SINGAPORE eDEVELOPMENT

Annual Report 2018

Contents

This annual report 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 annual report.

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

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Company **Profile**

Incorporated on 9 September 2009 and listed on the Catalist Board of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") since July 2010, Singapore eDevelopment Limited ("**SeD**") has since diversified into international markets. The Group's portfolio comprises (i) property development and related services; (ii) information technology related businesses; (iii) development, research, testing, manufacturing, licensing and distribution of biomedical products; and (iv) investment activities.

SeD will continue to pursue corporate recovery and focus on achieving scalability, sustainability and growth leveraging on the management's expertise and experience with a view to enhancing shareholder value.

CEO Message

Dear Shareholders,

On behalf of the Board of Directors (the "Board"), I am pleased to present the annual report for Singapore eDevelopment Limited (the "Company") and its subsidiaries (collectively the "Group") for the financial year ended 31 December 2018 ("FY2018").

Having exited the loss-making construction business in Singapore, we had embarked on two growth strategies as we continue our pursuit to deliver shareholders' value. We are focused on property development, chiefly in the United States; and on information technology. We have since expanded these activities and included two new business opportunities, namely, investment activities and bio-medical sectors. In contrast to the asset-heavy property development business, we are pursuing asset-light opportunities leveraging on our global network and capital restructuring capabilities of the senior management to accelerate corporate recovery.

Despite the uncertain economic outlook, we managed to increase our revenue and gross profit for the year. I am pleased to outline our business and corporate updates.

International Property Development Business

Our international property development division's main assets are two property development projects: one located north of Houston, Texas (referred to as our "Black Oak" project) and one located near Washington D.C. in Frederick, Maryland (referred to as our "Ballenger Run" project).

On 2 July 2018, we entered into a purchase and sale agreement with Houston LD, LLC in relation to the sale of 124 lots located at the Black Oak project for US$6.2 million. On 18 January 2019, the sale of 124 dwelling lots located at the Black Oak project in Magnolia, Texas was completed. We were able to recognise revenue of US$6.2 million.

On 23 July 2018, SeD Development USA, LLC ("SeD Development"), an indirect wholly-owned subsidiary of the Group, entered into two Partnership Interest Purchase Agreements through which it purchased an aggregate of 31% of 150 CCM Black Oak, LP., a Texas limited partnership ("Black Oak LP"). 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.

On 20 July 2018, the Group was reimbursed US$4.6 million 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.

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 FY2018, 102 single family home lots were sold to NVR with a total value of US$12.0 million. In addition, we completed the sale of the Ballenger Run multi-family parcel with Orchard Development Corporation on 6 August 2018 and received revenue of US$5.3 million.

Development work continues on critical infrastructure for Black Oak. The Group is focused on improving the cashflow of the project by sourcing financing, securing sales contracts, and seeking further infrastructure reimbursements from the relevant improvement district.

We will continue to develop our two main property development projects, Black Oak and Ballenger Run, whilst looking for other opportunities to improve the performance of the international property development division.

Information Technology Business

During FY2018, the IT division, HotApp Blockchain Inc ("HotApp") continued to execute the strategy with a tightened focus on business-to-business ("B2B") solutions, namely enterprise communications and workflow. The strategic shift is intended to create commercial value with a sharper focus while remaining asset-light.

On 25 October 2018, HotApps International Pte. Ltd. ("HotApp") entered into an Equity Purchase Agreement with DSS Asia Limited ("DSS Asia"), pursuant to which HotApp agreed to sell to DSS Asia all of the issued and outstanding shares of Guangzhou HotApps Technology Ltd. ("Guangzhou HotApps") for a consideration of US$100,000, which would be paid in the form of a two-year, interest free, unsecured, demand promissory note in the principal amount of US$100,000, and that such note would be due and payable in full in two years. The closing of the Equity Purchase Agreement was subject to certain conditions and these conditions were met and the transaction completed on 14 January 2019.

During FY2018, the Group disposed of 0.03% of its equity interest in HotApp, reducing its equity interest to 99.95%. The proceeds on disposal of S$114,000 were received in cash. In the 1st quarter of 2019, the Group further disposed of 0.06% of its interest in HotApp, reducing its continuing interest from 99.95% to 99.89%. The proceeds on disposal of S$138,500 were received in cash. The disposal neither results in a loss of control to the Group nor has any significant impact to the Group's effective interest in the subsidiary. Instead, it enlarges the shareholders base of HotApp.

HotApp recently launched a new division and intends to expand its activities to include the development and commercialization of blockchain-related technologies, including initial coin offering ("ICO") and security token offering ("STO") technology consulting. HotApp does not intend to launch its own cryptocurrency. Such services, which have not commenced commercially, would include ICO and STO white paper development, blockchain design, web development and technology consulting services. We intend to outsource certain aspects of these projects to potential partners we have identified. The expansion into this space is in line with the increasing awareness and acceptance of blockchain technologies by potential customers which will benefit us greatly.

Investment Business

Our investment arm is focused on the discovery and development of potentially profitable businesses through investments via equity, convertible securities and financial instruments. Drawing on the expertise of the Group's senior management, we recognised S$4.0 million fair value loss on financial assets in FY2018. We are currently in negotiations with potential clients seeking business incubation and capital market opportunities.

While we expand our revenue streams through this asset-light business arm, we will exercise prudence and discretion in our investments, thus ensuring full adherence to appropriate risk management safeguards.

Biomedical Business

SeD has formed a new asset-light biomedical division, Global BioMedical Inc., to develop, research, manufacture and distribute biomedical products and services.

Global Biolife 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.

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.

The potential of this breakthrough in 3F Antimicrobial and Global GioLife will step up in its continued efforts to provide cutting edge research into real solutions for global healthcare problems.

The Linebacker intellectual properties have since been assigned to Global BioLife. Initial research has shown very promising results. Testing with Charles River Laboratories has been completed and we are now moving to an active pre-commercialisation phase. We have also engaged Destum

CEO Message

Partners, Inc., a premier advisory and consulting firm in the biopharmaceutical and life sciences industry, to focus on licensing Linebacker.

Laetose, a breakthrough low-calorie, low glycemic index, natural, modified sugar which has the potential to affect the world's sugar market. Laetose is a functional sugar that possesses low glycemic properties which also assists in mitigating inflammatory responses. Global BioLife has established a collaboration with Quality Candy Company LLC ("QCC") for the development, manufacture and global distribution of Laetose.

Our biomedical team is relentless in our efforts for breakthrough results and will continue to work on pre-clinical testing against an array of diseases, including Alzheimer's and Parkinson's disease, to generate validating laboratory data.

In line with the expansion into bio-medical activities, the network marketing arm which sources and distributes health supplements has generated $3.4 million revenue in FY2018. We plan to expand our business into Philippines, Malaysia, Australia and New Zealand and intend to launch more products to add on to the flagship product range.

The biomedical field offers SeD exceptional opportunities for corporate recovery, and we will continue to explore potential collaborations in this sector.

Corporate Developments

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).

Financial Performance in FY2018

Revenue recognition from Ballenger Run and from the distribution of dietary and health supplements through network marketing commenced in FY2018. The Group recorded revenue of S$26.9 million in FY2018, compared to S$15.0 million a year ago. The revenue also comprised contributions from HotApp and the investment business.

The Group incurred a net loss attributable to owners of the Company of S$7.6 million in FY2018 compared to S$5.3 million a year ago. The increase in net loss was mainly due to the fair value loss from financial assets, offset by an increase in revenue from existing property projects.

The various initiatives executed over the past years allowed SeD to broaden its revenue streams and secure earnings in the near to medium term.

Outlook

FY2019 continues to be a transformational year for the Group. We will focus on our portfolio of businesses to deliver improved returns in the coming years; the induction of new board members and management all combined to build a stronger foundation to enhance shareholders' value.

Appreciation

I am grateful to our management, staff, directors, partners and service providers for their commitment and hard work over the past year. Above all, I wish to thank our loyal shareholders for their continued support.

Mr. Chan Heng Fai
Executive Director and Chief Executive Officer
3 April 2019

In line with the increase in revenue, gross profit increased by **S$1.0 million** or 37% from **S$2.7 million** in FY2017 to **S$3.7 million** in FY2018.

Revenue and Gross Profit

The Group's revenue has increased by S$11.9 million or 80% from S$15.0 million for the year ended 31 December 2017 ("FY2017") to S$26.9 million in 31 December 2018 ("FY2018") due to a contribution of revenue from the property development project located in Frederick County, Maryland USA ("Ballenger Run") and revenue from the sale of biomedical products.

In line with the increase in revenue, gross profit increased by S$1.0 million or 37% from S$2.7 million in FY2017 to S$3.7 million in FY2018.

Other Income

The decrease in other income by S$2.8 million or 65% from S$4.3 million in FY2017 to S$1.5 million in FY2018. In FY2018, other income comprises S$0.9 million of unrealised foreign exchange gains and S$0.6 million of front foot benefit fees.

