



**SINGAPORE eDEVELOPMENT LIMITED**

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

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**Unaudited Financial Statement for the Financial Year Ended 31 December 2017**

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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	FY2017	FY2016	Increase/
	Unaudited	Unaudited	(Decrease)
	S\$'000	S\$'000	%
<b>Revenue</b>	15,008	1,703	781
Cost of sales	(12,351)	(1,480)	735
<b>Gross profit</b>	2,657	223	1,091
<b>Other items of income</b>			
Other income	4,283	1,319	225
Finance income	39	45	(13)
<b>Other items of expense</b>			
Marketing expenses	(561)	102	(650)
Research and Development	(715)	(534)	34
Administrative expenses	(8,185)	(5,978)	37
Finance costs	(165)	(56)	195
Other expenses	(4,552)	(2,362)	93
Share of result of an associate	-	90	(100)
<b>Loss before tax</b>	(7,199)	(7,151)	1
Income tax expense	809	(809)	(200)
<b>Loss from continuing operations, net of tax</b>	(6,390)	(7,960)	(20)
<b>Discontinued operation</b>			
Profit from discontinued operation, net of tax	-	812	(100)
<b>Loss for the year</b>	(6,390)	(7,148)	(11)
<b>Attributable to:</b>			
Loss from continuing operations, net of tax	(5,377)	(7,927)	(32)
Gain from discontinued operation, net of tax	-	812	(100)
	(5,377)	(7,115)	(24)
<b>Non-controlling interests</b>			
Loss from continuing operations, net of tax	(1,013)	(33)	2,970
<b>Loss for the year</b>	(6,390)	(7,148)	(11)
<b>Other comprehensive income/(loss):</b>			
Foreign currency translation	(283)	16	(1,869)
<b>Other comprehensive income/(loss) for the year, net of tax</b>	(283)	16	(1,869)
<b>Total comprehensive loss for the year</b>	(6,673)	(7,132)	(6)
<b>Total comprehensive loss attributable to:</b>			
Owners of the Company	(5,287)	(7,182)	(26)
Non-controlling interests	(1,386)	50	(2,872)
<b>Total comprehensive loss for the year</b>	(6,673)	(7,132)	(6)

Notes to Consolidated Statement of Comprehensive Income	Group		
	FY2017 Unaudited	FY2016 Audited	Increase / (Decrease)
	S\$'000	S\$'000	%
<b>Loss for the year is arrived at:</b>			
After charging:			
Depreciation of property, plant and equipment	68	123	(45)
Loss on disposal of property, plant and equipment	-	76	(100)
Impairment on property, plant and equipment	-	64	(100)
Write-down of properties held for sales	-	40	(100)
(Write-back) / provision for properties under development	(218)	642	(134)
Net fair value gain on derivative assets	-	(39)	(100)
Net fair value losses on investment securities	-	15	(100)
Gain on disposal of an associate	-	(66)	(100)
Write-back of provision for claims	-	(812)	(100)
Finance cost	165	56	195
Loss from early redemption of exchangeable notes	-	391	(100)
Gain in changes in fair value arising from derivative portion of exchangeable notes	-	(465)	(100)
Share of result of an associate	-	(90)	(100)
Provision for withholding tax expenses	626	1,095	(43)
Unrealised foreign exchange losses/(gain)	3,769	(825)	(557)
After crediting:			
Net fair value gain on financial assets at fair value through profit and loss	3,901	-	nm
Interest income	39	45	(13)
Adjustments for overprovision of tax in respect of prior year	809	-	nm

