SINGAPORE eDEVELOPMENT LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number 200916763W)

MATERIAL DIFFERENCES BETWEEN UNAUDITED AND AUDITED FINANCIAL STATEMENTS OF THE GROUP FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

The Board of Directors (the "**Board**") of Singapore eDevelopment Limited (the "**Company**" and together with its subsidiaries, the "**Group**")refers to the announcement made by the Company on 27 February 2020 in relation to unaudited financial statements of the Group (the "**Unaudited Financial Statements**") for the financial year ended 31 December 2019 ("**FY2019**").

Pursuant to Rule 704(5) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited, the Board would like to announce that subsequent to the release of the Unaudited Financial Statements, certain adjustments were made to the Unaudited Financial Statements following the finalisation of the audit by the Company's external auditor.

The material differences between the Unaudited Financial Statements and the audited financial statements for FY2019 (the "**Audited Financial Statements**") arose mainly due to the additional write down of property under development based on the final valuation report.

The details of the material adjustments made to the Unaudited Financial Statements and the material differences between the Unaudited Financial Statements and the Audited Financial Statements are set out below.

Consolidated statement of comprehensive income for FY2019

	Unaudited Financial Statements S$'000	Audited Financial Statements S$'000	Difference between Unaudited Financial Statement and Audited Financial Statement S$'000	Note
Non-current assets				
Right-Of-Use Asset	271	272	1	
Other Investment	451	450	(1)	
Current assets				
Trade and other receivables	1,407	1,312	(95)	A
Properties under development	36,431	34,553	(1,878)	B, H
Total assets	49,427	47,454	(1,973)	
Current liabilities				
Provision for income tax	-	566	566	C
Trade and other payables	21,471	20,776	(695)	D
Non-current liability				
Other payables	-	694	694	D
Equity attributable to owners of the Company				
Foreign currency translation reserve	(78)	(46)	32	O
Accumulated losses	(80,552)	(83,215)	(2,663)	E
Non-controlling interests	(474)	(381)	93	E
Total equity and liabilities	49,427	47,454	1,973	

Consolidated statement of comprehensive income for FY2019

	Unaudited Financial Statements S$'000	Audited Financial Statements S$'000	Difference between Unaudited Financial Statement and Audited Financial Statement S$'000	Note
Revenue	33,096	32,348	(748)	F
Cost of sales	(29,621)	(29,962)	(341)	G, H
Other income	431	1,179	748	F
Administrative expenses	(7,790)	(6,717)	1,073	G, I
Finance costs	(660)	(677)	(17)	I
Other expenses	(6,200)	(8,859)	(2,659)	A, B
Share of JV's results (net of tax)	-	(51)	(51)	I
Loss before tax	(11,057)	(13,052)	(1,995)	
Income tax expense	(15)	(588)	(573)	C
Loss for the year	(11,072)	(13,640)	(2,568)	
Attributable to:				
Owners of the Company	(10,431)	(13,094)	(2,663)	E
Non-controlling interests	(641)	(546)	95	E
Loss for the year	(11,072)	(13,640)	(2,568)	

Consolidated cash flow statement for FY2019

	Unaudited Financial Statements S$'000	Audited Financial Statements S$'000	Difference between Unaudited Financial Statement and Audited Financial Statement S$'000	Note
Loss before tax	(11,057)	(13,052)	(1,995)	
Depreciation of right-of-use assets	-	375	375	J
Written down of properties held for development	4,576	7,140	2,564	B
Allowance for doubtful debts	14	-	(14)	A
Gain on disposal of a subsidiary	(408)	(396)	12	
Interest expense from loans and borrowings	660	659	(1)	
Interest expense on lease liability	-	18	18	J
Excess cash consideration paid over net assets acquired written off	113	114	1	
Share of result of joint venture	-	51	51	I
Change in trade and other receivables	(4)	209	213	A, K, M, N
Change in properties under development	15,502	14,765	(737)	H
Change in trade and other payables	(1,995)	(2,303)	(308)	L
Interest paid	(147)	(175)	(28)	I
Net cash flows generated from operating activities	8,926	9,077	151	
Investing activities				
Investment in joint venture	-	(48)	(48)	K
Proceeds from partial disposal of subsidiaries, net of cash disposed	378	444	66	M
Net cash outflow on acquisition of a subsidiary	-	(104)	(104)	N
Net cash flows generated from / (used in) investing activities	331	245	(86)	

Financing activities				
(Repayment to)/Advances from director	(5,743)	(5,434)	309	L
Principal element of lease payment	-	(369)	(369)	J
Repayment of lease interest	-	(18)	(18)	J
Repayment of loans and borrowings and corporate bonds	(2,019)	(2,005)	14	
Net increase in cash and cash equivalents	1,928	1,929	1	
Effect of exchange rate changes on cash and cash equivalent	(104)	(105)	(1)	

Notes:

(A) Bad debt written off for the other receivable recorded in the book of LiquidValue Asset Management Pte Ltd. ("LVAM")
(B) Additional write down of property under development based on the final valuation report.
(C) Provision for income tax for the income generated from US property project.
(D) Reclassification of the payable from current to non-current liabilities.
(E) Change in loss attributable to owners of the Company and to the non-controlling interest due to the change in the loss for the year.
(F) Reclassification of the front foot benefit from revenue to other Income.
(G) Reclassification of commission paid to cost of sales under network marketing business.
(H) Reclassification of cost of sales to property under development
(I) Reclassification of the administration cost to finance cost and share of joint venture's results.
(J) Reclassification of the movement of the right of use asset from operating activities to financing activities.
(K) To record the investment in associates from the operating activities to investment activities.
(L) Reclassification from trade and other payable to the amount due to directors.
(M) To record the proceeds from partial disposal of LVAM.
(N) To record the net cash outflow on acquisition of additional 50% shareholding of Sweet Sense Inc.
(O) Change in foreign currency translation reserve is due to the change in the balance sheet items denominated in US dollar.

BY ORDER OF THE BOARD

Chan Heng Fai
Executive Chairman and Chief Executive Officer

1 June 2020

This announcement has been reviewed by the Company's Sponsor, Hong Leong Finance Limited. It has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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