Expenses

Total operating expenses decreased by S$1.5 million or 16% from S$9.5 million in FY2017 to S$8.0 million in FY2018. This is mainly due to cost savings achieved through the streamlining of our corporate expenditure.

Other expenses increased by S$0.1 million or 3% from S$4.6 million in FY2017 to S$4.7 million in FY2018. In FY2018, other expenses relate to $0.7 million withholding tax expense and net fair value loss on financial assets of S$4.0 million.

Financial Review

Finance costs increased by S$0.6 million or 300% from S$0.2 million in FY2017 to S$0.8 million in FY2018. This is due to the interest paid to the loan from a director.

Bottom Line

Accordingly, the Group incurred a net loss attributable to owners of the Company of S$7.6 million in FY2018 compared to S$5.3 million in FY2017.

Balance Sheet

The Group's non-current assets decreased by S$44,000 from S$644,000 as at 31 December 2017 to S$600,000 as at 31 December 2018 due to the net loss in fair value of available-for-sale financial assets.

The Group's current assets significantly decreased from S$81.9 million as at 31 December 2017 to S$67.2 million as at 31 December 2018. This is due to lower properties under development of S$56.9 million following the disposal of 102 single family lots and 1 multi family lot from the Ballenger Run Project, and lower investment securities due to the fair value loss during the year. This was partially offset by a deposit placed in escrow for the performance of certain works in relation to the Black Oak Project.

Total liabilities decreased from S$37.1 million as at 31 December 2017 to S$30.7 million as at 31 December 2018. This is mainly due to lower loans and borrowings as a result of a repayment of loan for Ballenger Run. These were partially offset by the increase in trade and other payables amounting to S$1.6 million due to an increase in the loan from a director and the increase in payables relating to the launch and operation of the network marketing business.

As at 31 December 2018, the Group was in a net current assets position of S$36.5 million as compared to S$46.6 million as at 31 December 2017.

Statement of Cash Flows

Net cash generated from operating activities increased to $11.7 million in FY2018 compared to S$9.9 million net cash used in operating activities in FY2017 mainly due to a decrease in properties under development during the year.

The Group incurred S$84,000 net cash used in investing activities in FY2018 compared to S$597,000 net cash used in investing activities in FY2017. This was mainly due to investment in joint venture during the year and an acquisition of a subsidiary without a change in control offset by proceeds from a partial disposal of a subsidiary. These were offset by the proceeds from partial disposal of a subsidiary.

Net cash used in financing activities increased to S$11.4 million in FY2018 compared to S$8.8 million net cash from financing activities in FY2017. In FY2018, net cash used in financing activities comprised: (a) loans and borrowings of S$11.6 million due to the repayment of loan for Ballenger Run and the increase in pledged bank deposits of S$1.7 million. These were offset by the advance from a director of S$1.9 million.

The Group's cash and cash equivalents increased from S$1.7 million as at 31 December 2017 to S$2.1 million as at 31 December 2018.

MR. CHAN HENG FAI

Executive Director and Group Chief Executive Officer

Mr. Chan Heng Fai was appointed as a Non-Executive Director on 31 May 2013, re-designated as an Executive Director on 1 March 2014 and subsequently appointed as the Chief Executive Officer on 28 April 2014. Mr. Chan Heng Fai was last re-elected to the Board in April 2018.

A banking and finance expert with years of experience, Mr. Chan Heng Fai has restructured over 35 companies in various industries and countries in the past 40 years.

Mr. Chan Heng Fai currently serves as a Non-Executive Director of Australian Securities Exchange ("ASX")-listed bio-technology company, Holista CollTech Limited.

He was the former Managing Chairman and Executive Director of Hong Kong Exchange ("SEHK")-listed Heng Fai Enterprises Limited (now known as ZH International Holdings Ltd), where he had served from 1992 to 2015. Under his directorship, Mr. Chan Heng Fai grew the company's net asset value from HK$40 million in 1994 to about HK$750 million in 2015, when he ceded controlling interest.

Mr. Chan Heng Fai was also the Managing Director of SingHaiyi Group Ltd. Under his leadership, the SGX-ST Catalist-listed company transformed from a fit-out and furnishing business with a net asset value of less than S$10 million into a property investment and development company with a net asset value of more than S$150 million when Mr. Chan Heng Fai ceded controlling interest in late 2012.

He has previously served as Executive Chairman of China Gas Holdings Limited, a failing SEHK-listed fashion retail company, which he restructured to become an industry leader in the investment and operation of China's city gas pipeline infrastructure.

Mr. Chan Heng Fai was previously also a director of Perth-based Skywest Ltd, an ASX-listed airline company; as well as a Director of Global Med Technologies, Inc., a NASDAQ-listed medical company engaged in the development and marketing of information management software products for healthcare-related facilities.

In 1987, Mr. Chan Heng Fai acquired American Pacific Bank, a U.S. full-service commercial bank, and brought it out of bankruptcy. In his role as Chairman and Director, he re-capitalised, refocused and grew the bank's operations. Under his guidance, it became a NASDAQ-listed high asset quality bank with zero loan losses for five consecutive years before it was ultimately bought and merged into Riverview Bancorp Inc. Prior to its acquisition and merger, it was ranked #13 by the Seattle Times "Annual Northwest's Top 100 Public Companies" and #6 in Oregon, U.S., ahead of leading brands such as Nike, Microsoft, Costco, AT&T Wireless and Amazon.com.

MR. CHAN KING FAI

Independent & Non-Executive Director

Mr. Chan King Fai, was appointed as an Independent Non-Executive Director on 2 May 2017 and Mr. Chan King Fai was last re-elected to the Board in April 2018.

Mr. Chan is currently an Independent Non-Executive Director of Fire Rock Holdings Limited, which is listed on the GEM Board of the Hong Kong Stock Exchange and was an Independent Non-Executive Director of Heng Fai Enterprises Limited (now named as ZH International Holdings Ltd.) from August 2011 to July 2015, which is listed on the Main Board of the Hong Kong Stock Exchange. Mr. Chan has over 25 years of experience in accounting, taxation and company secretarial services. He is a practising certified public accountant in Hong Kong and is currently a partner of Lau Chan and Company, Certified Public Accountants. Mr. Chan holds a master's degree in business administration from The University of Warwick (the United Kingdom) and a master's degree in accountancy from The Chinese University of Hong Kong (Hong Kong). He is a fellow member of the Association of Chartered Certified Accountants, an associate member of the Hong Kong Institute of Certified Public Accountants, an associate member of The Taxation Institute of Hong Kong, an associate member of The Hong Kong Institute of Chartered Secretaries and an associate member of The Institute of Chartered Secretaries and Administrators. Mr. Chan is currently a Certified Tax Adviser in Hong Kong.

DR. LAM LEE G.

Non-Executive Vice Chairman

Dr. Lam Lee G. was appointed as a Non-Executive Vice Chairman on 28 November 2017 and Dr. Lam Lee G. was last re-elected to the Board in April 2018.

Dr. Lam is Chairman of Hong Kong Cyberport Management Company Limited, Non-Executive Chairman - Hong Kong and ASEAN Region and Chief Adviser to Macquarie Infrastructure and Real Assets Asia, a member of the Hong Kong Special Administrative Region Government's Committee on Innovation, Technology and Re-Industrialization, the Council on Professional Conduct in Education (CPC), and the Court of the City University of Hong Kong, Convenor of the Panel of Advisors on Building Management Disputes of the Hong Kong Special Administrative Region Government Home Affairs Department, President of the United Nations Economic and Social Commission for Asia and the Pacific (UN ESCAP) Sustainable Business Network (ESBN) Executive Council and Chairman of its Task Force on Banking and Finance, a Board member of Pacific Basin Economic Council (PBEC), a member of the Hong Kong Trade Development Council Belt and Road Committee and Convenor of its Digital Silk Road Working Group, a member of the Sir Murray MacLehose Trust Fund Investment Advisory Committee, a member of the Advisory Board of the Hong Kong Investor Relations Association, Honorary Advisor to the Hong Kong Business Angel Network (HKBAN), Honorary Chairman - Asia Pacific of CMA Australia, Chairman of Monte Jade Science and Technology Association of Hong Kong, and President of Hong Kong-ASEAN Economic Cooperation Foundation.

Dr. Lam earlier served as a part-time member of the Hong Kong Special Administrative

Board of Directors

Region Government's Central Policy Unit, and a member of the Task Force on Industry Facilitation under the Digital 21 Strategy Advisory Committee, the Assessment Panel of the Small Entrepreneur Research Assistance Programme under the Innovation and Technology Fund, the Derivatives Market Consultative Panel of Hong Kong Exchanges and Clearing Limited, the General Council and the Corporate Governance Committee of the Chamber of Hong Kong Listed Companies, the New Business Committee of the Hong Kong Financial Services Development Council, the Education Bureau School Allocation Committee, the Hong Kong Council on Smoking and Health and the Legal Aid Services Council.

