SINGAPORE eDEVELOPMENT LIMITED

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

Unaudited Financial Statement for the Six Months Ended 30 June 2019

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	6/30/2019 Unaudited S$'000	6/30/2018 Unaudited S$'000	Increase/ (Decrease) %
Revenue	23,785	10,298	131
Cost of sales	(21,971)	(9,093)	142
Gross profit	1,814	1,205	51
Other items of income			
Other income	8	1,196	(99)
Finance income	37	16	131
Gain on disposal of a subsidiary	406	-	nm
Other items of expense			
Marketing expenses	(174)	(135)	29
Research and Development	(121)	(572)	(79)
Administrative expenses	(3,602)	(3,987)	(10)
Finance costs	(354)	(79)	348
Other expenses	(838)	(3,332)	(75)
Share of joint venture's results (net of tax)	(17)	-	nm
Loss before tax	(2,841)	(5,688)	(50)
Income tax expense	-	-	nm
Loss for the period	(2,841)	(5,688)	(50)
Attributable to:			
Owners of the Company	(2,660)	(5,244)	(49)
Non-controlling interests	(181)	(444)	(59)
Loss for the period	(2,841)	(5,688)	(50)
Other comprehensive (loss) / income:			
Net change in fair value of available-for-sale financial asset	19	-	nm
Foreign currency translation	(59)	25	(336)
Other comprehensive (loss) / income for the period, net of tax	(40)	25	(260)
Total comprehensive loss for the period	(2,881)	(5,663)	(49)
Total comprehensive loss attributable to:			
Owners of the Company	(2,768)	(5,324)	(48)
Non-controling interests	(113)	(339)	(67)
Total comprehensive loss for the period	(2,881)	(5,663)	(49)

Notes to Consolidated Statement of Comprehensive Income	Group		
	06/30/2019 Unaudited	06/30/2018 Unaudited	Increase / (Decrease)
	S$'000	S$'000	%
Loss for the period is arrived at:			
After charging/(crediting):			
Depreciation of property, plant and equipment	19	25	(24)
Finance cost	354	79	348
Share of result of joint venture	17	-	nm
Withholding tax expenses	297	335	(11)
Unrealised foreign exchange loss / (gain)	353	(1,077)	(133)
Net fair value loss on financial assets	173	2,997	(94)
Allowance for doubtful debts	14	-	nm
Interest income	(37)	(16)	131

(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	
	6/30/2019	12/31/2018	6/30/2019	12/31/2018
Balance Sheets	Unaudited	Audited	Unaudited	Audited
	S$'000	S$'000	S$'000	S$'000
Non-current assets				
Property, plant and equipment	122	143	3	6
Other Investment	471	445	-	-
Investment in joint venture	44	12	-	-
	637	600	3	6
Current assets				
Trade and other receivables	1,256	1,392	109	102
Prepaid operating expenses	185	126	40	15
Properties under development	41,422	56,855	-	-
Properties held for sale	184	186	-	-
Investment securities	885	1,066	21	21
Operating Lease Right-Of-Use Asset	460	-	162	-
Amounts due from subsidiaries	-	-	45,742	50,003
Bank deposits pledged	4,208	5,235	-	-
Inventory	290	271	-	-
Cash and cash equivalents	9,441	2,053	960	227
	58,331	67,184	47,034	50,368
Total assets	**58,968**	**67,784**	**47,037**	**50,374**
Current liabilities				
Trade and other payables	22,772	28,449	11,662	14,870
Operating Lease Liability	474	-	163	-
Loans and borrowings	2,221	2,221	-	-
	25,467	30,670	11,825	14,870
Net current assets	32,864	36,514	35,209	35,498
Total liabilities	**25,467**	**30,670**	**11,825**	**14,870**
Net assets	**33,501**	**37,114**	**35,212**	**35,504**
Equity attributable to owners of the Company				
Share capital	102,425	102,425	102,425	102,425
Other reserves	3,550	3,261	173	173
Foreign currency translation reserve	(117)	10	-	-
Accumulated losses	(72,781)	(70,121)	(67,386)	(67,094)
	33,077	35,575	35,212	35,504
Non-controlling interests	424	1,539	-	-
Total equity	33,501	37,114	35,212	35,504
Total equity and liabilities	**58,968**	**67,784**	**47,037**	**50,374**

