sales in four months since its launch.

The Group has appointed Dr Tang Peihong as Director and Chief Executive Officer of Global BioLife effective 24 April 2017. Dr Tang has a Ph.D. in Chemical Engineering and was selected as National Distinguished Expert in China's Thousand Talents Plan in 2012.

IT-Related Businesses

As announced on 16 February 2017, HotApp entered into a revenue-sharing agreement with iGalen. HotApp will provide iGalen with a mobile enterprise planning platform for its members, and will receive 3% of iGalen's annual revenue for FY2017.

Investment Business

As announced on 15 June 2017, Global Systematic Multi-Strategy Fund ("GSMS Fund") managed by the Group's wholly-owned Hengfai Asset Management Pte Ltd ("HFAM"), achieved a gross and net return of 15% and 10%, respectively in its first year of operation.

HFAM intends to manage two additional funds, Global Property Development Fund and Global High Yield Income Fund, as part of the Group's efforts to develop new revenue streams in line with its pursuit to provide capital services.

11. Dividend

If a decision regarding dividend has been made:-

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

None.

(b) (i) Amount per share ..... cents

Not applicable.

(b) (ii) Previous corresponding period ..... cents

Not applicable.

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

Not applicable.

(d) The date the dividend is payable.

Not applicable.

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

Not applicable.

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

No dividend has been declared or recommended for financial period ended 30 June 2017.

13. Update on use of proceeds

Proceeds from 2016 Rights Cum Warrants Issue

	Percentage allocation as disclosed in OIS	Amount of Net Proceeds		
		In accordance with percentage allocation as disclosed in OIS (S$'000)	Utilised (S$'000)	Unutilised (S$'000)
Funding the Group's property development projects including the Black Oak Project, the Mandurah Project, the Ballenger Run Project and other property related businesses under the Group's Property Development Business	25	3,113	(1,734)	1,379
Funding of the Group's Information Technology Business including HotApp	20	2,490	(1,522)	968
Funding the Group's Investment Business	5	623	(533)	90
General working capital	50	6,226	(5,958)	268
Total	**100**	**12,452**	**(9,747)**	**2,705**

An aggregate amount of S$4.8 million had been used in General Working Capital of the Group and details of principal disbursements are set out below:

	The Group (S$'000)
Professional fees	1,356
Payroll	1,561
Director fees	270
Rental, office expenditure and other operating expenses	734
Repayment of performance bond	611
BioMedical related expense	858
Short Term Loan to iGalen	568
Total	**5,958**

The use of proceeds has been used in accordance with the stated use.

Utilisation of Net Proceeds from US$1.5 million Corporate Bonds

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

Use of Net Proceeds	**Percentage allocation**	**Utilised (US$'000)**	**Unutilised (US$'000)**
Black Oak project in the U.S.	100%	1,119	217
Total	**100%**	**1,119**	**217**

14. Interested Person Transactions (unaudited) – 1H2017

Name of Interested Person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S$100,000 and transactions conducted under the shareholders' mandate pursuant to Rule 920 of the Catalist Rules)	Aggregate value of all interested person transactions conducted under the shareholders' mandate pursuant to Rule 920 of the Catalist Rules (excluding transactions less than S$100,000)
US$0.5 million convertible note received from Amarantus BioScience Holdings, Inc.		
▪ Chan Heng Fai(1)	S$700,850	-
Purchase of a subsidiary - Hengfai Asset Management Pte Ltd		
Chan Heng Fai(1)	S$300,000	-

Notes:
(1) Mr Chan Heng Fai is an Executive Director and Chief Executive Officer of the Company

Mr Chan Heng Fai is a director and the sole shareholder of Amarantus Bioscience Pte. Ltd. ("ABPL"). On 6 March 2017, ABPL has acquired 250,000 shares of Amarantus' Series F Preferred Stock, which represents 99.3% of the voting securities of Amarantus BioScience Holdings, Inc. ("Amarantus"). Accordingly, Amarantus is an associate of Mr Chan Heng Fai. As announced by the Company on 27 February 2017, in consideration for restructuring services provided by the Company's wholly-owned subsidiary, namely, BMI Capital Partners International Limited ("BMI"), Amarantus had issued convertible note with an aggregate value of US$500,000 to BMI.

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

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

No general mandate for IPT from the shareholders of the Company has been sought.

15. Confirmation Pursuant to Rule 705(5) of the Listing Manual

The Board has confirmed that to the best of its knowledge, nothing has come to its attention which may render the unaudited interim financial results of the Group comprising the balance sheets (Group and Company), consolidated statement of comprehensive income, statement of changes in equity (Group and Company) and consolidated statement of cash flows and the accompanying notes for the financial period ended 30 June 2017 to be false or misleading in any material respect.

16. Undertaking confirmation pursuant to Rule 720(1)

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

BY ORDER OF THE BOARD

Chan Heng Fai
Executive Director & CEO
10 August 2017

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor Hong Leong Finance Limited (the "Sponsor") for compliance with the relevant rules of the Singapore

Exchange Securities Trading Limited (the "SGX-ST"). The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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