Dr. Lam has over 30 years of international experience in general management, strategy consulting, corporate governance, direct investment, investment banking and fund management across the telecommunications/media/technology (TMT), consumer/healthcare, infrastructure/real estates, energy/resources and financial services sectors. Dr. Lam earlier served as a General Manager of Hongkong Telecom, Vice President and Managing Partner - Greater China of the international management consulting firm A.T. Kearney, President & CEO and Vice Chairman of the Board of Chia Tai Enterprises International Limited (now C.P. Lotus Corporation) of multinational conglomerate CP Group, Vice Chairman and COO of Investment Banking Division of BOC International Holdings (the international investment banking arm of the Bank of China group), Executive Director of Singapore Technologies Telemedia (a member of Temasek Holdings), and Chairman - Hong Kong / Vietnam / Cambodia / Laos / Myanmar / Thailand and Senior Adviser – Asia of Macquarie Capital.

Dr. Lam holds a BSc in sciences and mathematics, an MSc in systems science and an MBA from the University of Ottawa in Canada, a post-graduate diploma in public administration from Carleton University in Canada, a post-graduate diploma in English and Hong Kong Law and an LLB (Hons) in law from Manchester Metropolitan University in the UK, a LLM in law from the University of Wolverhampton in the UK, a PCLL in law from the City University of Hong Kong, a Certificate in Professional Accountancy from the Chinese University of Hong Kong SCS, an MPA and a PhD from the University of Hong Kong. A former member of the Hong Kong Bar, Dr. Lam is a Solicitor of the High Court of Hong Kong, an Honorary Fellow of CPA Australia, a Fellow of CMA Australia, a Fellow of the Hong Kong Institute of Arbitrators, an Accredited Mediator of the Centre for Effective Dispute Resolution (CEDR), a Fellow of the Hong Kong Institute of Directors, and an Honorary Fellow of the Hong Kong Institute of Facility Management and the University of Hong Kong School of Professional and Continuing Education (HKU SPACE).

MR. TAO YEOH CHI

Independent Non-Executive Director

Mr. Tao Yeoh Chi was appointed as an Independent Non-Executive Director on 27 June 2013. He is currently the lead independent director of the company and a member of the Nominating Committee. Mr. Tao Yeoh Chi was last re-elected to the Board in April 2018.

Mr. Tao Yeoh Chi began his career in the Singapore public service sector, where he held senior positions in various ministries. He later joined a few multinational companies before starting his own business. He was an Independent Director of SGX-listed, Sapphire Corporation Ltd. He is currently a director of STT Communications (Shanghai) Co. Ltd.

Mr. Tao Yeoh Chi holds a Bachelor of Engineering (First Class Honours) and a Bachelor of Arts (Economics) from Newcastle University, Australia.

MR. WONG SHUI YEUNG

Independent Non-Executive Director

Mr. Wong Shui Yeung was appointed as Independent Non-Executive Director, Chairman of the Audit & Risk Management Committee and the Remuneration Committee on 5 June 2017. Mr. Wong Shui Yeung was last re-elected to the Board in April 2018.

Mr. Wong is a practising member and fellow of Hong Kong Institute of Certified Public Accountants and a member of Hong Kong Securities and Investment Institute and holds a bachelor's degree in business administration. He has over 20 years' experience in accounting, auditing, corporate finance, corporate investment and development, and company secretarial practice. Mr. Wong has been appointed as an Independent Non-Executive Director of SMI Holdings Group Limited, the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited since 13 April 2017.

MR. WONG TAT KEUNG

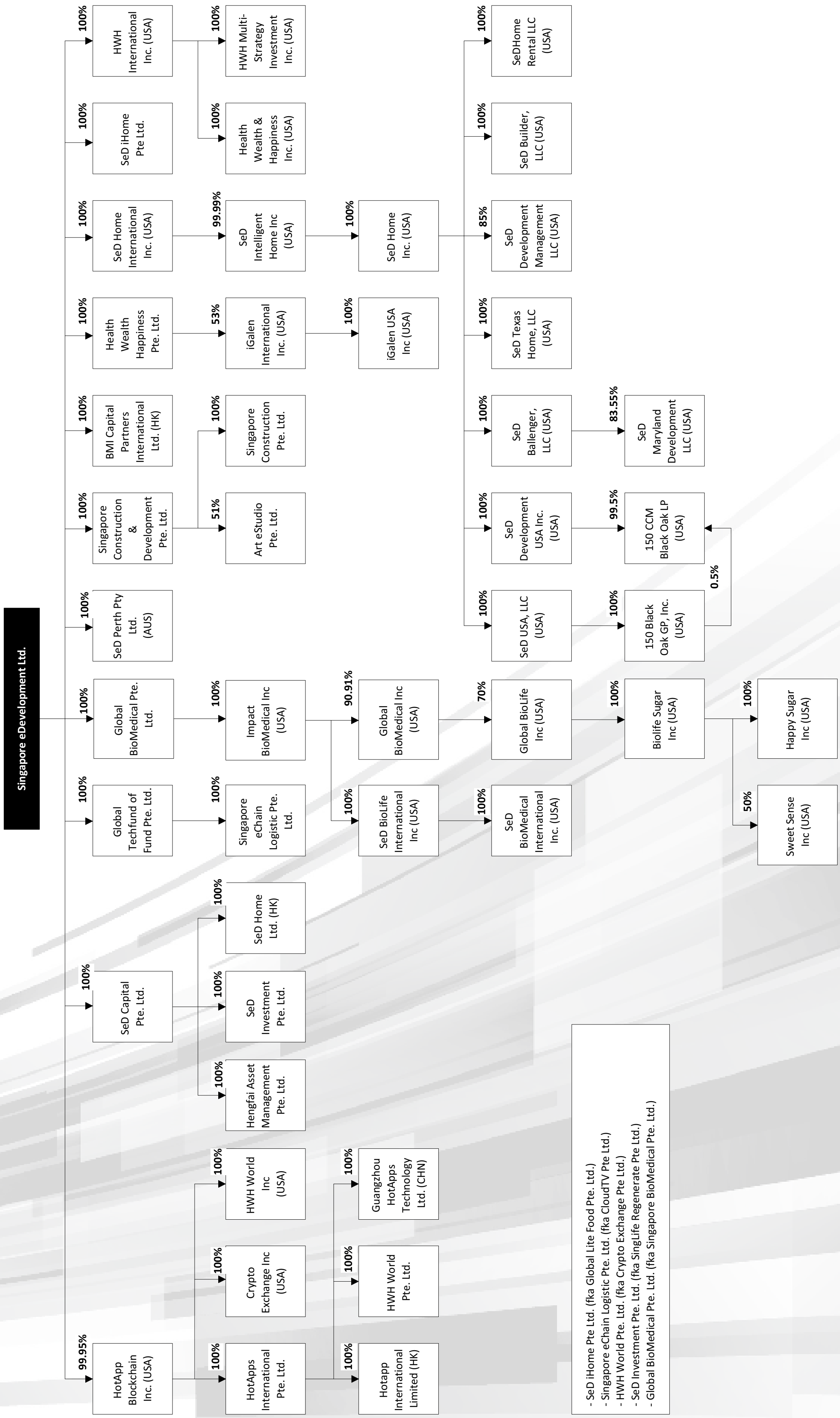
Independent Non-Executive Director

Mr. Wong Tat Keung was appointed as an Independent Non-Executive Director on 27 January 2017. He is the Chairman of the Nominating Committee and is a member of both the Audit & Risk Management and Remuneration Committee.

Mr. Wong Tat Keung has over 20 years' experience in audit, accounting, taxation and business advisory. He practised as a Certified Public Accountant and is a Director of Aston Wong CPA Ltd since 2010. Mr. Wong served as the proprietor at Aston Wong & Co from 2006 to 2009.

Mr. Wong Tat Keung is an Independent Director of Lerthai Group Limited and Roma Group Limited. Prior to this, he held independent directorships at Heng Fai Enterprises Limited (listed on SEHK) and SGX-ST Catalist-listed Singhaiyi Group Ltd. Mr. Wong Tat Keung is a Certified Public Accountant, admitted to practise in Hong Kong. He is a Fellow Member of the Hong Kong Institute of Certified Public Accountants. He holds a Master of Business Administration (Financial Services) from the University of Greenwich.

Group Structure



Corporate **Governance Report**

The Board of Directors (the "**Board**" or the "**Directors**") and the management ("**Management**") of Singapore eDevelopment Limited (the "**Company**", and together with its subsidiaries, the "**Group**") are strongly committed to achieving high standards of corporate governance which is essential to the stability and sustainability of the Group's performance, protection of interests of shareholders of the Company ("**Shareholders**") and enhancing long-term Shareholders' value and returns.

Rule 710 of the Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") requires an issuer to outline the corporate governance practices adopted by the Company as set out in the revised Code of Corporate Governance issued on 2 May 2012 (the "**Code**").

This report ("**Corporate Governance Report**") describes the Company's corporate governance practices with specific reference to the Code and the relevant Catalist Rules for the financial year ended 31 December 2018 ("**FY2018**"). In line with the Code and the requirements under the Catalist Rules, the Board hereby confirms that the Company has adhered to the principles and guidelines of the Code and all deviations from the Code are disclosed and explained.

