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

FORM 10-Q

[X] **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended June 30, 2018

or

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

000-55038
Commission file number

SeD Intelligent Home Inc.
(Exact name of registrant as specified in its charter)

NEVADA	**27-1467607**
State or other jurisdiction of incorporation or organization	(I.R.S. Employer Identification No.)
4800 Montgomery Lane, Suite 210, Bethesda, Maryland	**20814**
(Address of principal executive offices)	(Zip Code)

301-971-3940
Registrant's telephone number, including area code

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files). Yes ☐ No ☐

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

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☒
(Do not check if a 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 ☒

As of August 1, 2018, there were 704,043,324 shares of the registrant's common stock $0.001 par value per share, issued and outstanding.

Table of Contents

PART I	FINANCIAL INFORMATION	1
Item 1.	Consolidated Financial Statements	1
	Consolidated Balance Sheets (unaudited)	1
	Consolidated Statements of Operations (unaudited)	2
	Consolidated Statements of Cash Flows (unaudited)	3
	Notes to Consolidated Financial Statements (unaudited)	4
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	14
Item 3.	Quantitative and Qualitative Disclosure About Market Risk	18
Item 4.	Controls and Procedures	18
PART II	OTHER INFORMATION	18
Item 1.	Legal Proceedings	18
Item 1A.	Risk Factors	18
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	18
Item 3.	Defaults Upon Senior Securities	18
Item 4.	Mine Safety Disclosures	18
Item 5.	Other Information	18
Item 6.	Exhibits	19
	SIGNATURES	20
	Exhibit Index	

SeD Intelligent Home Inc. and Subsidiaries
Consolidated Balance Sheets

	June 30, 2018 (Unaudited)	December 31, 2017
Assets:		
Real Estate		
Construction in Progress	$ 28,923,044	$ 30,104,201
Land Held for Development	23,046,066	24,302,643
Real Estate Held For Sale	136,248	136,248
	52,105,358	54,543,092
Cash	259,270	358,233
Restricted Cash	2,667,895	2,656,670
Accounts Receivable	1,537	513,043
Prepaid Expenses	31,914	49,903
Fixed Assets, Net	11,563	22,062
Deposits	23,603	23,603
Total Assets	$ 55,101,140	$ 58,166,606
Liabilities and Stockholders' Equity:		
Liabilities:		
Accounts Payable and Accrued Expenses	$ 940,255	$ 1,131,116
Accrued Interest - Related Parties	2,161,784	1,935,222
Tenant Security Deposits	1,225	2,625
Builder Deposits	4,442,848	5,356,718
Notes Payable, Net of Debt Discount	5,437,790	8,132,020
Notes Payable - Related Parties	8,264,590	8,003,591
Total Liabilities	21,248,492	24,561,292
Stockholders' Equity:		
Common Stock, at par $0.001, 1,000,000,000 shares authorized and 704,043,324 issued, and outstanding at June 30, 2018 and December 31, 2017, respectively	704,043	704,043
Additional Paid In Capital	32,739,017	32,739,017
Accumulated Deficit	(1,961,886)	(2,092,837)
Total Stockholders' Equity	31,481,174	31,350,223
Non-controlling Interests	2,371,474	2,255,091
Total Stockholders' Equity	33,852,648	33,605,314
Total Liabilities and Stockholders' Equity	$ 55,101,140	$ 58,166,606

SeD Intelligent Home, Inc. and Subsidiaries
Consolidated Statements of Operations
For the Three and Six Months Ended June 30
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	**2017**	**2018**	**2017**
Revenue				
Rental Income	$ -	$ 29,790	$ -	$ 86,558
Property Sales	2,113,248	1,473,236	6,219,022	2,565,236
	2,113,248	1,503,026	6,219,022	2,651,794
Operating Expenses				
Cost of Sales	1,976,012	1,223,306	5,569,520	2,423,920
General and Administrative Expenses	240,896	293,110	494,702	552,536
	2,216,908	1,516,416	6,064,222	2,976,456
Income (Loss) From Operations	(103,660)	(13,390)	154,800	(324,662)
Other Income				
Interest Income	5,255	6,319	11,221	12,623
Other Income	78,172	(21,564)	81,313	-
	83,427	(15,245)	92,534	12,623
Net Income (Loss) Before Income Taxes	(20,233)	(28,635)	247,334	(312,039)
Provision for Income Taxes	-	-	-	-
Net Income (Loss)	(20,233)	(28,635)	247,334	(312,039)
Net Income (Loss) Attributable to Non-controlling Interests	25,794	2,027	116,383	(26,784)
Net Income (Loss) Attributable to Common Stockholders	$ (46,027)	$ (30,662)	$ 130,951	$ (285,255)
Net Income (Loss) Per Share - Basic and Diluted	$ (0.00)	$ (0.00)	$ 0.00	$ (0.00)
Weighted Average Common Shares Oustanding - Basic and Diluted	704,043,324	704,043,324	704,043,324	704,043,324