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

	Group		Company	
	FY2017	FY2016	FY2017	FY2016
Balance Sheets	Unaudited	Audited	Unaudited	Audited
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Non-current assets</b>				
Property, plant and equipment	154	197	14	23
Other Investment	490	-	-	-
Investment in subsidiaries	-	-	-	98
	644	197	14	121
<b>Current assets</b>				
Trade and other receivables	1,584	314	107	122
Prepaid operating expenses	170	193	40	32
Properties under development	69,624	71,098	-	-
Properties held for sale	182	2,002	-	-
Investment securities	4,995	311	21	21
Derivative assets	-	785	-	-
Due from Subsidiaries	-	-	59,506	48,769
Bank deposits pledged	3,528	3,816	-	-
Inventory	85	-	-	-
Cash and cash equivalents	1,708	3,885	408	1,377
	81,876	82,404	60,082	50,321
<b>Total assets</b>	<b>82,520</b>	<b>82,601</b>	<b>60,096</b>	<b>50,442</b>
<b>Current liabilities</b>				
Provision for income tax	-	809	-	-
Trade and other payables	24,145	15,338	11,982	1,783
Loans and borrowings	11,105	35,003	-	15,202
	35,250	51,150	11,982	16,985
<b>Net current assets</b>	<b>46,626</b>	<b>31,254</b>	<b>48,100</b>	<b>33,336</b>
<b>Non-current liability</b>				
Loans and borrowings	1,884	1,968	-	-
	1,884	1,968	-	-
<b>Total liabilities</b>	<b>37,134</b>	<b>53,118</b>	<b>11,982</b>	<b>16,985</b>
<b>Net Assets</b>	<b>45,386</b>	<b>29,483</b>	<b>48,114</b>	<b>33,457</b>
<b>Equity attributable to owners of the Company</b>				
Share capital	102,425	81,286	102,425	81,286
Other reserves	3,527	920	259	420
Foreign currency translation reserve	(46)	(136)	-	-
Accumulated losses	(62,628)	(56,069)	(54,570)	(48,249)
	43,278	26,001	48,114	33,457
Non-controlling interests	2,108	3,482	-	-
<b>Total equity</b>	<b>45,386</b>	<b>29,483</b>	<b>48,114</b>	<b>33,457</b>
<b>Total equity and liabilities</b>	<b>82,520</b>	<b>82,601</b>	<b>60,096</b>	<b>50,442</b>

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

	As at 31/12/2017 (Unaudited)		As at 31/12/2016 (Audited)	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
<b>Amount repayable in one year or less, or on demand</b>				
Floating Rate USD Loan - Ballenger Run	10,871	-	10,453	-
Fixed Rate USD Loan - Black Oak	-	-	8,687	-
Interest free USD Loan	-	-	-	15,202
Floating Rate AUD Loan	234	-	661	-
<b>Amount repayable in one year or less, or on demand</b>	<b>11,105</b>	<b>-</b>	<b>19,801</b>	<b>15,202</b>
<b>Amount repayable after one year</b>				
Corporate Bond	1,884	-	1,968	-
	1,884	-	1,968	-
<b>Total Loans and Borrowings</b>	<b>12,989</b>	<b>-</b>	<b>21,769</b>	<b>15,202</b>

The Group's borrowings and debt securities as at 31 December 2017 are as follows:

- In November 2015, for the Ballenger Run project, the Group obtained a US\$8.0 (S\$10.7) million construction loan facility which was secured by a lien over the land related to the project and a cash deposit of US\$2.6 (S\$3.5) million and is repayable in full before 22 November 2018. The interest rate is based on one month LIBOR + 380 basis points adjusted monthly during the loan term until maturity, with a floor interest rate of 4.5% per annum. The terms have been modified in September 2017. The modification increased the maximum outstanding loan balance from US\$8.0 (S\$10.7) million to US\$11.0 (S\$14.7) million and extended the maturity date from 22 November 2018 to 31 December 2019. As of 31 December 2017, US\$8.1 (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 has started to generate 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\$8.7) 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. The loan bears a fixed interest rate of 13% per annum and is repayable in full before 1 October 2017. The loan had been fully repaid during the year.
- In August 2015, a US\$15.0 (S\$20.1) 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, bears an interest of 6% 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 in the capital of the Company. The Company has on 5 April 2017 completed the proposed conversion and 372,855,000 conversion shares at an issue price of S\$0.04 for each conversion share has allotted and issued to HBD. The Company has also issued five (5) free detachable warrants, each carrying the right to subscribe for one (1) new share at an exercise price of S\$0.048 for each exercise share, on the basis of five (5) warrants for every one (1) conversion share to HBD.

- A\$0.6 (S\$0.6) million short-term loan was drawn down from an Australian financial institution for land purchases for development in Mandurah (South of Perth), Western Australia. In September 2017, one of the property has been sold and A\$0.4 (S\$0.4) million short-term loan has been repaid. As of 31 December 2017, 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 6.01% 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\$2.0) million corporate bonds to external parties. The Company has recognised the corporate bonds net of transaction costs amounting to S\$0.2 million. The corporate bonds bear an interest rate of 8% per annum and are repayable in 3 years from the issue date. On maturity, the subscriber has an option to acquire a property built by SeD Home Inc. ("SeD Home") under the Black Oak Project. SeD Home shall facilitate the use of the monies due on maturity date as a sale consideration to acquire the property at cost price.