PRINCIPLE 1: THE BOARD'S CONDUCT OF AFFAIRS

Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and Management remains accountable to the Board.

The primary function of the Board is to protect Shareholders' interests and enhance long-term Shareholders' value and returns. The Board works with the Management to achieve this and the Management remains accountable to the Board.

Besides carrying out its statutory and fiduciary duties and responsibilities, the Board's other roles are to: Guideline 1.1

- provide entrepreneurial leadership, set strategic objectives, and ensure that the necessary financial and human resources are in place for the Group to meet its objectives;
- establish a framework of prudent and effective controls which enables the identification, assessment and management of risks, including the safeguarding of Shareholders' interests and the Company's assets;
- review the Management's performance;
- identify key stakeholder groups and recognise that their perceptions affect the Company's reputation;
- set the Company's values and standards (including ethical standards), and ensure that obligations to Shareholders and other stakeholders are understood and met;
- consider sustainability issues, such as environmental and social factors, as part of its strategic formulation;
- approve major investment funding and the annual budget;
- approve the nomination of Directors to the Board; and
- oversee the business conduct of the Company and assume responsibility for corporate governance.

The Board has taken objective decisions to discharge its duties and responsibilities in the interests of the Company. Guideline 1.2

To assist the Board in the execution of its responsibilities, specialised committees of the Board, namely, the Audit & Risk Management Committee ("**ARMC**"), the Nominating Committee ("**NC**") and the Remuneration Committee ("**RC**") have been established and delegated certain functions (collectively, the "**Board Committees**"). If and when the Board delegates the authority (without abdicating responsibility) to make decisions to a Board Committee, such delegation is disclosed. The ARMC, the NC and the RC operate within clearly defined written terms of reference and operating procedures and these terms of reference and operating procedures are reviewed on a regular basis. Further details of the scope and functions of the ARMC, the NC and the RC are provided under the sections on Principles 4, 5, 7, 8, 11 and 12 of this Corporate Governance Report.

Guideline 1.3

Rule 406(3)(e)

The Board meets as often as may be necessary within each financial year, to oversee the business affairs of the Group, and to approve, if applicable, any financial or business objectives and strategies. The schedule of all the regular Board and Board Committees meetings as well as the Annual General Meeting for each financial year are planned in advance. The members of the Board are provided with complete and adequate information in a timely manner, including half-yearly (or more often) management reports and all relevant information on material events and transactions, to enable them to be fully cognisant of the decisions and actions of the Management. Detailed Board papers are prepared for each Board or Board Committee meeting. The Board papers include sufficient information from the Management on financial, business and corporate issues and are normally circulated in advance before each Board or Board Committee meeting. This enables the Directors to request for and obtain further explanations, where necessary, in order to be briefed before the Board or Board Committees meeting. Ad-hoc Board or Board Committees meetings are convened as and when deemed necessary. The ARMC is also encouraged to communicate amongst themselves with the Company's Auditors and Chief Financial Officer ("**CFO**") directly.

Guideline 1.4

The Company has in place internal guidelines that document, among others, the matters reserved for the Board's decision and clear directions to Management on matters that must be approved by the Board.

Guideline 1.5

Certain material transactions and matters that require the Board's approval include, *inter alia*, the following:

- major investment funding;
- annual budget;
- transactions involving a conflict of interest for a substantial Shareholder or a Director;
- material acquisitions and disposal of assets;
- corporate or financial restructuring;
- issuance of new shares;
- proposal and declaration of dividends;
- release of the Group's financial results; and
- interested person transactions of a material nature.

The Company's Constitution provides for Board or Board Committees meetings to be conducted by means of telephone-conference, video-conference, audio visual or other electronic means of communication.

Guideline 1.4

The number of the Board, ARMC, NC and RC meetings and the attendance of each Director during his appointment, at the meetings for FY2018 is as follows: Guideline 1.4

	Board		Audit & Risk Management Committee		Remuneration Committee		Nominating Committee	
Name of Director	**No. of meetings held***	**No. of meetings attended**	**No. of meetings held***	**No. of meetings attended**	**No. of meetings held***	**No. of meetings attended**	**No. of meetings held***	**No. of meetings attended**
Chan Heng Fai	2	2	3	3	1	1	1	1
Tao Yeoh Chi [(1)]	2	2	3	3	1	1	1	1
Wong Tat Keung	2	2	3	3	1	1	1	1
Chan King Fai	2	2	3	3	1	1	1	1
Wong Shui Yeung	2	2	3	3	1	1	1	1
Lam Lee G.	2	2	3	3	1	1	1	1
Chan Tung Moe[(2)]	2	2	2	2	1	1	1	1

Notes:

* Number of meetings held during his appointment as a Director of the Company.

(1) Tao Yeoh Chi was appointed as a member of the Nominating Committee with effect from 1 March 2018.

(2) Chan Tung Moe resigned as an Executive Director of the Company with effect from 31 August 2018.

All Directors are updated regularly concerning any material changes in policies of the Company, risk management, accounting standards, relevant new laws, regulations and changing commercial risks. New releases issued by the SGX-ST and Accounting and Corporate Regulatory Authority which are material and relevant to the Directors are circulated to the Board. The Directors were briefed regularly by the Company's Auditors on the material key changes to the Singapore Financial Reporting Standards. The Chief Executive Officer ("**CEO**") also updates the Board at each Board meeting on business and strategic developments pertaining to the Group's business. Guideline 1.6

The Company will ensure that incoming and newly appointed Directors are given the necessary guidance and orientation (which may include management presentations) to allow the newly appointed Directors to understand the Group's business operations, strategic directions and policies, corporate functions and governance practices. If necessary, on-site visits to the Group's premises and places of operation will be arranged. The Company will also, where necessary, provide training for first-time Directors in areas such as accounting, legal and industry specific knowledge as appropriate. Guideline 1.6

In addition to the above, the Company has arrangements in place for newly appointed Directors with no prior experience as a director of a listed company on the SGX-ST to undergo training in the roles and responsibilities of a director of a listed company on the SGX-ST as prescribed by the SGX-ST. If the NC is of the view that training is not required because the Director has other relevant experience, the basis of the NC's assessment will be disclosed. Rule 406(3)(a)

Upon appointment, the newly appointed Directors will also be provided with formal letters, setting out their duties and obligations. Guideline 1.7

The Directors are conscious of the importance of the continuing education in areas such as legal and regulatory responsibilities and accounting issues, and will regularly update and refresh themselves on matters that may materially affect their performance as a Director on the Board, or as a member of a Board Committee, as and when necessary. Continuous and ongoing training programmes are also encouraged and such training programmes shall be funded by the Company. Guideline 1.6

PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE

There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

As at the date of this Corporate Governance Report, the Board comprises six (6) Directors, out of which there are four (4) Independent Non-Executive Directors, one (1) Executive Director and one (1) Non-Executive Director. There is a strong and independent element on the Board, capable of exercising objective judgment on corporate affairs of the Company. No individual or small group of individuals dominates the Board's decision making. The Independent Non-Executive Directors chair all Board Committees.

Guideline 2.1

The Executive Chairman and the CEO are the same person. Accordingly, Independent Directors comprised more than half of the Board in FY2018.

Guideline 2.2

The NC reviews and determines the independence of each Director annually. The NC adopts the Code and Catalist Rules' definitions of what constitutes an Independent Director in its review.

Guideline 2.3

The Board considers an Independent Director as one who has no relationship with the Company, its related corporations, its 10% Shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent judgment of the Group's affairs with a view to the best interests of the Company.

In determining Directors' independence, the Board further considers the new Rules 406(3)(d)(i) and (ii) of the Catalist Rules, which took effect on 1 January 2019. Pursuant to Catalist Rules 406(3)(d)(i) and (ii), the Board considers an Independent Director as one who is not or has not been employed by the Company or any of its related corporations for FY2018 or any of the past three financial years. An Independent Director will also not have an immediate family member who is employed or has been employed by the Company or any of its related corporations for the past three financial years, and whose remuneration is determined by the remunerations committee of the Company.

Rules 406(3)(d)(i) and (ii)

The four (4) Independent Non-Executive Directors, namely, Mr Tao Yeoh Chi, Mr Wong Tat Keung, Mr Wong Shui Yeung and Mr Chan King Fai have confirmed that they do not have any relationship with the Company or its related corporations, its 10% Shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of their independent business judgment with a view to the best interests of the Company. The Independent Directors have further confirmed that each of them (i) is not or has not been employed by the Company or any of its related corporations for FY2018 or any of the past three financial years; and (ii) does not have immediate family members who are or have been employed by the Company or any of its related corporations for the past three financial years and whose remuneration is determined by the RC.

Guideline 2.3

Rules 406(3)(d)(i) and (ii)

The Board, with the recommendation and concurrence of the NC, has reviewed and determined that the said Directors are independent.