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

	As at 06/30/2019 (Unaudited)		As at 12/31/2018 (Audited)	
	Secured S$'000	Unsecured S$'000	Secured S$'000	Unsecured S$'000
Amount repayable in one year or less, or on demand				
Floating Rate USD Loan - Ballenger Run	-	-	19	-
Floating Rate AUD Loan	213	-	216	-
Amount repayable in one year or less, or on demand	213	-	235	-
Amount repayable after one year				
Corporate Bond	2,008	-	1,986	-
	2,008	-	1,986	-
Total Loans and Borrowings	2,221	-	2,221	-

The outstanding loans of the Group as at 30 June 2019 are as follows:

- In November 2015, for the Ballenger Run project, the Group obtained a US$8.0 (S$10.8) 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 plus 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$10.8) million to US$11.0 (S$14.9) million and extended the maturity date from 22 November 2018 to 31 December 2019. In January 2019, the loan was paid off. On 17 April 2019, the loan agreement was terminated and the cash deposit and overpayment were refunded.

- On 17 April 2019, for Ballenger run project, the Group entered into a Development Loan Agreement with Manufacturers and Traders Trust Company ("M&T Bank") in the principal amount not to exceed at any one time outstanding of the sum of US$8.0 (S$10.8) million, with a cumulative loan advance amount of US$18.5 (S$25.0) million, and is repayable within 36 months. The interest rate is based on one month LIBOR plus 375 basis points. The Group was also provided with a Letter of Credit ("L/C") Facility in an aggregate amount of up to US$0.9 (S$1.2) million. The annual L/C commission will be 1.5% per annum on the face amount of the L/C. Other standard lender fees will apply in the event L/C is drawn down. Repayment of the Loan Agreement is secured by US$ 2.6 (S$3.5) million collateral fund and a Deed of Trust issued to the Lender on the property owned by the Group. Prior to full settlement of the loan, the Group is required to make principal repayment equal to 75% of property sales. As of 30 June 2019, there is no outstanding loan balance.

- A$0.6 (S$0.6) million short-term loan was drawn down from an Australian financial institution for land purchases for the 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 30 June 2019, 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 5.69% per annum, determined as a weighted average of various prevailing market rates and on 6 February 2019 the loan was renegotiated to be repayable on 31 March 2020.

- 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$13.5) million and US$5.0 (S$6.8) 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	06/30/2019		06/30/2018
	Unaudited		Unaudited
	S$'000		S$'000
Operating activities			
Loss before tax	**(2,841)**		**(5,688)**
Adjustments for:-			
Depreciation of property, plant and equipment	19		25
Withholding tax expense	297		335
Allowance for doubtful debts	14		-
Net fair value loss on investment securities	173		2,997
Gain on disposal of a subsidiary	(406)		-
Unrealised exchange loss / (gain)	353		(1,077)
Finance income	(37)		(16)
Finance costs	354		79
Share of result of joint venture	17		-
Total adjustments	784		2,343
Operating cash flows before changes in working capital	**(2,057)**		**(3,345)**
Changes in working capital:-			
Change in trade and other receivables	283		580
Change in prepaid operating expenses	(59)		20
Change in inventory	(19)		(138)
Change in properties under development	15,134		4,134
Change in trade and other payables	(2,154)		(366)
Cash flows generated from operations	**11,128**		**885**
Interest received	37		16
Interest paid	(92)		(360)
Net cash flows generated from operating activities	**11,073**		**541**
Investing activities			
Purchase of property, plant and equipment	-		(1)
Investment in joint venture	(49)		-
Proceeds from partial disposal of subsidiaries, net of cash disposed	270		-
Net cash outflow on disposal of a subsidiary	(42)		-
Net cash flows generated from / (used in) investing activities	**179**		**(1)**
Financing activities			
(Repayment to)/Advances from director	(3,837)		2,676
Cash distribution to non-controlling interest	(1,002)		-
Repayments of loans and borrowings	-		(3,962)
Change in bank deposits pledged	1,027		-
Net cash used in financing activities	**(3,812)**		**(1,286)**
Net increase / (decrease) in cash and cash equivalents	**7,440**		**(746)**
Effect of exchange rate changes on cash and cash equivalent	**(52)**		**82**
Cash and cash equivalents at beginning of financial period	**2,053**		**1,708**
Cash and cash equivalents at end of financial period	**9,441**		**1,044**