SeD Intelligent Home, Inc. and Subsidiaries
Consolidated Statements of Cash Flows
For the Six Months Ended June 30
(Unaudited)

	2018	2017
Cash Flows From Operating Activities		
Net Income (Loss)	$ 247,334	$ (312,039)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation	10,499	9,958
Changes in Operating Assets and Liabilities		
Real Estate	2,472,804	(1,106,671)
Other Receivable	511,506	8,755
Prepaid Expenses	17,989	48,869
Accounts Payable and Accrued Expenses	(190,861)	72,412
Accrued Interest - Related Parties	226,563	45,468
Tenant Security Deposits	(1,400)	-
Builder Deposits	(913,870)	(145,705)
Net Cash Provided By (Used In) Operating Activities	2,380,564	(1,378,953)
Cash Flows From Investing Activities		
Change in Restricted Cash	(11,225)	(12,623)
Purchase of Fixed Assets	-	(6,839)
Net Cash Used In Investing Activities	(11,225)	(19,462)
Cash Flows From Financing Activities		
Financing Fees Paid	-	(110,000)
Capital Contribution - Related Party	-	178,490
Proceeds from Notes Payable	-	655,631
Repayments to Note Payable	(2,729,301)	-
Net Proceeds from Notes Payable - Related Parties	260,999	900,000
Net Cash (Used In) Provided By Financing Activities	(2,468,302)	1,624,121
Net Decrease (Increase) in Cash	(98,963)	225,706
Cash - Beginning of Year	358,233	424,548
Cash - End of Period	$ 259,270	$ 650,253
Supplementary Cash Flow Information		
Cash Paid For Interest	$ 211,075	$ 571,670
Cash Paid For Taxes	$ -	$ -
Supplemental Disclosure of Non-Cash Investing and Financing Activities		
Forgiveness of Notes Payable - Related Parties	$ -	$ 178,490
Amortization of Debt Discount Capitalized	$ 35,070	$ 189,800

SeD Intelligent Home, Inc. and Subsidiaries
Notes to Consolidated Financial Statements
June 30, 2018 (Unaudited)

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 Inc. ("SeD Home") by reverse merger. SeD Home, a Delaware corporation, formed on February 24, 2015 and named SeD Home USA, Inc. before changing its name in May of 2015, is principally engaged in developing, selling, managing, and leasing commercial properties in the United States. The Company is 99.99% owned by SeD Home International, Inc., which is wholly – owned by Singapore eDevelopment Limited, 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 following 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
SeD USA, LLC	The State of Delaware, U.S.A.	August 20, 2014	100%
150 Black Oak GP, Inc.	The State of Texas, U.S.A.	January 23, 2014	100%
SeD Development USA, Inc.	The State of Delaware, U.S.A.	March 13, 2014	100%
150 CCM Black Oak Ltd.	The State of Texas, U.S.A.	March 17, 2014	69%
SeD Ballenger, LLC	The State of Delaware, U.S.A.	July 7, 2015	100%
SeD Maryland Development, LLC	The State of Delaware, U.S.A.	October 16, 2014	83.55%
SeD Development Management, LLC	The State of Delaware, U.S.A.	June 18, 2015	85%
SeD Builder, LLC	The State of Delaware, U.S.A.	October 21, 2015	100%
SeD Texas Home, LLC	The State of Delaware, U.S.A.	June 16, 2015	100%

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 June 30, 2018 and December 31, 2017, the aggregate non-controlling interest in SeD Home, Inc. was $2,371,474 and $2,255,091, respectively, which is 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, Inc. ("SeD Home"), 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, with SeD Home 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 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 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. 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. 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").

The unaudited financial information furnished herein reflects all adjustments, consisting solely of normal recurring items, which in the opinion of management are necessary to fairly state the financial position of the Company and the results of its operations for the periods presented. This report should be read in conjunction with the Company's consolidated financial statements and notes thereto included in the Company's Form 10-K for the period ended December 31, 2017 filed on April 17, 2018. The Company assumes that the users of the interim financial information herein have read or have access to the audited financial statements for the preceding fiscal year and the adequacy of additional disclosure needed for a fair presentation may be determined in the context. The consolidated balance sheet at December 31, 2017 was derived from the audited financial statements but does not include all disclosures required by accounting principles generally accepted in the United States of America. The results of operations for the interim periods presented are not necessarily indicative of results for the year ending December 31, 2018.