The NC is of the view that the Board has the requisite blend of expertise, skills, experience and attributes to oversee the Company's business. Collectively, the Board has competencies in areas which are relevant and valuable to the Group, such as accounting, legal, corporate finance, business development, management, sales and strategic planning. In particular, our CEO and Executive Chairman has many years of experience in the property development sector and the investment business sector that we operate in.

Guideline 2.6

As at the date of this Corporate Governance Report, the Board is of the view that the current board size of six (6) Directors is sufficient, taking into account the scope and nature of the operations of the Company, the requirements of the business, and the need to avoid undue disruptions from changes to the composition of the Board and Board Committees.

Guideline 2.5

As the Company is continually charting its growth strategy, the NC will continuously review the composition and size of the Board on an annual basis to ensure that it will have the necessary competencies for effective decision making. Where the need arises to identify suitable director nominees, the NC will consider diversity in gender, in addition to skills, experience and knowledge, as a factor.

The Independent Non-Executive Directors provide constructive advice on the Group's strategic and business plans. They also review the performance of the Management in meeting set objectives and monitor the reporting of performance. To facilitate a more effective check on the Management, the Independent Non-Executive Directors have on some occasions met without the presence of the Management in FY2018.

Guideline 2.7

Guideline 2.8

None of the Directors are appointed for any fixed term. Pursuant to the Company's Constitution, each Director shall retire from office at least once every three (3) years. Directors who retire are eligible to stand for re-election.

There is no Independent Non-Executive Director who has served on the Board beyond nine (9) years from the date of his first appointment.

Guideline 2.4

The Company does not have any alternate Directors on the Board and did not appoint any alternate Directors for FY2018. The Company will avoid the appointment of alternate Directors, save for limited periods in exceptional cases such as when a Director has a medical emergency.

Guideline 4.5

Information on the interests of Directors in shares and debentures and share options in the Company and in related corporations (other than the wholly-owned subsidiaries) are set out in the section entitled "*Directors' Statement*" on pages 39 to 43 of this Annual Report.

PRINCIPLE 3: CHAIRMAN AND CHIEF EXECUTIVE OFFICER

There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

As the Executive Chairman and the CEO is the same person, the Company is required to appoint a Lead Independent Director. Mr Tao Yeoh Chi has been appointed as the Lead Independent Director of our Company. Mr Tao Yeoh Chi is available to shareholders when they have concerns for which contact through the normal channels of the Chairman, the CEO or the CFO has failed to resolve or is inappropriate. The Independent Non-Executive Directors also make up more than half the Board. The Board is able to exercise its power objectively and independently from the Management. No individual or small group of individuals dominates the Board's decision making process. The CEO and senior management regularly consult with individual members of the Board and seek the advice of members of the Board Committees through meetings, telephone calls as well as by electronic mail.

Guideline 3.1

Guideline 3.3

The Independent Non-Executive Directors meet periodically without the presence of the other Directors and the Independent Directors provide feedback to the Executive Chairman after such meetings.

Guideline 3.4

The Executive Chairman is responsible for leading the Board and ensuring the effective functioning of the Board to act in the best interests of the Company and its Shareholders. The Chairman plays a key role in: Guideline 3.2

- leading the Board to ensure its effectiveness on all aspects of its role;
- scheduling meetings, setting the agenda and ensuring that adequate time is provided for all agenda items, in particular strategic issues to enable the Board to perform its duties responsibly while not interfering with the flow of the Company's operations;
- promoting a culture of openness and debate at the Board;
- ensuring that the Directors receive complete, adequate, accurate, timely and clear information and that discussions at the Board level are conducted objectively and professionally where all views are heard and key issues are debated in a fair and open manner;
- exercising control over the quality, quantity and timeliness of the flow of information between the Board and the Management and facilitating the relationship between the Board, and the Management, engaging them in constructive discussions over various matters, including strategic issues and business planning processes;
- facilitating the effective contribution of the Independent Non-Executive Directors in particular;
- encouraging constructive relations between the Executive Directors and the Independent Non-Executive Directors, as well as ensuring effective communication with Shareholders; and
- promoting high standards of corporate governance.

The CEO is accountable to the Board for the conduct and performance of the Group. He has been delegated authority to make decisions within certain financial limits authorised by the Board.

PRINCIPLE 4: BOARD MEMBERSHIP

There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.

As at the date of this Corporate Governance Report, the NC comprises three (3) Independent Non-Executive Directors, namely, Mr Wong Tat Keung (Chairman of the NC), Mr Tao Yeoh Chi and Mr Chan King Fai, and one (1) Executive Director, namely, Mr Chan Heng Fai. Guideline 4.1

The principal functions of the NC, which are set out in the written terms of reference and undertaken by the NC during the financial year, are as follows: Guideline 4.1

- review and assess candidates for directorships (including executive directorships) before making recommendations to the Board for the appointment and re-appointment of Directors; Guideline 4.2
- establishing and reviewing the terms of reference for the NC annually; Guideline 4.3
- nominating Directors for re-election in accordance with the Company's Constitution at each Annual General Meeting;
- determining annually, and as and when circumstances require, the independence of Directors;
- recommending and reviewing board succession plans for Directors, in particular, for the Chairman and the CEO;
- reviewing the training and professional development programs for the Board;
- developing a process, and implementing a set of objective performance criteria for evaluation of the Board, its Board Committees and Directors; and
- evaluating the Board's effectiveness as a whole and each Director's contribution to its effectiveness in accordance with the assessment process and performance criteria adopted.

The process for the selection and appointment of new Directors, including the search and nomination process, which is led by the NC, is as follows: Guideline 4.6

- evaluating the balance of skills, knowledge and experience of the Board and, in the light of such evaluation and in consultation with the Management, preparing a description of the role and the essential and desirable competencies for a particular appointment;

- where necessary, external help may be used to source for potential candidates. The Board and the Management may also make suggestions;

- meeting with short-listed candidates to assess their suitability and to ensure that the candidates are aware of the expectations and the level of commitment required; and

- make recommendations to the Board for approval.

Pursuant to Regulation 89 of the Company's Constitution, at each Annual General Meeting, at least one-third of the Directors for the time being are required to retire from office by rotation, provided always that all Directors are required to retire at least once in three (3) years. Further, Rule 720(4) of the Catalist Rules prescribes that all Directors are required to submit themselves for re-nomination and re-appointment at least once every three (3) years. Guideline 4.2 Rule 720(4)

The NC assesses and recommends to the Board whether the retiring Directors are suitable for re-election, taking into consideration the range of expertise, skills and attributes of the Board and its composition. The NC also considers each Director's competencies, commitment, contribution and performance which include the attendance, level of preparedness, participation and candour of such Directors although nomination for re-election or replacement does not necessarily reflect the Directors' performance, or commitment or contributions to the Board.

The Directors who are retiring pursuant to Regulation 89 of the Company's Constitution are:

(i) Mr Chan Heng Fai; and
(ii) Mr Wong Tat Keung.

The NC has recommended to the Board that each of Mr Wong Tat Keung and Mr Chan Heng Fai be nominated for re-election at the forthcoming Annual General Meeting. Mr Chan Heng Fai, if re-elected as Director, will remain as the Executive Chairman and CEO of the Company. Further information on Mr Chan Heng Fai can be found under the sections entitled "*Board of Directors*", "*Directors' Statement*" and "*Additional Information on Directors Seeking Re-election*" in this Annual Report.

Mr Wong Tat Keung will, upon re-election as a Director of the Company, remain as an Independent Non-Executive Director and the Chairman of the NC and a member of the ARMC and RC, and will be considered independent for the purposes of Rule 704(7) of the Catalist Rules.

In addition, pursuant to Regulation 88 of the Company's Constitution, the Company may by Ordinary Resolution appoint any person to be a Director as an additional Director. Any person so appointed shall hold office only until the next Annual General Meeting and shall then be eligible for re-election. There was no appointment of additional Directors during the FY2018. Guideline 4.7

The Board's size was adequate for effective decision making taking into account the nature and the scope of the Company's operations in respect of FY2018. Guideline 2.5

All Directors are required to declare their board representations in other companies by completing a declaration form disclosing the required information. The NC determines the independence of Directors annually in accordance with the guidelines set out in the Code and the Catalist Rules. Guideline 4.3

The NC does not prescribe a fixed number of listed company directorships outside of the Group for each Director, as it believes that any maximum number established is unlikely to be representative of the participation, commitment and skills and expertise that a Director may contribute to the Board, and his or her overall effectiveness. The NC determines annually whether each Director with multiple board representations or other principal commitments outside of the Group is able to and has been adequately carrying out his or her duties as a Director of the Company. Guideline 4.4

The NC takes into account the attendance of the Directors at Board's or Board Committees' meetings, results of the assessment of the effectiveness of the Board as a whole, Board Committees, and the respective Directors' actual conduct on the Board and its Board Committees, in making the determination, and is satisfied that all the Directors have been able to and had adequately carried out their duties notwithstanding their multiple board representations where applicable and other principal commitments. Guideline 4.4