SeD Home and Mr. Chan Heng Fai have agreed to share the guarantee of the principal amount of the corporate bonds for a period of 3 years from the issue date up to US\$10.0 (S\$14.5) 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.**

Consolidated Cash Flow Statement	FY2017	FY2016
	Unaudited	Audited
	S\$'000	S\$'000
<b>Operating activities</b>		
Loss before tax from continuing operations	(7,199)	(7,151)
Loss before tax from discontinued operation	-	812
Loss before tax	<b>(7,199)</b>	<b>(6,339)</b>
<u>Adjustments for:-</u>		
Depreciation of property, plant and equipment	68	123
Loss on disposal of property, plant and equipment	-	76
Impairment on property, plant and equipment	-	64
Write-down of properties held for sales	-	40
(Write-back) / provision for properties under development	(218)	642
Loss from early redemption of exchangeable note	-	391
Withholding tax expense	626	1,095
Listing expenses written off	-	98
Write-back of provision for claims	-	(812)
Net fair value gain on derivative liability	-	(465)
Net fair value gain on derivative assets	-	(39)
Net fair value gain on financial assets at fair value through profit and loss	(3,901)	-
Net fair value losses on investment securities	-	15
Gain on disposal of an associate	-	(66)
Unrealised exchange loss / (gain)	3,769	(825)
Finance income	(39)	(45)
Finance costs	165	56
Share of result of an associate	-	(90)
Total adjustments	<b>470</b>	<b>258</b>
Operating cash flows before changes in working capital	<b>(6,729)</b>	<b>(6,081)</b>
<u>Changes in working capital:-</u>		
Increase in trade and other receivables	(1,190)	(3)
Decrease / (Increase) in prepaid operating expenses	23	(49)
Increase in inventory	(85)	-
Increase in properties under development	(1,181)	(15,215)
Decrease / (Increase) in properties held for sales	1,772	(141)
Increase in Investment Securities	-	(305)
Increase in derivative assets	-	(22)
Decrease in trade and other payables	(1,637)	(1,527)
<b>Cash flows used in operations</b>	<b>(9,027)</b>	<b>(23,343)</b>
Interest received	39	45
Interest paid	(1,530)	(1,535)
<b>Net cash flows used in operating activities</b>	<b>(10,518)</b>	<b>(24,833)</b>

	<b>FY2017</b>	<b>FY2016</b>
	<b>Unaudited</b>	<b>Audited</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(62)	(105)
Investment in other investment	(490)	-
Investment in associate	-	(415)
Proceeds from disposal of plant and equipment	-	7
Proceeds from disposal of an associate	-	875
Net cash inflow on acquisition of a subsidiary	147	-
<b>Net cash flows (used in) / from investing activities</b>	<b>(405)</b>	<b>362</b>
<b>Financing activities</b>		
Proceeds from loans and borrowings	864	14,358
Proceeds from issuance of bonds	-	2,173
Proceeds from issuance of ordinary shares pursuant to exercise of warrants	6,350	13,123
Proceeds from issuance of ordinary shares pursuant to conversion of HBD Loan	14,914	-
Share issuance expenses	(125)	(358)
Bond issuance expenses	-	(205)
Repayment of of profit participation bond	-	(2,786)
Repayment of exchangeable notes	-	(5,000)
Advances from director	9,818	-
Repayment of loans and borrowings	(8,449)	-
Repayment of HBD Loan pursuant to conversion of HBD Loan	(14,914)	-
<b>Net cash generated from financing activities</b>	<b>8,458</b>	<b>21,305</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(2,465)</b>	<b>(3,166)</b>
<b>Effect of exchange rate changes on cash and cash equivalent</b>	<b>288</b>	<b>(72)</b>
<b>Cash and cash equivalents at beginning of financial year</b>	<b>3,885</b>	<b>7,123</b>
<b>Cash and cash equivalents at end of financial year</b>	<b>1,708</b>	<b>3,885</b>