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 income (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 loss per share is computed similar to basic 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 June 30, 2018 or December 31, 2017.

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 June 30, 2018 and December 31, 2017.

Restricted Cash

As a condition to the loan agreement with The Union Bank, the Company is required to maintain a minimum of $2,600,000 in an interest-bearing account maintained by the lender as additional security for the loans. The funds will remain as collateral for the loans until the loans are paid off in full.

Other Receivables

Other receivables include all receivables from buyers, contractors and all other parties. The balance at December 31, 2017 was primarily a lot sale receivable for which no allowance was necessary and payment was received in January 2018.

Property and Equipment

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 $226,562 and $45,468 for the six months ended June 30, 2018 and 2017, respectively. The Company capitalized interest from the third-party borrowings of $202,219 and $574,804 for the six months ended June 30, 2018 and 2017, 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 the El Tesoro project and the D street project.

Since 2018, it has been the Company's policy to obtain annual independent third party valuations as of December 31 for each property and compare the fair value from the valuation to the book value to determine if there any impairment.

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.

At June 30, 2018 and December 31, 2017, there were no impairment recognized for any of the projects.

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 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.

Disaggregation of Revenue

Rental Income:

The Company leased units to customers in 2017. The Company and customer enter into a lease agreement with set pricing and length. The Company's obligation is to provide the property for lease during the term. Revenue is recognized over the life of the lease.

Property Sales:

The Company's main business is land development. The Company purchases land and develops it into residential communities. The developed lots are sold to builders (customers) for the construction of new homes. The builders sign sales contract with the Company before they take the lots. The prices and timeline are settled in the contract. The builders do the inspections to make sure all conditions/requirements in contracts are met before taking the lots. The Company recognizes revenue when lots are transferred to the builders (HUDs are executed) and ownerships are changed at the time. The Company has no obligation for these lots after transferring the ownership.

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.

The Company recognizes sales of lots only upon closing under the full accrual method. Revenue is recognized when ownership of the lots is transferred to the buyer (HUDs are executed).

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.

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 2017, 2016, 2015 and 2014 remain open to examination.

Recent Accounting Pronouncements

In December 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standard Update ("ASU") 2016-20, Technical Corrections and Improvements to Topic 606, Revenue from Contracts with Customers. The amendments in this ASU address loan guarantee fees, impairment testing of contract costs, provisions for losses on construction-type and production-type contracts, and various disclosures.

In April 2016, the FASB issued ASU 2016-10 - Revenue from Contracts with Customers (Topic 606) — Identifying Performance Obligations and Licensing. This standard amends the guidance in ASU 2014-09 and ASU 2016-08 specifically related to identifying performance obligations and accounting for licenses of intellectual property.

In March 2016, the FASB issued ASU 2016-08 - Revenue from Contracts with Customers: Principal versus Agent Considerations. The amendments of this standard are intended to improve the operability and understandability of the implementation guidance on principal versus agent considerations.

In August 2015, the FASB issued ASU No. 2015-14 - Revenue from Contracts with Customers (Topic 606) - Deferral of the Effective Date, which defers the effective date of ASU 2014-09 for one year and permits early adoption as early as the original effective date of ASU 2014-09. The new revenue standard may be applied retrospectively to each prior period presented or retrospectively with the cumulative effect recognized as of the date of adoption.

In May 2014, the FASB, issued Accounting Standards Update, or ASU, 2014-09 (ASC 606), Revenue from Contracts with Customers, which affects any entity that either enters into contracts with customers to transfer goods and services or enters into contracts for the transfer of nonfinancial assets.

Subsequent Events

The Company evaluated the events and transactions subsequent to June 30, 2018, the balance sheet date, through August 1, 2018, the date the consolidated financial statements were available to be issued.

On July 20, 2018, the Black Oak LP was reimbursed $4,592,079.59 from the Harris County Improvement District 17 (“HC17”) for previous expenses incurred by Black Oak LP in the development and installation of infrastructure within the Black Oak project. Out of this amount, $1,650,000 was placed into a Construction Fund which will be released by HC17 upon completion of certain conditions related to the development of the Black Oak project.