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	Fair value reserve	Share option reserve					
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Balance at 1 January 2019	102,425	1,480	1,653	(45)	173	10	(70,121)	35,575	1,539	37,114
Loss for the period	-	-	-	-	-	-	(2,660)	(2,660)	(181)	(2,841)
Net change in fair value of available-for-sale financial asset	-	-	-	19	-	-	-	19	-	19
Foreign currency translation	-	-	-	-	-	(127)	-	(127)	68	(59)
Total comprehensive income (loss) for the period	-	-	-	19	-	(127)	(2,660)	(2,768)	(113)	(2,881)
Cash distribution to non-controlling interests	-	-	-	-	-	-	-	-	(1,002)	(1,002)
Disposal of a subsidiary without change in control	-	-	270	-	-	-	-	270	-	270
Balance at 30 June 2019	**102,425**	**1,480**	**1,923**	**(26)**	**173**	**(117)**	**(72,781)**	**33,077**	**424**	**33,501**
Balance at 1 January 2018	102,425	1,480	1,788	-	259	(46)	(62,628)	43,278	2,108	45,386
Loss for the period	-	-	-	-	-	-	(5,244)	(5,244)	(444)	(5,688)
Foreign currency translation	-	-	-	-	-	(80)	-	(80)	105	25
Total comprehensive income (loss) for the period	-	-	-	-	-	(80)	(5,244)	(5,324)	(339)	(5,663)
Balance at 30 June 2018	**102,425**	**1,480**	**1,788**	**-**	**259**	**(126)**	**(67,872)**	**37,954**	**1,769**	**39,723**

The Company (Unaudited)	Share capital	Share option reserve	Accum'd losses	Total equity
	S$'000	S$'000	S$'000	S$'000
Balance at 1 January 2019	102,425	173	(67,094)	35,504
Loss net of tax, representing total comprehensive income for the period	-	-	(292)	(292)
Balance at 30 June 2019	**102,425**	**173**	**(67,386)**	**35,212**
Balance at 1 January 2018	102,425	259	(54,570)	48,114
Loss net of tax, representing total comprehensive income for the period	-	-	1,028	1,028
Balance at 30 June 2018	**102,425**	**259**	**(53,542)**	**49,142**

Note:

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

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

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

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

	Number of shares	Share Capital (S$'000)
As at 30 June 2018 (unaudited)	1,101,456,707	102,425
As at 30 June 2019 (unaudited)	1,101,456,707	102,425

Types of Convertibles	Number of Outstanding Convertibles	Number of Shares that may be issued on conversion of all outstanding convertibles
As at 30 June 2019		
1. Share Options under CSOS	1,061,333	1,061,333
2. 2016 Warrants	523,285,845	523,285,845
3. 2017 Warrants	1,864,275,000	1,864,275,000
As at 30 June 2018		
1. Share Options under CSOS	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

The Company does not have any treasury shares and subsidiary holdings as at 30 June 2019 and 30 June 2018.

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 2018 (audited)	1,101,456,707
As at 30 June 2019 (unaudited)	1,101,456,707

The Company did not have any treasury shares as at 30 June 2019 and 31 December 2018.

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

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

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

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

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

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

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

Not applicable.

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

The Group has adopted the same accounting policies and methods of computation in the financial statements for the current financial period as those used in the Group's most recently audited financial statements for the financial year ended 31 December 2018 ("**FY2018**"), 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 (International) ("SFRS(I)") and Interpretations of Financial Reporting Standards ("INT FRS") that are relevant to its operations and are effective for the financial periods beginning on or after 1 January 2018. The adoption of these new and revised SFRS (I) and INT FRS did not result in material adjustments to the Group's financial statements for the financial period ended 30 June 2019.

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	
	06/30/2019 (Unaudited)	06/30/2018 (Unaudited)
Loss net of tax attributible to the owners of the Company (S$000)	(2,660)	(5,244)
Weighted average number of shares ('000)	1,101,457	1,101,457
Basic and diluted loss per ordinary share (Singapore cents)	(0.24)	(0.48)

The basic loss per ordinary share as at 30 June 2019 and 2018 was computed by dividing the loss net of tax attributable to owners of the Company by the weighted average number of ordinary shares.