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

The Group (Unaudited)	Attributable to owners of the Company							Non-controlling interests	Total equity
	Share capital	Other reserves			Foreign currency translation reserve	Accum'd losses	Equity attributable to owners of the Company		
		Merger reserve	Other reserve	Share option reserve					
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
<b>Balance at 1 January 2017</b>	81,286	-	500	420	(136)	(56,069)	26,001	3,482	29,483
<i>Loss for the year</i>	-	-	-	-	-	(5,377)	(5,377)	(1,013)	(6,390)
<i>Foreign currency translation</i>	-	-	-	-	90	-	90	(373)	(283)
<i>Total comprehensive income (loss) for the year</i>	-	-	-	-	90	(5,377)	(5,287)	(1,386)	(6,673)
<i>Issuance of new ordinary shares pursuant to exercise of 2016 warrants</i>	6,350	-	-	-	-	-	6,350	-	6,350
<i>Issuance of new ordinary shares pursuant to conversion of HBD Loan</i>	14,914	-	-	-	-	-	14,914	-	14,914
<i>Share issuance expenses</i>	(125)	-	-	-	-	-	(125)	-	(125)
<i>Deemed capital contribution arising from interest free loan</i>	-	-	1,288	-	-	-	1,288	-	1,288
<i>Acquisition of a subsidiary</i>	-	1,480	-	-	-	(1,331)	149	-	149
<i>Increase in shareholding of a existing subsidiary</i>	-	-	-	-	-	(12)	(12)	12	-
<i>Forfeiture of equity-settled share options to employees</i>	-	-	-	(161)	-	161	-	-	-
<b>Balance at 31 December 2017</b>	<b>102,425</b>	<b>1,480</b>	<b>1,788</b>	<b>259</b>	<b>(46)</b>	<b>(62,628)</b>	<b>43,278</b>	<b>2,108</b>	<b>45,386</b>
<b>Balance at 1 January 2016</b>	68,521	-	500	549	(69)	(49,083)	20,418	3,432	23,850
<i>Loss for the year</i>	-	-	-	-	-	(7,115)	(7,115)	(33)	(7,148)
<i>Foreign currency translation</i>	-	-	-	-	(67)	-	(67)	83	16
<i>Total comprehensive income for the year</i>	-	-	-	-	(67)	(7,115)	(7,182)	50	(7,132)
<i>Issuance of new ordinary shares pursuant to private placement</i>	7,020	-	-	-	-	-	7,020	-	7,020
<i>Issuance of new ordinary shares pursuant to exercise of 2016 warrants</i>	6,103	-	-	-	-	-	6,103	-	6,103
<i>Share issuance expenses</i>	(358)	-	-	-	-	-	(358)	-	(358)
<i>Forfeiture of equity-settled share options to employees</i>	-	-	-	(129)	-	129	-	-	-
<b>Balance at 31 December 2016</b>	<b>81,286</b>	<b>-</b>	<b>500</b>	<b>420</b>	<b>(136)</b>	<b>(56,069)</b>	<b>26,001</b>	<b>3,482</b>	<b>29,483</b>

The Company (Unaudited)	Notes	Share capital	Share option reserve	Accum'd losses	Total equity
		S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance at 1 January 2017</b>		81,286	420	(48,249)	33,457
<i>Loss net of tax, representing total comprehensive income for the year</i>		-	-	(6,482)	(6,482)
<i>Issuance of new ordinary shares pursuant to conversion of HBD Loan</i>	1	14,914	-	-	14,914
<i>Issuance of new ordinary shares pursuant to exercise of 2016 warrants</i>	2	6,350	-	-	6,350
<i>Share issuance expenses</i>		(125)	-	-	(125)
<i>Forfeiture of equity-settled share options to employees</i>		-	(161)	161	-
<b>Balance at 31 December 2017</b>		<b>102,425</b>	<b>259</b>	<b>(54,570)</b>	<b>48,114</b>
<b>Balance at 1 January 2016</b>		68,521	549	(48,331)	20,739
<i>Loss net of tax, representing total comprehensive income for the year</i>		-	-	(47)	(47)
<i>Issuance of new ordinary shares pursuant to exercise of 2016 warrants</i>	2	6,103	-	-	6,103
<i>Issuance of new ordinary shares pursuant to private placement</i>	3	7,020	-	-	7,020
<i>Share issuance expenses</i>		(358)	-	-	(358)
<i>Forfeiture of equity-settled share options to employees</i>		-	(129)	129	-
<b>Balance at 31 December 2016</b>		<b>81,286</b>	<b>420</b>	<b>(48,249)</b>	<b>33,457</b>