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 total $60,000. Regarding the potential future reimbursement proceeds, if and when Black Oak LP should receive 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.

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. At June 30, 2018 and December 31, 2017, uninsured cash balances were $2,427,165 and $2,514,903, respectively. There was one customer that represented 100% of gross accounts receivable at December 31, 2017.

3. PROPERTY AND EQUIPMENT

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

	June 30, 2018	December 31, 2017
Computer Equipment	$ 41,597	$ 41,597
Furniture and Fixtures	21,393	21,393
	62,990	62,990
Accumulated Depreciation	(51,427)	(40,928)
	$ 11,563	$ 22,062

Depreciation expense was $10,499 and $ 9,958 for the six months ended June 30, 2018 and 2017, 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. Based on the agreements, NVR is entitled to purchase 443 lots for a price of approximately $56M, 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 as repaid back of the deposit. A violation of the agreements by NVR would cause NVR to forfeit the deposit. On June 30, 2018 and December 31, 2017, there were $4,442,848 and $5,056,718 outstanding, respectively.

Black Oak LP received a deposit of $300,000 from Lexington 26 LP (Colina), a building company located in Texas. In February 2018, the deposit $300,000 was refunded to Colina since both sides agreed to the changed development plan. On June 30, 2018 and December 31, 2017, there were $0 and $300,000 outstanding, respectively.

5. NOTES PAYABLE

On October 7, 2015, the Company entered into a note for $6,000,000, bearing interest at 13%, with a maturity date of October 7, 2016 with Revere High Yield Fund, LP (“Revere”). In connection with the loan, the Company incurred origination and closing fees of $524,233, which were recorded as debt discount and are amortized over the life of the loan. The loan is secured by a deed of trust on the property and a Limited Guarantee Agreement with related parties of the Company. On October 1, 2016, the loan was extended to April 1, 2017 for fees of $109,285. These fees were recorded as a debt discount under debt modification accounting are amortized over the extension period. On April 1, 2017, the loan was again extended until October 1, 2017 for a fee of $110,000. These fees were recorded as a debt discount under debt modification accounting and were amortized over the extension period. As of October 1, 2017, the loan was fully repaid and there is no outstanding principal or unamortized debt discount.

On November 23, 2015, SeD Maryland Development LLC 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 June 30, 2018 was 5.81%.

Beginning December 1, 2015, interest only payments are due on the outstanding principal balance. The entire unpaid principal and interest sum is 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 has an $800,000 letter of credit from the Union Bank. The letter of credit is due on November 22, 2018 and bears interest at 15%. In September 2017, 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.

As of June 30, 2018 and December 31, 2017, the principal balance is $5,542,996 and $8,272,297, respectively. As part of the transaction, the Company incurred loan origination fees and closing fees, totaling $480,947, which were recorded as debt discount and are amortized over the life of the loan. The unamortized debt discount was $105,206 and $140,277 at June 30, 2018 and December 31, 2017, respectively.

6. RELATED PARTY TRANSACTIONS

Notes Payable

SeD Home received advances from Singapore eDevelopment Ltd (which was the 100% owner of the Company) to fund development costs and operation costs. The advances were unsecured, bear interest at 18% per annum and are payable on demand. As of December 31, 2015, SeD Home had outstanding principal due of $12,293,715 and accrued interest of $2,161,055 due to this related party.

SeD Home received advances from SCDPL (owned 100% by Singapore eDevelopment) to fund development costs and operation costs. The advances were unsecured, bear interest at 18% per annum and were payable on demand. As of December 31, 2015, SeD Home had outstanding principal due of $4,300,930 and accrued interest of $1,461,058 due to this related party.

On September 30, 2015, SeD Home received $10,500,000 interest free loan, with a maturity date of March 31, 2016, from Hengfai Business Development Pte, Ltd, owned by the Chief Executive Officer of Singapore eDevelopment Ltd and is also the majority shareholder of Singapore eDevelopment Ltd, specifically for Ballenger Run project. SeD Home imputed interest at 13%, which is the interest rate on the Revere Loan noted in Note 5. The imputed interest resulted in a debt discount of $622,431 which is amortized over the life of the note. At December 31, 2015, SeD Home had $10,500,000 outstanding on the note and unamortized debt discount of $311,216. On April 1, 2016, SeD Home extended the note on the same terms through December 31, 2016. This resulted in an additional $933,647 of new imputed interest which was amortized during 2016.