† *The basic and diluted loss per ordinary share are the same as the outstanding convertibles as at 30 June 2018 and 2019 and are anti-dilutive.*

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

	Group		Company	
	30/6/2019 (Unaudited)	**31/12/2018 (Audited)**	**30/6/2019 (Unaudited)**	**31/12/2018 (Audited)**
Net Asset value per ordinary share (Singapore cents)	3.00	3.23	3.20	3.22

The net asset value per ordinary share as at 30 June 2019 and 31 December 2018 were computed based on the net assets of the Group and the Company as at the end of the respective financial periods and based on 1,101,456,707 and 1,101,456,707 ordinary shares in issue as at the end of the respective financial period.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the 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
Six Months ended 30 June 2019 ("1H2019") vs Six Months ended 30 June 2018 ("1H2018")

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

In 1H2019, the Group's revenue and gross profit is mainly attributable to:

a. There is remaining one unit under the Property Development Business' home incubation project in El Tesoro, Houston, Texas, U.S. This unit has been leased out in FY2018 and generated gross profit of S$0.01 million from this project.

b. Ballenger Run, the Group's U.S. project in Frederick County, Maryland, generated S$14.1 million in revenue and S$2.6 million in gross profit in 1H2019 from the sale of 75 single family lots.

c. Black Oak, the Group's U.S. project in Houston, Texas, generated S$8.4 million in revenue and S$1.5 million in gross loss in 1H2019 from the sale of 124 dwelling lots as it was sold at a lower margin as compared to the Ballenger Run Project.

d. The Group's subsidiary, iGalen International Inc., ("iGalen") conducts the distribution of dietary and health supplements through network marketing. Sales income, gross profit in 1H2019 amounted to S$1.3 million and S$0.7 million. The network marketing platform business reported 0.7 million loss in 1H2019.

e. The Group reported a loss of S$0.5 million (mainly due to Research and Development expenditure and operating expenses) and S$0.2 million (mainly due to operating expenses) for the Biomedical business and IT-related business respectively.

f. The Group's investment business reported a fair value loss of S$0.2 million in respect of its investment securities.

Marketing expenses in 1H2019 was mainly due to the promotion of the iGalen networking marketing business, amounting to S$0.2 million.

Administrative expenses decreased to S$3.6 million in 1H2019 from S$4.0 million in 1H2018 mainly due to a decrease in corporate expense of S$0.6 million, offset by an increase in commission paid to the distributors of S$0.2 million.

Research and development expenditure decreased to S$0.1 million due to decrease in consulting fee in 1H2019.

Other income decreased to S$0.01 million in 1H2019 from S$1.2 million in 1H2018. In 1H2018, the other income of S$1.2 million comprised S$1.1 million unrealised foreign exchange gains mainly arising from the appreciation of the U.S. Dollar on U.S. Dollar-based assets relating to the U.S. Dollar denominated loan from the Company to its U.S. subsidiaries and S$0.1 million front foot benefit fees[1]. In 1H2019, the other income of S$0.01 million was due to the management fee income received from the joint venture.

[1] We have established a front foot benefit assessment on all of the NVR lots. This is a 30 year annual assessment allowed in Frederick County which requires homeowners to pay the developer to reimburse the costs of installing public water and sewer to the lots. These assessments become effective as homes are settled at which time we can sell the collection rights to the assessments to investors who will pay a lump sum up front so we can realize the revenue sooner.

Other expenses of S$3.3 million in 1H2018 comprising fair value loss on financial assets of S$3.0 million and S$0.3 million of withholding tax. In 1H2019, the other expenses of $0.8 million comprised $0.3 million unrealised foreign exchange loss, $0.3 million withholding tax and $0.2 million fair value loss of financial assets.

Share of joint venture's result amount to S$0.02 million was due to share of loss of a joint venture in United States of America.

Gain on disposal of a subsidiary of S$0.4 million was due to the disposal of Guangzhou HotApp in January 2019.