Note:

- (1) On 26 January 2017, the Company announced the proposed conversion of HBD loan into new shares in the capital of the Company. The Company has on 5 April 2017 completed the proposed conversion and 372,855,000 conversion shares at an issue price of S\$0.04 for each conversion share has allotted and issued to HBD. The Company has also issued five (5) free detachable warrants, each carrying the right to subscribe for one (1) new share at an exercise price of S\$0.048 for each exercise share, on the basis of five (5) warrants for every one (1) conversion share to HBD.
- (2) On 21 October 2016, 139,098,617 Rights Shares and 695,493,085 Warrants were allotted and issued by the Company pursuant to the renounceable non-underwritten rights issue at an issue price of S\$0.04 for each rights share, on the basis of one (1) rights share for every three (3) existing shares held by the shareholders of the Company as at the books closure date, and the issue of free detachable warrants, each carrying the right to subscribe for one (1) new ordinary share at an exercise price of S\$0.04 for each exercised share, on the basis of five (5) warrants for every one (1) rights share subscribed for.
- (3) On 10 May 2016, the Company entered into a placement agreement with Heng Fai Business Development Pte. Ltd, a wholly-owned company of Mr Chan Heng Fai, CEO, executive director and a controlling shareholder of the Company, wherein 117 million new shares were issued at S\$0.06 per share on 11 May 2016.

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

	Number of shares	Share Capital (S\$'000)
As at 31 December 2017 (unaudited)	1,101,456,707	102,425
As at 30 June 2017 (Unaudited)	1,096,456,707	102,225

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

Type of Convertibles	Number of Outstanding Convertibles	Number of Shares that may be issued on conversion of all outstanding convertibles
<b>As at 31 December 2017</b>		
1. Share Options under ESOS	1,592,000	1,592,000
2. 2016 Warrants	523,285,845	523,285,845
3. 2017 Warrants	1,864,275,000	1,864,275,000
<b>As at 31 December 2016</b>		
1. Share Options under ESOS	2,918,667	2,918,667
2. 2016 Warrants	682,025,300	682,025,300
3. 2017 Warrants	-	-

The Company did not have any treasury shares and subsidiary holdings held against the total number of the shares outstanding as at 31 December 2017 and 31 December 2016.

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 2017 (Unaudited)	1,101,456,707
As at 31 December 2016 (Audited)	569,862,252

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

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

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

Not applicable.

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

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

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

Not applicable.

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

The Group has adopted the same accounting policies and method of computation in the financial statements for the current financial period as those used in the Group's most recently audited financial statements for the financial year ended 31 December 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 were 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 31 December 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	
	31/12/2017 (Unaudited)	31/12/2016 (Audited)
Loss net of tax attributable to the owners of the Company (\$'000)		
Continuing Operation	(5,377)	(7,927)
Discontinuing Operation	-	812
Weighted average number of shares ('000)	974,661	403,387
Basic and diluted loss per ordinary share (Singapore cents)		
Continuing Operation	(0.55)	(1.97)
Discontinuing Operation	-	0.20

The basic loss per ordinary share as at 31 December 2017 and 2016 was computed by dividing the loss net of tax attributable to owners of the Company by the weighted average number of ordinary shares.

*† The basic and diluted losses per ordinary share were the same as the outstanding convertibles as at 31 December 2017 and 2016 were anti-dilutive.*

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

	Group		Company	
	31/12/2017 (Unaudited)	31/12/2016 (Audited)	31/12/2017 (Unaudited)	31/12/2016 (Audited)
Net Asset Value attributable to owners of the Company per ordinary share (Singapore cents)	3.93	4.56	4.37	5.87

The net asset value per ordinary share as at 31 December 2017 and 2016 was computed based on the net assets value of the Group and the Company as at the end of the respective financial years and based on 1,101,456,707 and 569,862,252 ordinary shares in issue as at the end of the respective financial years.