Key information regarding the Directors such as the Directors' academic and professional qualifications, date of first appointment, date of last re-election, present and past three (3) years' directorships in other listed companies and other relevant information is disclosed in the table below and under the section entitled "*Board of Directors*" on pages 7 to 8 of this Annual Report. Information on the interests of Directors in shares and debentures and share options in the Company and in related corporations (other than the wholly-owned subsidiaries) are set out in the "*Directors' Statement*" on pages 39 to 43 of this Annual Report. Guideline 4.7

Name of Director	Appointment	Date of first appointment	Date of last re-election	Directorships in other listed companies: Current	Directorships in other listed companies: Past three (3) years
Chan Heng Fai	Executive Chairman and Chief Executive Officer	31 May 2013	30 April 2018	Document Security Systems, Inc. Holista CollTech Limited OptimumBank Holdings, Inc.	RSI International Systems, Inc.
Lam Lee G.	Non-Executive Director and Vice Chairman	28 November 2017	30 April 2018	Adamas Finance Asia Limited Aurum Pacific (China) Group Limited AustChina Holdings Limited China LNG Group Limited China Real Estate Grp Limited China Shandong Hi-Speed Financial Group Limited CSI Properties Limited Elife Holdings Limited Glorious Sun Enterprises Limited Haitong Securities Company Limited Hsin Chong Group Holdings Limited Hua Long Jin Kong Company Limited Huarong Investment Stock Corporation Limited JCG Investment Holdings Ltd. Kidsland International Holdings Limited Mei Ah Entertainment Group Limited Mingfa Group (International) Company Limited National Arts Entertainment and Culture Group Ltd. Sunwah International Limited Sunwah Kingsway Capital Holdings Limited Tianda Pharmaceuticals Limited TMC Life Sciences Berhad Top Global Limited Vongroup Limited	Xi’an Haitiantian Holdings Company Limited Rowsley Limited Vietnam Equity Holding Roma Group Limited Imagi International Holdings Limited

Name of Director	Appointment	Date of first appointment	Date of last re-election	Directorships in other listed companies: Current	Directorships in other listed companies: Past three (3) years
Tao Yeoh Chi [1]	Lead Independent Non-Executive Director	27 June 2013	30 April 2018	–	Sapphire Corporation Ltd.
Wong Tat Keung	Independent Non-Executive Director	27 January 2017	28 April 2017	ROMA Group Limited Lerthai Group Limited	–
Chan King Fai	Independent Non-Executive Director	2 May 2017	30 April 2018	Fire Rock Holdings Limited	–
Wong Shui Yeung	Independent Non-Executive Director	5 June 2017	30 April 2018	SMI Holdings Group Limited	–

Note:

(1) Tao Yeoh Chi was appointed as a member of the Nominating Committee with effect from 1 March 2018.

PRINCIPLE 5: BOARD PERFORMANCE

There should be a formal annual assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each director to the effectiveness of the Board.

The NC has implemented a formal Board evaluation process to be carried out annually to assess the effectiveness of the Board as a whole and its Board Committees, namely, the ARMC, the NC and the RC, and the contribution by the Chairman and each individual Director to the effectiveness of the Board. The objective of the annual Board evaluation is to identify areas for improvement and to implement appropriate action. Guideline 5.1

The areas of assessment under the Board evaluation process focused on: Guideline 5.2

- Board's conduct of meetings;
- Board's review of corporate strategy and planning;
- risk management and internal controls;
- whistle-blowing matters;
- measuring and monitoring performance;
- recruitment and evaluation;
- compensation for Board and key executives;
- succession planning;
- financial reporting; and
- communication with Shareholders.

These objective performance criteria are approved by the Board, and address how the Board has enhanced long-term Shareholder value. The areas of assessment under the Board evaluation process do not change unless circumstances deem it necessary and a decision to change them would be justified by the Board. Guideline 5.2

During the financial year, Directors were requested to complete self-assessment checklists based on the above areas of assessment to assess their views on various aspects of Board's and Board Committees' performance, such as composition, information, process and accountability and the overall effectiveness of the Board and its Board Committees. Factors considered include the suitability of the size of the Board or Board Committees for effective debate and decision making, competency mix of Directors and regularity of meetings. The results of these self-assessment checklists were considered by the NC. The NC Chairman reviews the results of the Board evaluation, and in consultation with the NC, propose to the Board, where appropriate, to make relevant changes to the Board's or Board Committees' size and composition. Guideline 5.3

The NC has assessed the current Board's and Board Committees' performance to-date, their roles and responsibilities and is of the view that the performance of the Board as a whole, the Board Committees and the Chairman of the Board and Board Committees were satisfactory. No external facilitator was used in the evaluation process. Guideline 5.1

Going forward, the NC will continue to review the formal Board evaluation process for assessing the Board's and each Board Committee's performance, and also review the contribution of each individual Directors to the effectiveness of the Board and their relevant Board Committees. The Chairman will act on the results of the Board evaluation, and where appropriate, propose new members to be appointed to the Board or seek the resignation of Directors in consultation with the NC. Each member of the NC shall abstain from voting on any resolutions in respect of the assessment of his performance or his nomination for re-election as Director of the Company.

PRINCIPLE 6: ACCESS TO INFORMATION

In order to fulfil their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

To assist the Board in fulfilling its duties and responsibilities, members of the Board are provided with Board papers for proposals and are given regular management information prior to each Board meeting and at such other times as necessary. Information provided to the Board includes background information and explanatory information relating to the matters to be brought before the Board as well as strategies, initiatives and developments for the Group's business. The Directors are also entitled to request the Management to provide such additional information as they may require. Relevant information on material events and transactions are circulated to Directors as and when they arise. The Board also receives regular reports pertaining to the operational and financial performance of the Group. These reports include budgets, forecasts and internal interim financial statements. Any material variance between the projections and actual results are also disclosed and explained to the Board. Reports from the internal and external auditors are also supplied to the Board. Guideline 6.1 Guideline 6.2

The members of the Board have separate and independent access to the Management as well as the Company Secretary at all times. Guideline 6.1

The Company Secretary ensures that all Board procedures are followed, and also ensures that the Company complies with the requirements of the Companies Act, Chapter 50 of Singapore ("**Companies Act**") and the Catalist Rules. Minutes of the Board and various Board Committees are circulated to the Board for information. Under the direction of the Chairman, the Company Secretary ensures good information flows within the Board and its Board Committees and between the Management and the Independent Non-Executive Directors, as well as facilitating orientation and assisting with professional development where required. Guideline 6.3

The Company Secretary and/or her colleagues attended all Board and Board Committees Meetings held in FY2018.

The Board as a whole is fully involved in and responsible for the appointment and removal of the Company Secretary. Guideline 6.4

Where the Directors, either individually or collectively, in the furtherance of their duties, require professional advice, the Management will assist them in obtaining independent professional advice, at the Company's expense. Guideline 6.5

PRINCIPLE 7: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

As at the date of this Corporate Governance Report, the RC comprises three (3) Independent Non-Executive Directors, namely Mr Wong Shui Yeung (Chairman of the RC), Mr Wong Tat Keung and Mr Chan King Fai. Guideline 7.1

Under its written terms of reference, the RC recommends to the Board a general framework of remuneration and reviews and determines the specific remuneration packages and terms of employment (where applicable) for each Director and key management personnel. The RC considers all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options, share based incentives and awards and benefits-in-kind and if necessary, with independent and objective expert advice inside and/or outside the Company. The RC's recommendations in respect of the Directors' remunerations are submitted for endorsement by the entire Board. Guideline 7.1 Guideline 7.2

The Company sets out remuneration packages that are able to attract, retain and motivate employees without being excessive, thereby maximising Shareholders' value. The RC also performs an annual review of the remuneration of employees related to the Directors and substantial Shareholders to ensure that their remuneration packages are in line with the staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. The RC also reviews the Company's obligations arising in the event of the termination of an Executive Director or key management personnel's contract of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous. Guideline 7.4

Each member of the RC will abstain from voting and discussion on any resolutions in respect of his or her own remuneration package.

In determining remuneration packages, the Company considers the remuneration and employment conditions within the industry. The expenses of any external expert advice on remuneration matters sought by the RC, where such advice is deemed necessary, shall be borne by the Company. No remuneration consultants were engaged by the Company during FY2018. Guideline 7.3

PRINCIPLE 8: LEVEL AND MIX OF REMUNERATION

The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

The Group's remuneration policy is to ensure that the remuneration offered is competitive and sufficient to attract, retain and motivate Directors and the Management of the required experience and expertise.