Depreciation decreased by S$0.01 million due to the disposal of a number of fixed assets in the first half of 2019.

Finance cost increased to S$0.4 million mainly due to the interest paid to the loan from director of S$0.3 million.

Review of Balance Sheet
As at 30 June 2019 vs 31 December 2018

a) Property, plant & equipment

The Group's fixed assets depreciated by S$0.02 million during 1H2019.

b) Other investment

The other investment increased to S$0.5 million in 1H2019 from S$0.4 million in FY2018 due to the fair value gain in 1H2019.

c) Investment in joint venture

Investment in joint venture increased from S$0.01 million to S$0.04 million is due to additional investment in joint venture of S$0.05 million, offset by the share of the loss of S$0.02 million in 1H2019.

d) Trade and other receivables and prepaid operating expenses

Trade and other receivables and prepaid operating expenses decreased to S$1.4 million as at 30 June 2019 from S$1.5 million as at 31 December 2018 mainly due to the decrease in receivable of S$0.3 million from network marketing business, offset by increase in receivable of S$0.2 million in IT-related business.

e) Operating Lease Right-of-use Asset

The operating lease right-of-use asset of S$0.5 million is a lessee's right to use an asset over the life of a lease and recorded as asset in accordance with the new accounting standard.

f) 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.

Properties under development decreased by $15.4 million in 1H2019 mainly due to the sale of properties amounting to S$20.1 million and translation loss of S$0.5 million, offset by the additional development and financing costs of S$5.2 million.

g) Property held for sales

The Group acquired 27 tenanted single-family homes in El Tesoro, Houston, Texas, for resale in FY2015. As at 30 June 2019, one unit remains on hand.

h) Investment securities

The Group has invested in shares in a U.S. listed company with a fair value of S$0.4 million as at 30 June 2019.

A promissory note 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 with a fair value of S$0.5 million as at 30 June 2019.

The investment securities decreased to S$0.9 million in 1H2019 from S$1.1 million in FY2018 due to the fair value loss in 1H2019.

i) 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 and US$0.5 (S$0.7) million escrow money from the Harris County reimbursement for Black Oak project.

The bank deposits pledged decreased to S$4.2 million in 1H2019 from S$5.2 million in FY2018 due to the release of the escrow money upon meeting certain conditions.

j) Inventory

The increase in inventory amounting to S$0.02 million was related to the distribution of the biomedical product through the network marketing platform in 1H2019.

k) Trade and other payables

Trade and other payables decreased to S$22.8 million in 1H2019 from S$28.4 million in FY2018 mainly due to decrease in amount due to a director of S$3.8 million and decrease in payables relating to the property business of S$1.8 million.

l) Operating lease liability

The operating lease liability of S$0.5 million is a lessee's obligation to pay the landlord for the use of the property over the life of lease and recorded as liability in accordance with the new accounting standard.

m) Loans and borrowings

Loans and borrowings of S$2.2 million comprised S$2.0 million corporate bonds and S$0.2 million loan for the Perth project.

n) Working capital

The decrease of S$3.7 million in working capital relates to the decrease in current assets and current liabilities amounting to S$8.9 million and S$5.2 million respectively.

The current assets movement is mainly attributed to the decrease in properties under development of S$15.4 million, S$0.2 million in investment securities and bank pledged deposit of S$1.0 million, offset by the increase in trade and other receivable of S$0.3 million and S$7.4 million in cash and cash equivalents.

The current liabilities movement is attributed to the decrease in trade and other payables of S$5.2 million.

Review of Consolidated Cash Flow Statement

Cash and cash equivalents increased by S$7.4 million to S$9.4 million in 1H2019 from S$2.0 million in FY2018.

Operating Activities
Net cash generated from operating activities increased to S$11.0 million in 1H2019 from S$0.5 million in 1H2018. The Group had a net cash outflow of S$2.0 million from its operating activities before changes in working capital. This mainly relates to the loss before tax of S$2.8 million and the adjustments of the non-cash items including S$0.2 million fair value loss on financial assets, S$0.3 million withholding tax expense, S$0.4 million unrealised foreign exchange loss and S$0.3 million finance cost and income, offset by S$0.4 million gain on disposal of a subsidiary.