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

**Review of Statement of Comprehensive Income  
 Financial year ended 31 December 2017 ("FY2017") vs Financial year ended 31 December 2016 ("FY2016")**

**Continuing Operations**

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

In FY2017,

- a. The Property Development Business' home incubation delivered four units located in El Tesoro, Houston, Texas, U.S. to buyers in FY2017. Accordingly, the Group recognised S\$1.0 million in revenue and S\$0.3 million in gross profit in FY2017. The remaining one unit is expected to be sold in next year.
- b. Ballenger Run, the Group's U.S. project in Frederick County, Maryland, generated S\$7.6 million in revenue and S\$0.8 million in gross profit in FY2017 from the sale of 42 lots.
- c. A townhouse located in Washington, DC, U.S. was sold for S\$1.0 million in February 2017 and reported a gross loss S\$0.02 million due to capitalized interest expense.
- d. The Mandurah Ocean Marina development projects in Perth generated S\$0.4 million and reported a net gain of S\$0.1 million after written back the impairment on the property of S\$0.2 million from the disposal of Galileo Loop project.
- e. The Group generated S\$0.7 million revenue and group profit from a consultancy contract to restructure a U.S. OTCBB-listed biomedical company.
- f. 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 FY2017 amounted to S\$4.1 million and S\$0.9 million.
- g. The Group generated S\$0.2 million revenue with S\$0.04 million gross profit from the IT related business.

Marketing expenses in FY2017 was due to the promotion of the iGalen networking marketing business, amounting to S\$0.6 million.

Administrative expenses increased to S\$8.2 million in FY2017 from S\$6.0 million in FY2016 mainly due to additional expenses of S\$1.6 million associated with the network marketing business which commenced in FY2017.

Research and development expenditure increased to S\$0.7 million in FY2017 from S\$0.5 million in FY2016 mainly due to the additional expenses of S\$0.5 million associated with the Biomedical business partially offset by savings achieved through streamlining and restructuring of HotApp's operations amounting to S\$0.3 million.

Other income increased to S\$4.3 million in FY2017 from S\$1.3 million in FY2016. In FY2017, the other income was mainly due to the fair value gain on financial assets of S\$3.9 million and the written back of impairment loss on property under development of S\$0.2 million. In FY2016, other income was mainly due to gain from redemption of exchangeable note of \$0.5 million and unrealized foreign exchange gain of S\$0.8 million.

Other expenses amounted to S\$4.6 million in FY2017 comprising S\$3.8 million in unrealised foreign exchange losses arising from the depreciation of the U.S. Dollar in FY2017 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\$0.04 million due to the disposal of and fully impaired of a number of fixed assets in FY2016.

Finance cost is due to the interest paid to the private bond holders.

Loss for the year decreased to S\$6.4 million in FY2017 from S\$7.1 million in FY2016. The loss for the year in FY2017 mainly due to the gross profit of \$2.7 million, other income of \$4.3 million and the adjustments of overprovision of tax of S\$0.8 million, offset by the operating expenses of S\$9.4 million, other expenses of S\$4.6 million and finance cost of S\$0.2 million.

#### **Review of Balance Sheet As at 31 December 2017 vs 31 December 2016**

a) Property, plant & equipment

The Group purchased additional fixed assets totalling S\$0.1 million in FY2017 comprising furniture, fixtures and computers. The Group's fixed assets depreciated by S\$0.1 million during FY2017.

b) Other investment

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

c) Trade and other receivables

Trade and other receivables increased to S\$1.6 million as at 31 December 2017 from S\$0.3 million as at 31 December 2016 mainly due to S\$0.4 million receivable from network marketing, S\$0.2 million receivable from the fund operation and S\$0.7 million receivable from the disposal of properties.

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\$10.0 million incurred in FY2017 were offset by the unrealised exchange loss of S\$3.5 million and the disposal during the year of S\$6.5 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 31 December 2017, one unit remain on hand.

In addition, the Group purchased one townhouse located in Washington, DC. in FY2015 which was sold in FY2017.

f) Investment securities

The Group has invested in shares in a U.S. listed company for an amount of S\$1.2 million and the group converted a promissory note into shares of a company listed in U.S. OTC market during the year with the market value of S\$3.8 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 in FY2016 and it has been converted into shares in FY2017.

h) Bank deposits pledged

The deposit pledged is related to a US\$2.6 (S\$3.5) 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 FY2017.

j) Trade and other payables

Trade and other payables increased to S\$24.0 million in FY2017 mainly due to payables recognised relating to the launch and operation of the network marketing business of S\$1.5 million and the loan from a director of S\$9.8 million, offset by the decrease in payables relating to the property business of US\$2.1 million including builders deposit.