The remuneration of the Executive Directors and key management personnel for FY2018 comprised of a fixed component in the form of a base salary. Going forward, the RC is reviewing the Group's remuneration policy for all Executive Directors and key management personnel to include a variable component in the form of a variable bonus, grant of share options under the Option Scheme (as defined herein) or award of performance shares under the Share Plan (as defined herein) which will be linked to the performance of each individual Executive Director and key management personnel and will be assessed based on their respective key performance indicators or conditions. The RC shall review and set appropriate performance conditions for each individual. The variable component will also take into account the risk policies of the Company, be symmetric with risk outcomes and be sensitive to time horizon risks. Guideline 8.1 Guideline 8.2 Guideline 9.6

The Company currently does not use contractual provisions to allow the Company to reclaim incentive components of remuneration from its Executive Director(s) and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Group. The Executive Director(s) owe a fiduciary duty to the Company and the Company should be able to avail itself to remedies against the Executive Director(s) in the event of such breach of fiduciary duties. The Company shall also review the feasibility of having the said contractual provisions in future renewals of service contracts of its Executive Director(s) and key management personnel as recommended by the Code. Guideline 8.4

The Executive Director does not receive Directors' fees. The letter of appointment of the Executive Director does not contain onerous renewal clauses and may be terminated by giving one (1) month to (3) months prior written notice or an amount equal to one (1) month to (3) months' salary in lieu of such notice.

The Independent Non-Executive Directors are paid Directors' fees in accordance with their contributions, taking into account factors such as effort and time spent and the responsibilities of the Directors. Going forward, the RC is considering, in addition to the granting of share options under the Option Scheme (as defined herein), awarding performance shares under the Share Plan (as defined herein) to further align the interests of Independent Non- Executive Directors with Shareholders' interests. The RC has adopted a framework for Directors' fees which comprised of a basic fee, additional fees for appointment to and chairing of Board Committees and constructive contributions. Based on this framework, the Directors' fees, paid quarterly in arrears for FY2018, amounted to S$155,000. The RC has recommended that Directors' fees of up to S$100,000 (2017: S$200,000) based on the same framework, shall be paid half yearly in arrears for the financial year ending 31 December 2019. Guideline 8.3

The general framework of Directors' fees is as follows[1]:

	Directors' Fees	
	Basic	Additional
Board		
Director	$20,000	–
Lead Independent Director	–	–
Audit & Risk Management Committee		
Chairman	–	–
Member	–	–
Nominating Committee		
Chairman	–	–
Member	–	–
Remuneration Committee		
Chairman	–	–
Member	–	–

Singapore eDevelopment Limited Share Option Scheme

The Company implemented its share option scheme on 20 November 2013 (the "**Option Scheme**") as a long-term incentive scheme. The Option Scheme is administered by the RC. Guideline 8.1

The objectives of the Option Scheme are to, *inter alia*: Guideline 8.2 Guideline 9.5 Guideline 9.6

- motivate participants to achieve higher efficiency and productivity and improve the performance of the Group and its businesses;
- instil a sense of loyalty to the Group in the participants, and to create an incentive for participants to work towards the long-term wellbeing of the Group;
- to align the interests of participants with Shareholders' interests;
- to make employee and/or Directors' remuneration sufficiently competitive to recruit and retain participants whose contributions are important to the growth and profitability of the Group;
- to attract potential employees and/or Directors with relevant skills to contribute to the Group; and
- to give recognition to the contributions made or to be made by participants to the success of the Group.

1 The general framework of Directors' fees has been applicable to the Directors elected to the Board since the conclusion of the Annual General Meeting held on 28 April 2014.

The following persons shall be eligible to participate in the Option Scheme:

- confirmed employees of the Group;
- Executive Directors of the Group;
- Non-Executive Directors of the Group (including independent directors of the Group); and
- controlling Shareholders and/or their associates who are either confirmed employees of the Group, Executive Directors of the Group or Non-Executive Directors of the Group, provided that the participation by each such controlling Shareholder or associate, and each grant of share options to any one of them may be effected only with the specific prior approval of Shareholders at a general meeting in separate resolutions.

Other salient information relating to the Option Scheme is set out below:

- the aggregate number of shares in respect of which share options may be granted on any date under the Option Scheme, when added to the amount of shares issued and issuable and/or transferred and transferrable in respect of all shares available under the Option Scheme and all shares, options or awards under any other share option or share scheme of the Company then in force, shall not exceed 20% of the number of issued shares (excluding treasury shares) of the Company on the day immediately preceding the date on which the share option is granted (or such other limit as the SGX-ST may determine from time to time);
- the aggregate number of shares in respect of which share options may be offered to a participant for subscription in accordance with the Option Scheme shall be determined at the discretion of the RC who shall take into account criteria such as rank, skills, experience, past performance, years of service and potential for future development and contribution to the Group of the participant;
- the exercise price for each share in respect of which a share option is exercisable shall be determined by the RC, in its absolute discretion, on the date on which the share option is granted, at a price equal to the market price, or a price which is set at a discount to the market price, provided that the maximum discount shall not exceed 50% of the market price and specific prior approval of Shareholders at a general meeting in a separate resolution have authorised the making of offers and grants of share options under the Option Scheme at a discount not exceeding the maximum discount as aforesaid;
- "Market price" refers to a price equal to the average of the closing market prices of the shares over a period of five (5) consecutive market days immediately prior to the date on which the share option is granted, provided always that in the case of a market day on which shares were not traded on the SGX-ST, the closing market price for the shares on such market day shall be deemed to be the closing market price of the shares on the immediately preceding market day on which shares were traded, rounded up to the nearest whole cent;
- share options granted with the exercise price set at market price shall only be exercisable, in whole or in part, by a participant after the first (1st) anniversary of the date on which the share option was granted. Share options granted with the exercise price set a discount to the market price shall only be exercisable, in whole or in part, by a participant after the second (2nd) anniversary of the date on which the share option was granted.

Further details on the Option Scheme can be found in the Company's circular dated 28 October 2013.

In FY2018, there were no share options granted under the Option Scheme.

Details of the share options to subscribe for ordinary shares in the capital of the Company granted to Directors pursuant to the Option Scheme are as follows:

Name of Director	Share options granted during financial year under review	Since commencement of the Option Scheme to end of financial year under review Aggregate share options granted	Aggregate share options exercised	Aggregate share options forfeited	Aggregate share options outstanding as at end of financial year under review	Current exercise price S$
Chan Heng Fai	–	1,061,333	–	–	1,061,333	0.12
Lam Lee G.	–	–	–	–	–	–
Tao Yeoh Chi [(1)]	–	530,667	–	(530,667)	–	0.12
Wong Tat Keung	–	–	–	–	–	–
Chan King Fai	–	–	–	–	–	–
Wong Shui Yeung	–	–	–	–	–	–
Chan Tung Moe[(2)]	–	–	–	–	–	–
Total	–	**1,592,000**	–	**(530,667)**	**–**	–

Notes:

(1) Tao Yeoh Chi was appointed as a member of the Nominating Committee with effect from 1 March 2018.

(2) Chan Tung Moe resigned as an Executive Director of the Company with effect from 31 August 2018.

<u>Singapore eDevelopment Performance Share Plan</u>

The Company implemented its performance share plan scheme on 23 October 2014 (the "**Share Plan**") to complement the Option Scheme and serve as an additional and flexible incentive tool for the Group. The Share Plan is administered by the RC.

Guideline 8.2

Guideline 9.5

Guideline 9.6

The objectives of the Share Plan are to, *inter alia*:

- give recognition to contributions made or to be made by employees of the Group by introducing a variable component to their remuneration package;
- motivate participants to achieve higher efficiency and productivity and improve the performance of the Group and its business units;
- provide an opportunity for participants to participant in the equity of the Company, thereby inculcating a stronger sense of identification with the long-term prosperity of the Group and promoting organisational commitment, dedication and loyalty of participants towards the Group; and
- increase the competitiveness of the remuneration and incentive package that may be offered by the Group to attract and retain key employees of the Group whose contributions are important to the growth and profitability of the Group.

The following persons shall be eligible to participate in the Share Plan:

- employees of the Group;
- Executive Directors of the Group; and
- controlling Shareholders and/or their associates who are either employees of the Group or Executive Directors of the Group shall not participate in the Share Plan unless their participation and the actual number of performance shares and the terms of any award of performance shares, have been approved by independent Shareholders at a general meeting in separate resolutions.

Other salient information relating to the Share Plan is set out below:

- the total number of shares that may be issued or are issuable pursuant to the award of performance shares on any date when added to the aggregate number of shares that are issued or are issuable in respect of such other share based incentive schemes of the Company (if any), shall not exceed 20% (or such other percentage as may be prescribed or permitted from time to time by the SGX-ST) of the total number of issued shares of the Company on the day immediately preceding the date on which the award of performance shares shall be made, provided that the aggregate number of performance shares which may be awarded to participants who are controlling Shareholders and/or their associates under the Share Plan shall not exceed 25% of the total number of shares available under the Share Plan and such other share based incentive schemes of the Company, and the aggregate number of performance shares which may be awarded to each participant who is a controlling Shareholder and/or an associate of a controlling Shareholder under the Share Plan shall not exceed 10% of the total number of shares available under the Share Plan and such other share based incentive schemes of the Company;

- awards may only be vested and consequently any performance shares comprised in such awards shall only be delivered upon the RC being satisfied that the participant has achieved the performance target(s) and that the vesting period (if any) has expired provided always that the RC shall have the absolute discretion to determine the extent to which the performance shares under that award shall be released on the prescribed performance target(s) being satisfied (whether fully or partially) or exceeded, as the case may be, at the end of the prescribed performance period. No performance shares under the award shall be released for the portion of the prescribed performance target(s) that is not satisfied by the participant at the end of the prescribed performance period;

- awards represent the right of a participant to receive fully-paid performance shares free of charge. A participant is entitled to receive fully-paid performance shares subject to certain prescribed performance target(s) being met;

- the selection of a participant, the number of performance shares which are the subject of each award to be made to him, and the prescribed vesting period shall be determined at the absolute discretion of the RC, which shall take into account criteria such as his rank, job performance, years of service and potential for future development, his contribution to the success of and development of the Group and the extent of effort required to achieve the performance target(s) within the performance period; and

- an award shall be vested in a participant for as long as he has fulfilled his performance target(s) and the vesting period (if any) has not expired and notwithstanding a transfer of his employment within any company in the Group or any apportionment of performance target(s) within any company in the Group.