The decrease in working capital of S$13.2 million is mainly due to the S$15.1 million decrease in properties under development and S$0.3 million trade and other receivables, offset by S$2.1 million decrease in trade and other payables and S$0.1 million prepaid operating expenses.

Interest Paid
The interest payment is due to S$0.1 million interest paid to the private bond holders.

Investing Activities
Net cash generated from investing activities is due to the proceeds from partial disposal of subsidiaries of S$0.3 million, offset by S$ 0.05 million investment in joint venture.

Financing Activities
Net cash used in financing activities for 1H2019 amounted to S$3.8 million due to:
(i) The cash repayment to a director of S$3.8 million;
(ii) The cash distribution to non-controlling shareholders of S$1.0 million; offset by
(iii) The decrease in bank pledged deposit of S$1.0 million.

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

The Group had on 7 August 2019 issued a performance guidance announcement cautioning shareholders that the Group expects to report a loss for 1H2019.

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.

For the Ballenger Run project, sales of single family home lots have continued in accordance with the lot purchase agreements signed with NVR, Inc. ("NVR"). During 1H2019, 75 single family home lots were sold to NVR with a total value of US$10.4 million.

As mentioned in the announcement dated 8 January 2019, SeD Maryland entered into the Third Amendment to the Lot Purchase Agreement for Ballenger Run with NVR the ("Third Amendment"). Pursuant to the Third Amendment, SeD Maryland agreed to convert the 5.9-acre continuing care retirement community ("CCRC") parcel to 36 lots and sell such lots to NVR. SeD Maryland received the required zoning approval to change the number of such lots from 85 to 121 in July 2019.

In connection with these additional 36 lots, pursuant to the Third Amendment to the Lot Purchase Agreement, the deposit paid by NVR has increased by $300,000. SeD Maryland received $100,000 of this amount when the agreement was executed. In connection with this zoning approval, NVR will be releasing an additional $200,000 of the deposit from escrow to SeD Maryland.

For the Black Oak project, as previously announced, on 18 January 2019, the sale of 124 lots under the Purchase and Sale Agreement with Houston LD, LLC was completed.

As announced on 30 July 2018, the Group was reimbursed US$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, US$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. As of 30 June 2019, US$1,176,518 was released from the construction fund upon meeting certain conditions.

Currently, Black Oak development work is focused on the fulfilment of post-closing conditions of the Amended and Restated Purchase and Sale Agreement. Meanwhile we are exploring opportunities to sell or develop future phases of the project. In addition, the Group is focused on improving the cashflow of the project by sourcing financing, securing further sales contracts, and seeking further infrastructure reimbursements from the relevant improvement district.

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.

Mr. Daryl Thompson, Global BioLife's Director of Scientific Initiatives, a biochemist nominated for the Nobel Prize in 2015 and 2016 for his research on pandemic technology, leads the 3F research, including the research and development of the 3F Antimicrobial Fragrance.

The 3F project was designed to provide a solution for open environment defence strategies to prevent or suppress the transmission of aerosoled viral and bacterial particles that cause the spread of influenza, MRSA and tuberculosis in congested areas. 3F works by taking advantage and exploiting the bacterial or viral sophisticated communication system called quorum sensing. In essence, we can utilise quorum sensing to instruct the bacterial or viral agent to shut down or stop replication. The process has been demonstrated to be very effective.

Global Biolife Inc. has partnered with consulting firm, Destum Partners Inc., to evaluate and license both 3F Mosquito and 3F Antimicrobial technology globally to manufacturers and distributers. 3F Mosquito is a revolutionary alternative to traditional mosquito repellents like DEET. 3F Mosquito was developed as an additive to laundry detergents, shampoos, and lotions to provide layered protection against mosquitos. 3F Antimicrobial is designed to be added into sprays, filters and air dispersal systems in airplanes, transit areas, arenas, hospitals, and open areas worldwide to provide multi-faceted protection against bacteria and viruses.

Global BioLife contracted U.S. based Snell Scientifics, LLC ("Snell") in Meansville, Georgia to conduct a study on the new mosquito repellent formula and the results of the study showed that it repelled between 82% to 95% of mosquitos for six (6) hours after application.

Global BioLife is currently in discussions with interested global companies for potential licensing and deployment of this new mosquito repellent formula.