At December 31, 2016, considering the long-term development and short-term debt repayment, SeD Home restructured the loans from these affiliates. The restructuring process was done to transfer the loans to SeD Home International (99.99 % owner of the Company), the principal of which, $26,913,525, was then forgiven and recorded into additional paid in capital. SeD Home still owed the accrued interest of $6,283,207 to SeD Home International. The remaining accrued interest does not bear interest. On August 30, 2017, an additional $4,560,085 of this interest was forgiven and recorded into additional paid in capital. The remaining amount of $1,723,122 was still outstanding as of June 30, 2018 and December 31, 2017.

SeD Home receives advances from SeD Home Limited (an affiliate of Singapore eDevelopment), to fund development and operation costs. The advances bear interest at 10% and are payable on demand. As of June 30, 2018 and December 31, 2017, SeD Home had outstanding principal due of $1,070,000 and $1,050,000 and accrued interest of $139,353 and $86,425.

SeD Home 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. At June 30, 2018 and December 31, 2017, there were $7,194,590 and $6,953,591 of principal and $2,022,431 and $1,848,797 of accrued interest outstanding. Both accrued outstanding interests include the remaining amount $1,723,122 after interest was forgiven on August 30, 2017 as discussed in previous paragraph.

During 2017, prior to the reverse merger, SeD Intelligent Home Inc. borrowed $30,000 from SeD Home International Inc. The borrowings did not bear any interest. In November 2017, the debt was forgiven by SeD Home International Inc. and was recognized into additional paid in capital.

Other Transactions

On November 29, 2016 an affiliate of SeD Home entered into three $500,000 bonds for a total of $1.5 million that are to incur annual interest at eight percent and the principal shall be paid in full on November 29, 2019. SeD Home 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, and SeD will facilitate that transaction. The proposed acquisition purchase price would be at SeD Home's 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.

Reverse Merger

As described in Note 1, the reverse merger was done with a related party through common control and ownership.

Management Fees

Black Oak LP is 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 is also entitled to a developer fee of 3% of all development costs excluding certain costs. The fees are 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. Per the terms of the termination agreement, Black Oak LP owes Arete $300,000 and AREI $30,000, which will remain outstanding until Black Oak LP has obtained $4,000,000 from district reimbursement revenue. The reduction of the accruals was offset against Real Estate on the balance sheet. On July 20, 2018, Black Oak LP received $4,592,079 district reimbursement and these fees became payable.

SeD Maryland Development LLC was obligated under the terms of a Project Development and Management Agreement with MacKenzie Development Company LLC (“MacKenzie”) and Cavalier Development Group LLC (“Cavalier”) (together, the Developers) to provide various services for the development, construction and sale of the Project. Mackenzie is partially owned by a family member of a Director of the Company. The developers were entitled to certain fees based on time and performance related milestones. The Company incurred fees with MacKenzie of $0 and $48,000 for the six months ended June 30, 2018 and 2017, respectively. These fees were capitalized as part of Real Estate on the balance sheet. There were no amounts owed to this related party at June 30, 2018 or December 31, 2017. On September 15, 2017, MacKenzie assigned its rights and obligations under the Project Development and Management Agreement to Adams-Aumiller Properties, LLC.

MacKenzie Equity Partners, owned by a Charlie MacKenzie, a Director of the Company, has a consulting agreement with the Company since 2015. Per the current 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 to be paid when the property development cashflow milestones have been met. The Company incurred expenses of $90,000 and $102,930 for the six months ended June 30, 2018 and 2017, respectively, which were capitalized as part of Real Estate on the balance sheet as the services relate to property and project management. There were no amounts owed to this related party at June 30, 2018 or December 31, 2017.

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 $64,030 and $51,200 for the six months ended June 30, 2018 and 2017, respectively. On June 30, 2018 and December 31, 2017, the Company owed this related party $8,000 and $18,000, respectively.

7. STOCKHOLDERS' EQUITY

On August 28, 2017 the Company increased its authorized shares from 75,000,000 to 1,000,000,000 common shares with a par value of $0.001 per share. No preferred shares have been authorized or issued.

On July 7, 2014 CloudBiz invested $37,000 in the Company. For such investment, CloudBiz received an additional 74 million common shares. The 74 million common shares were issued below par at a discount. The discount of $37,000 was recorded as a "discount on common stock" in equity.