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

Loans and borrowings decreased significantly to S\$13.0 million in FY2017 from S\$37.0 million in FY2016 mainly to the conversion of the US\$10.5 million HBD loan into equity and repayment of reverse loan of US\$6.0 million for Black Oak project.

l) Working capital

The increase of S\$15.4 million in working capital relates to the decrease in current assets and current liabilities amounting to S\$0.5 million and S\$15.9 million respectively.

The current assets movement is mainly attributed to the decrease in properties held for sales of S\$1.8 million, the decrease in properties under development of S\$1.5 million, and the decrease in cash and cash equivalents of S\$2.2 million, offset by the increase in investment in securities of S\$4.7 million and the increase in trade and other receivables of S\$1.3 million.

The current liabilities movement is mainly attributed to the decrease in loans and borrowings amounting to S\$23.9 million, offset by the increase in trade and other payables of S\$8.8 million.

## Review of Consolidated Cash Flow Statement

Cash and cash equivalents decreased by S\$2.2 million to S\$1.7 million in FY2017 from S\$3.9 million in FY2016.

### Operating Activities

Net cash used in operating activities amounted to S\$9.0 million in FY2017 as compared to S\$23.3 million in FY2016. The Group had a net cash outflow of S\$6.7 million from its operating activities before changes in working capital. This mainly relates to the loss before tax of S\$7.2 million and the adjustments of the non-cash items including S\$3.8 million foreign exchange loss due to the depreciation of the US dollar and S\$0.6 million withholding tax expense, offset by S\$3.9 million net fair value gain on financial assets.

The increase in working capital of S\$2.3 million is mainly due to S\$1.2 million increase in trade and other receivables, the S\$1.2 million increase in properties under development, S\$0.1 million increase in inventory and S\$1.6 million decrease in trade and other payables, offset by the S\$1.8 million decrease in properties held for sales.

### Interest Paid

The interest payment is due to S\$1.4 million interest paid for the loan of property from development and S\$0.2 million interest paid to the private bond holders.

### Investing Activities

Net cash used in investing activities amounted to S\$0.4 million relating to the investment in other investment of S\$0.5 million and purchase of fixed assets of S\$0.1 million, offset by the net cash inflow of S\$0.1 million from the acquisition of HFAM and iGalen.

### Financing Activities

Net cash from financing activities for FY2017 amounted to S\$8.5 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;
- (ii) the proceeds from the advance from a director of S\$9.8 million;
- (iii) the repayment of loan and borrowings of S\$8.4 million;
- (iv) the issuance of new ordinary shares from the exercise of 2016 warrants amounting to S\$6.4 million offset by its issuance expenses amounting to S\$0.1 million; and
- (v) the issuance of new ordinary shares pursuant to the conversion of HBD loan amounting to S\$14.9 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 made an announcement on 31 Jan 2018 cautioning shareholders that it expected to report a loss for FY2017. The Group reported a loss for the year of S\$6.4 million.



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

#### **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 FY2017 and is expected to commence for the latter in FY2018.

For the Ballenger Run project we expect an increase in revenue for FY2018. Firstly, in accordance with the lot purchase agreements signed with NVR Inc. we expect substantial lot sales throughout FY2018. In addition, we expect to complete the sale of the Ballenger Run multi-family parcel in FY2018 as per the agreement signed with Orchard Development Corporation.

For the Black Oak project, development work continues on critical infrastructure. The Group is focused on improving the cashflow of the project by sourcing financing, securing sales contracts, and seeking infrastructure reimbursements from the relevant improvement district. To this end, the Group has engaged a prominent national land broker to seek possible sales opportunities. In addition, we continue to study and prepare for the possibility of building homes in this project.

#### **IT-Related Businesses**

During the year 2017, HotApp continued to streamline its operation in China, keeping a minimum workforce in China while strengthening the development team in Hong Kong.