LaetoseTM was developed by Mr Thompson, as a safer affordable alternative to sugar. This naturally modified table sugar from Global BioLife carries 30% fewer calories and a glycemic index score of 53 to a score of 100 in glucose.

At the Global Health Catalyst Summit, Mr Thompson announced the completion of human trials on LaetoseTM conducted at one of the foremost laboratories in the world to measure glycemic index. Additional independent testing conducted at Charles River Laboratories shows LaetoseTM halts stimulation of lipopolysaccharide inflammation which leads to Metabolic Endotoxemia, the root of metabolic-driven disease.

Global BioLife has partnered with Quality Candy Company LLC to form a joint venture, Sweet Sense Inc. ("Sweet Sense"), to produce and market LaetoseTM. Sweet Sense refined the invention at its production facility and created a scalable manufacturing process for LaetoseTM.

As announced on 14 February 2017, the Group acquired a 53%-stake in iGalen to conduct the distribution of dietary and health supplements through network marketing. The company has entered US and Canda markets and plans to enter Philippines, Malaysia, Australia, New Zealand and Korea soon.

IT-Related Businesses

As announced on 29 November 2018, Hotapp International Pte. Ltd. ("HIPL") has entered into a sale and purchase agreement ("SPA") with DSS Asia Limited ("DSL") in relation to the disposal of HIPL's entire shareholding in HotApps Information Technology Co. Ltd., also known as Guangzhou HotApps Technology Ltd. ("the GZ HotApps") for a consideration of US$100,000.00 to DSL.

Under the SPA, completion of the Disposal is conditional upon the fulfilment of certain conditions precedent. On 14 January 2019, all the conditions were fulfilled and GZ HotApps ceased to be a subsidiary of the Group.

HotApp will continue to control their expense and keep the focus in business to business mobile commerce activities and will continue to explore further streamlining of operations to control expense and identify strategic alliances for business development.

Investment Business

The company has invested in two US listed companies shares and the company will continue to explore potential investment in the coming year.

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

The Company recorded a net loss and consequently no dividend has been declared or recommended for financial period ended 30 June 2019.

13. Interested Person Transactions (unaudited) – 1H2019

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)	As a percentage of the Group's latest audited NTA as at 31 December 2018
Interest paid for the loan from a director			
Chan Heng Fai(1)	581,121		1.63%
Consultancy Agreement with Pop Motor Consulting Pte Ltd.			
Chan Heng Fai(1)	165,000	-	0.46%
	746,121		**2.10%**
		NTA ('000)	35,575

The Group has not obtained a general mandate for IPTs.

Mr Chan Tung Moe is the director and the sole shareholder of Pop Motion Consulting Pte Ltd. ("PMCPL") and he is the son of Mr Chan Heng Fai, an Executive Director and Chief Executive Officer of the Company. On 27 August 2018, PMCPL has signed a consultancy services agreement with the Company. The agreement has commenced on 1 September 2018 and the monthly consultancy fee is S$27,500.

On 15 October 2018, the Company and Mr. Chan Heng Fai have signed a loan agreement and a S$14 million loan facility was provided by Mr Chan. As at 31 December 2018, S$11.43 million has been drawn down and S$0.64 million interest has been accrued. The loan facility is unsecured, bears an interest of 6% interest per annum starting from 1 January 2018 (interest-free prior to FY2018).

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.

Save as disclosed above, the Group did not have other interested person transaction that exceeding the S$100,000 threshold.

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

The Board has confirmed that to the best of its knowledge, nothing has come to its attention which may render the unaudited interim financial results of the Group comprising the balance sheets (Group and Company), consolidated statement of comprehensive income, statement of changes in equity (Group and Company) and consolidated statement of cash flows and the accompanying notes for the financial period ended 30 June 2019 to be false or misleading in any material respect.

15. Undertaking confirmation pursuant to 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).

BY ORDER OF THE BOARD

Chan Heng Fai
Executive Director & CEO
14 August 2019

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

The contact person for the Sponsor is Mr Tang Yeng Yuen, Vice President, Head of Corporate Finance, Hong Leong Finance Limited, at 16 Raffles Quay, #01-05 Hong Leong Building, Singapore 048581, telephone (+65) 6415 9886.