In February of 2016, the Company received an additional $18,000 from CloudBiz International Pte. Ltd., its majority shareholder, to assist the Company in paying for operating expenses. The $18,000 was applied to "discount on common stock". In October of 2016, The Company received an additional $40,000 from CloudBiz International Pte. Ltd., its majority shareholder, to assist the Company in paying for operating expenses. Of the $58,000 of proceeds received from CloudBiz International Pte. Ltd, $37,000 were applied to "discount on common stock" and the remaining proceeds were applied to additional paid in capital.

On December 22, 2016 CloudBiz International Pte. Ltd transferred 74,015,730 common shares to Singapore eDevelopment Ltd. Such shares are presently owned by SeD Home International, Inc., a wholly owned subsidiary of Singapore eDevelopment Ltd.

Effective September 30, 2015, the Company entered into a noninterest bearing note with a related party (see Note 6), for which interest was imputed. Imputed interest recorded to additional paid in capital for the years ended December 31, 2016 and 2015 was $622,431 and $963,681, respectively.

As discussed in Note 6, on December 31, 2016, $26,913,525 of related party notes payable was forgiven and recorded as additional paid in capital.

In 2017, SeD Home International, a related party through common ownership, contributed $178,600 into the Company. The related party also forgave $4,560,085 of accrued interest as of August 30, 2017.

Per Note 1, 630,000,000 shares of common stock were issued on December 29, 2017 in connection with the reverse merger.

8. COMMITMENTS AND CONTINGENCIES

Leases

The Company leases office space in Texas and Maryland. The leases expire in 2018 and 2020, respectively and have monthly rental payments ranging between $2,050 and $8,205. Rent expenses were $59,453 and $57,867 for the six months ended June 30, 2018 and 2017, respectively. The below table summarizes future payments due under these leases as of June 30, 2018.

For the Years Ended December 31:

2018 (remainder)	54,866
2019	94,325
2020	96,924
Total	$ 246,115

Lot Sale Agreements

In June 2016, SeD Maryland Development, LLC ("SeD Maryland") entered into a lot purchase agreement with Orchard Development Corporation ("Orchard") relating to the sale of 210 multifamily units in the Ballenger Run Project for a total purchase price of $5,250,000 with a closing date of March 31, 2018.

Based on the agreement, Orchard was required to put $100,000 into a third-party escrow account upon signing of the agreement and an additional $150,000 upon completion of the feasibility study, which occurred in November 2016. As of June 30, 2018 and December 31, 2017, $250,000 in deposits were held in the escrow account. Since the funds are held in an escrow account and not entitled to the Company, there is no deposit recorded by the Company.

As of March 31, 2018, the agreement was amended to extend the closing date 30 days for an additional deposit of $25,000. The extension also provided two additional 30-day extensions which, if exercised, would require an additional $25,000 deposit each. These two extensions were exercised, and the outside closing date was extended until June 29, 2018. On June 27, 2018, SeD Maryland and Orchard amended this agreement to extend the closing date to July 30, 2018. Pursuant to this second amendment, Orchard has made an additional deposit of $35,000. On July 27, 2018, the third amended agreement extended the closing date to August 10, 2018.

On February 19, 2018, SeD Maryland Development, LLC 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 $2,900,000.00 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. The Company is seeking to find alternative purchasers for the CCRC parcel.

On July 3, 2018, 150 CCM Black Oak, Ltd., a Texas Limited Partnership, entered into a Purchase and Sale Agreement with Houston LD, LLC for the sale of 124 lots located at its Black Oak project. Pursuant to the Purchase and Sale Agreement, the 124 lots will be sold for a range of prices based on the lot type. In addition, Houston LD, LLC has agreed to pay a "community enhancement fee" for each lot, which 150 CCM Black Oak, Ltd. will apply exclusively towards funding an amenity package on the property.

The closing of the purchase of these lots is contemplated to occur within thirty (30) days after the expiration of a forty-five (45) day due diligence inspection period. The closing of the transactions contemplated by the Purchase and Sale Agreement are subject to Houston LD, LLC completing due diligence to its satisfaction. Houston LD, LLC may cancel or terminate the Purchase and Sale Agreement at any time during the forty-five (45) day inspection period. Houston LD, LLC has delivered a $50,000 deposit. In the event that Houston LD, LLC intends to proceed with the purchase of the 124 lots, within two (2) days of the expiration of the inspection period, Houston LD, LLC will deliver an additional $100,000 deposit that is non-refundable unless 150 CCM Black Oak, Ltd. defaults under the Purchase and Sale Agreement.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Statements

This Form 10-Q 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-Q 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 for the Three and Six Months Ended June 31, 2018 and 2017:

	Three- Months Ended		Six-months Ended	
	June 30, 2018	**June 30, 2017**	**June 30, 2018**	**June 30, 2017**
Revenue	$ 2,113,248	$ 1,503,026	$ 6,219,022	$ 2,651,794
Operating Expenses	$ 2, 216,908	$ 1,516,416	$ 6,064,222	$ 2,976,456
Net Income or (Loss)	$ (20,233)	$ (28,635)	$ 247,334	$ (312,039)

Revenue

Revenue was $2,113,248 for the three months ended June 30, 2018 as compared to $1,503,026 for the three months ended June 30, 2017. Revenue was $6,220,022 for the six months ended June 30, 2018 as compared to $2,651,794 for the six months ended June 30, 2017. This increase in revenue is attributable to the Company having an increase in property sales from the Ballenger Project. We anticipate a higher level of revenue from sales in 2018. Builders are required to purchase minimum numbers of lots based on sales agreements we entered into with them. We recognized revenue from the sale of lots to builders. We do not build any houses ourselves at the present time.

Rental income declined from $29,790 in the three months ended June 30, 2017 to $0 in the three months ended June 30, 2018. Rental income declined from $86,558 in the six months ended June 30, 2017 to $0 in the six months ended June 30, 2018 as all of the Company's rental properties, except one, were sold.

Operating Expenses

Operating expenses increased to $2,216,908 for the three months ended June 30, 2018 from $1,516,416 for the three months ended June 30, 2017. This increase is caused by increased costs relating to increased sales, which cost of sales increased from $1,223,306 in the three months ended June 30, 2017 to $1,976,012 in the three months ended June 30, 2018. Operating expenses increased to $6,064,222 for the six months ended June 30, 2018 from $2,976,456 for the six months ended June 30, 2017. This increase is caused by increased costs relating to increased sales, which cost of sales increased from $2,423,920 in the six months ended June 30, 2017 to $5,569,520 in the six months ended June 30, 2018. Capitalized construction expenses and land costs were allocated to lot sales. We anticipate total cost of sales will increase as revenue increases. The general and administrative expenses remained the same period after period.

Net Income (Loss)

In the three months ended June 30, 2018, the Company had net loss $20,233 compared to a net loss of $28,635 in the three months ended June 30, 2017. In the six months ended June 30, 2018, the Company had net income $247,334 compared to a net loss of $312,039 in the six months ended June 30, 2017. The profitability came from the sales of lots from the Company's Ballenger Run projects. In 2018, we anticipate further increase net income from our current operations. However, the addition of new operations may cause additional expenses that decrease profitability.

Liquidity and Capital Resources

Our real estate assets have decreased to $52,105,358 as of June 30, 2018 from $54,543,092 as of December 31, 2017. This decrease is a result of the sale of lots during the six months ended June 30, 2018.

Our liabilities declined from $24,561,292 at December 31, 2017 to $21,248,492 at June 30, 2018. Our total assets have decreased to $55,101,140 as of June 30, 2018 from $58,166,606 as of December 31, 2017 due to the decrease of the real estate assets.

As of June 30, 2018, we had cash $259,270 compared to $358,233 as of December 31, 2017. Our Ballenger Run revolver loan balance from Union Bank is approximately $5.5 million and the credit limit is $11 million as of June 30, 2018. On December 31, 2017, the revolver loan balance was approximate $8.3 million and credit limit is $11 million. The interest of related party loans is accruing and the due date of these loans could be extended.

Currently the Black Oak project does not have any financing from third parties. The future development timeline of Black Oak is based on multiple limiting conditions, such as the amount of the funds raised from capital market, the loans from third party financial institutions, and the government reimbursements, etc. 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 six months ended June 30, 2018 and 2017 are as follows:

	2018	2017
Net Cash Provided by (Used In) Operating Activities	$ 2,380,564	$ (1,378,953)
Net Cash Used In Investing Activities	$ (11,225)	$ (19,462)
Net Cash (Used In) Provided by financing activities	$ (2,468,302)	$ 1,624,121
Net Decrease (Increase) in Cash	$ (98,963)	$ 225,706
Cash and cash equivalents at beginning of the year	$ 358,233	$ 424,548
Cash and cash equivalents at end of the period	$ 259,270	$ 650,253

Cash Flows from Operating Activities

Cash flows from operating activities include costs related to assets ultimately planned to be sold, including land development and property purchased for resale. In the six months ended June 30, 2018, cash provided by operating activities was $2,380,564 compared with cash $1,378,953 used in the six months end June 30, 2017. The sales of the Ballenger lots in the first six months of 2018 is the main reason of increase of the cash provided in the operating activities. With the completion of the part of phase one of Black Oak project, development speed was adjusted with our development funding conditions and development costs went down as well. Ballenger development costs also went down in the first six months of 2018 compared that period in 2017 because of the different development stages and the reduction by the allocated costs of sold lots.