As announced on 16 February 2017, HotApp entered into a revenue-sharing agreement with iGalen – a subsidiary of SeD that specialises in distributing dietary and health supplements through network marketing. HotApp will provide iGalen with a mobile enterprise resource planning platform for its members. Under the agreement, iGalen will share 3% of its annual revenue with HotApp for FY2017. With the growth of business for iGalen, HotApp will continue to develop the mobile solution with backend integration capability.

The company had also completed the implementation of two major projects, the real estate agent mobile solution and the hotel shopping platform. In addition, HotApp has fully delivered S\$0.1 million contract for development of a Voice Over IP platform with a leading VoIP vendor in Asia.

The successful implementations of these projects have strengthened HotApp capability in messaging, backend integration and eCommerce, while the company has accumulated reusable programming modules to be applied in future opportunities resulting a high gross margin and shorter time to market.

#### **Investment Business**

The company has invested in two US listed companies shares and recognized S\$3.9 million fair value gain in FY2017. The company will continue to explore potential investment in the coming year.

#### **Biomedical Business**

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

The Group 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.

Advanced research has been initiated by Daryl Thompson and his team at Global Research Discovery Group (GRDG), the research partner in Global Biolife Inc for the Linebacker platform – a new universal therapeutic drug platform that seeks to offer a breakthrough options for multiple diseases.

The Linebacker intellectual properties has since been assigned to Global BioLife. The Group has since obtained encouraging validating laboratory data for Linebacker. The group expects all data to complete by end 2Q2018.

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. The company has expanded since into Philippines, Malaysia and plans to enter Australia and New Zealand soon.

The company intends to launch more products to add on to its flagship EMULIN range. In the 2nd half of 2017, the company launched KLaMax – an algae based stem releaser.

**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 FY2017.

### 13. Update on use of proceeds

#### Proceeds from 2016 Rights Issue

	Percentage of Net Proceeds before the Re-allocation (%)	Percentage of Net Proceeds after the Re-allocation (%)	Percentage allocation (%)	Amount of Net Proceeds		
				In accordance with percentage allocation (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 to 30	25 to 50	30	3,735	(3,735)	-
Funding of the Group's Information Technology Business including HotApp	20 to 25	10 to 25	15	1,868	(1,868)	-
Funding the Group's Investment Business	1 to 5	1 to 5	5	623	(623)	-
General working capital	5 to 50	5 to 80	50	6,226	(6,226)	-
<b>Total</b>			<b>100</b>	<b>12,452</b>	<b>(12,452)</b>	<b>-</b>

An aggregate amount of S\$6.2 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	1,425
Payroll	1,880
Director fees	304
Rental, office expenditure and other operating expenses	866
Repayment of performance bond	611
BioMedical related expense	572
Short Term Loan to iGalen	568
<b>Total</b>	<b>6,226</b>

#### 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%	1,199	137
<b>Total</b>	<b>100%</b>	<b>1,199</b>	<b>137</b>

**14. Interested Person Transactions (unaudited) – FY2017**

<b>Name of interested person</b>	<b>Aggregate value of all interested person transactions during the financial year under review</b> (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	<b>Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920</b> (excluding transactions less than \$100,000)
US\$0.5 million promissory note received from Amarantus BioScience Holdings, Inc.		
Chan Heng Fai(1)	700,850	-
Purchase of a subsidiary - Hengfai Asset Management Pte Ltd		
Chan Heng Fai(1)	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 that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).**

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



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

Not Applicable

**20. Disclosure of person occupying a managerial position in the issuer of any of its principal subsidiaries who is a relative of a director or CEO or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Name	Age	Family relationship with any director and / or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year.
Chan Tung Moe	39	Son of Mr Chan Heng Fai, the Executive director and Chief Executive Officer of the Company.	Appointed on 31 July 2015 as Group Chief Development Officer – an executive who is overall in charge of Group's property development business.  Appointed on 12 January 2016 as an Executive Director of the Company.	N.A.
Chan Yoke Keow Mabel	69	Wife of Mr Chan Heng Fai, the Executive Director and Chief Executive Officer of the Company and mother of Chan Tung Moe, Executive Director of the Company	Appointed on 1 November 2016 as Executive Assistant to CEO – an executive who assists the CEO on daily operations	N.A.

BY ORDER OF THE BOARD

Chan Heng Fai  
Executive Director & CEO  
27 February 2018

*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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