Cash Flows from Investing Activities

Cash flows used in investing activities primarily includes purchases of office fixture and computer equipment and restricted cash required by Union Bank as the revolver loan collateral.

Cash Flows from Financing Activities

In the six months ended June 30, 2018, the company repaid approximate $5.2 million to the Union Bank revolver loan and at same time also borrowed about $2.5 million from the Union Bank for its land development. In the six months ended June 30, 2017, the company repaid approximate $1.2 million to Union Bank revolver loan and at the same time borrowed about $1.9 million from the Union Bank and borrowed about $1 million from related parties.

Seasonality

The real estate business is subject to seasonal shifts in costs as certain work in more likely to perform at certain times of year. This may impact the expenses of SeD Home 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 June 30, 2018, 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. Therefore, actual results could differ from these estimates. The accounting policies that we deem most critical as follows:

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 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.

Disaggregation of Revenue

Rental Income:

The Company leased units to customers in 2017. The Company and customer enter into a lease agreement with set pricing and length. The Company’s obligation is to provide the property for lease during the term. Revenue is recognized over the life of the lease.

Property Sales:

The Company's main business is the land development. The Company purchases land and develops it into residential communities. The developed lots are sold to builders (customers) for the construction of new homes. The builders sign sales contract with the Company before they take the lots. The prices and timeline are settled in the contract. The builders do the inspections to make sure all conditions/requirements in contracts are met before taking the lots. The Company recognizes revenue when lots are transferred to the builders (HUDs are executed) and ownerships are changed at the time. The Company has no any obligation for these lots after transferring the ownerships.

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.

The Company recognizes sales of lots only upon closing under the full accrual method. Revenue is recognized when ownership of the lots is transferred to the buyer (HUDs are executed).

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 $226,562 and $45,468 for the six months ended June 30, 2018 and 2017, respectively. The Company capitalized interest from the third-party borrowings of $202,219 and $574,804 for the six months ended June 30, 2018 and 2017, 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 and D street project.

Beginning in 2018, it is the Company's policy to obtain annual independent third-party valuations as of December 31 for each property and compare the fair value from the valuation to the book value to determine if there any impairment.

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 June 30, 2018, there was no impairment recognized for any of the projects.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

As a "smaller reporting company" as defined by Item 10(f)(1) of Regulation S-K, the Company is not required to provide the information required by this Item.

Item 4. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this report, an evaluation was performed under the supervision and with the participation of our management, including our Chief Executive Officers and Chief Financial Officers, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")). Based on that evaluation, our management, including our Chief Executive Officers and Chief Financial Officers concluded that our disclosure controls and procedures are not effective to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's ("SECs") rules and forms and to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officers and Chief Financial Officers, as appropriate to allow timely decisions regarding required disclosure.

(b) Changes in the Company's Internal Controls Over Financial Reporting

There was no change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15(d)-15(f) under the Exchange Act) that occurred during the quarterly period ended June 30, 2018 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Part II. Other Information

Item 1. Legal Proceeding

The registrant is not a party to, and its property is not the subject of, any material pending legal proceedings.

Item 1A. Risk Factors

Not applicable to smaller reporting companies.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not Applicable.

Item 5. Other Information

None.

Item 6. Exhibits

The following documents are filed as a part of this report:

31.1a	Certification of Co-Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.1b	Certification of Co-Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2a	Certification of Co-Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2b	Certification of Co-Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certifications of the Chief Executive Officers and Chief Financial Officers 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

SIGNATURES

Pursuant to the requirements 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.

August 1, 2018

By: /s/ Fai H. Chan

Fai H. Chan, Co-Chief Executive Officer, Director
(Principal Executive Officer)

August 1, 2018

By: /s/ Moe T. Chan

Moe T. Chan, Co-Chief Executive Officer, Director
(Principal Executive Officer)

August 1, 2018

By: /s/ Rongguo (Ronald) Wei

Rongguo (Ronald) Wei, Co-Chief Financial Officer
(Principal Financial and Accounting Officer)

August 1, 2018

By: /s/ Alan W. L. Lui

Alan W. L. Lui, Co-Chief Financial Officer
(Principal Financial and Accounting Officer)