Further details on the Share Plan can be found in the Company's circular dated 7 October 2014.

There were no awards of performance shares granted under the Share Plan since the commencement of the Share Plan to the end of FY2018.

PRINCIPLE 9: DISCLOSURE ON REMUNERATION

Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

A breakdown showing the level and mix of the remuneration of the Directors and key management personnel during FY2018 is as follows: Guideline 9.1

Guideline 9.2

Guideline 9.3

	Total Remuneration (S$'000)	Salary %	Variable Bonus %	Directors' fee %	Total %
Directors					
Chan Heng Fai	105	100	–	–	100
Lam Lee G.	30	–	–	100	100
Tao Yeoh Chi [(1)]	43	–	–	100	100
Wong Tat Keung	28	–	–	100	100
Chan King Fai	28	–	–	100	100
Wong Shui Yeung	28	–	–	100	100
Chan Tung Moe[(2)]	220	100	–	–	100
Key Management Personnel					
Lui Wai Leung Alan	153	100	–	–	100
Ang Hay Kim	101	100	–	–	100
Wei Rongguo	160	100	–	–	100

Notes:

(1) Tao Yeoh Chi was appointed as a member of the Nominating Committee with effect from 1 March 2018.

(2) Chan Tung Moe resigned as an Executive Director of the Company with effect from 31 August 2018. Please see below for more information on his remuneration.

The Group had three (3) key management personnel for FY2018. The aggregate amount of the total remuneration paid to the top three (3) key management personnel (who are not Directors or the CEO) was S$414,000 in FY2018. Other than as disclosed, the Company has no other person having authority and responsibility for planning, directing and controlling the activities of the Company. Guideline 9.3

Mr Chan Tung Moe is the son of Mr Chan Heng Fai, an Executive Director and the CEO of the Company. Mr Chan Tung Moe resigned as an Executive Director of the Company with effect from 31 August 2018, and was engaged by the Company as a Consultant with effect from 1 September 2018 through Pop Motion Consulting Pte. Ltd.. Mr Chan Tung Moe's total aggregate remuneration for FY2018 was S$330,000 (including approximately S$220,000 as Salary for the period January to August 2018 and approximately S$110,000 as consulting fee with effect from 1 September 2018). Guideline 9.4

Mrs Mabel Chan Yoke Keow, the Executive Assistant to the CEO of the Company, is the spouse of Mr Chan Heng Fai, an Executive Director and the CEO of the Company. Mrs Mabel Chan Yoke Keow's remuneration for FY2018 was S$36,000.

Save for the above, there were no other employees who are immediate family members of a Director or the CEO whose remuneration exceeded S$50,000 in FY2018.

There were no termination, retirement and post-employment benefits that were granted to the Directors, the CEO and the top five (5) key management personnel in FY2018. Guideline 9.1

The RC ensures that both the total remuneration as well as individual pay components, i.e. annual fixed cash, annual performance incentives and the long-term incentives, are market competitive and are performance-driven. Guideline 9.6

The annual fixed cash component comprises the annual basic salary plus fixed allowances which the Company benchmarks with the relevant industry market data, where available. The annual performance incentive variable bonus is tied to the performance of the Company, business unit and individual employee. Performance conditions to which entitlement to such annual and short-term incentives are subject include benchmarking performance to industry business operation expectations and performance that exceeds such expectations, as well as measuring performance based on the Company's financial performance vis-a-vis industry performance.

For FY2018, the performance conditions for the short and long-term incentives were not triggered.

PRINCIPLE 10: ACCOUNTABILITY

The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

The Board is responsible for presenting to Shareholders a balanced and clear assessment of the Company's performance, position and prospects. Guideline 10.1

The Board will ensure that adequate steps are taken to comply with legislative and regulatory requirements, including requirements under the Catalist Rules, by establishing written policies where appropriate. Guideline 10.2

The Board has embraced openness and transparency in the conduct of the Company's affairs, whilst preserving the interests of the Company.

Financial reports and other price sensitive information, press releases and presentations made are disseminated to Shareholders through SGXNET on a timely basis and are also available on the Company's website at www.sed.com.sg. The Company's Annual Report is sent to all Shareholders and its half year and full year financial results are available on request. Guideline 10.1

The Management provides the Board with management accounts that keep the Board informed of the Group's performance, position and prospects on a half-yearly basis, and as and when necessary. These management accounts consist of the consolidated profit and loss accounts, analysis of sales, operating profit, pre-tax and attributable profit with variance analyses. Guideline 10.3

PRINCIPLE 11: RISK MANAGEMENT AND INTERNAL CONTROLS

The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The Board is committed to maintaining a robust and effective system of internal controls to safeguard Shareholders' interests and investments, and the Group's assets. The Board recognises the importance of sound internal controls and risk management practices for good corporate governance. The Board affirms its overall responsibility for the Group's systems of internal controls and risk management, and for reviewing the adequacy and effectiveness of those systems on an annual basis. Guideline 11.1 Guideline 11.2

The Board reviewed the adequacy and effectiveness of the Group's internal controls and risk management framework and systems, conducted dialogue sessions with the Management to understand the process, and to identify, assess, manage and monitor risks within the Group. Guideline 11.2

The Management presented the Annual Report to the ARMC and the Board on the Group's risk profile, the status of risk mitigation action plans and updates on the following areas:

- assessment of the Group's key risks by major business units and risk categories;
- identification of specific "risk owners" who are responsible for the risks identified;
- description of the processes and systems in place to identify and assess risks to the business and how risk information is collected on an ongoing basis;
- ongoing gaps in the risk management process such as system limitations in capturing and measuring risks, as well as action plans to address the gaps;
- status and changes in plans undertaken by the Management to manage key risks; and
- description of the risk monitoring and escalation processes and also systems in place.

The Management is responsible for designing, implementing and monitoring the risk management and internal control systems in accordance with the policies on risk management and internal controls and the Board oversees the Management in such design, implementation and monitoring. Guideline 11.1

The Board, with the assistance of the ARMC, has undertaken an annual assessment on the adequacy and effectiveness of the Group's risk management and internal control systems over financial, operational, compliance and information technology risks. The assessment considered issues dealt with in reports reviewed by the Board during the year together with any additional information necessary to ensure that the Board has taken into account all significant aspects of risks and internal controls for the Group for FY2018. Guideline 11.2 Guideline 11.4

The Board's annual assessment, in particular, considered:

- the changes since the last annual assessment in the nature and extent of significant risks, and the Company's ability to respond to changes in its business and the external environment;
- the scope and quality of the Management's ongoing monitoring of risks and of the system of internal controls and the work of its internal audit function and other providers of assurance;
- the extent and frequency of the communication of the results of the monitoring to the ARMC; and
- the incidence of significant internal control weaknesses that were identified during FY2018.

The Board has also received assurance from the CEO and the CFO: Guideline 11.3

- that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and
- that the Group's risk management and internal control systems are effective.

The Board relies on internal audit reports and the management letter prepared by the external auditors to report on any material non-compliance or internal control weaknesses. Based on internal controls established and maintained by the Group, the work done by the Group's external auditors and reviews performed by the Management, ARMC and the Board, the Board, with concurrence of the ARMC, is satisfied that the Group's internal controls including financial, operational, compliance and information technology controls as well as the risk management systems, were adequate and effective as at 31 December 2018. Rule 719(1)

The system of risk management and internal controls established by the Group is designed to manage, rather than eliminate, the risk of failure in achieving the Group's goals and objectives. The Board wishes to state that the system of internal controls provides reasonable, but not absolute, assurance as to financial, operational, compliance and information technology risks. No such system can provide absolute assurance against the occurrence of material errors and other situations not currently within the contemplation or beyond the control of the Board. Guideline 11.3

PRINCIPLE 12: AUDIT & RISK MANAGEMENT COMMITTEE

The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

As at the date of this Corporate Governance Report, the ARMC comprised of three (3) Independent Non-Executive Directors, namely, Mr Wong Shui Yeung (Chairman of the ARMC), Mr Wong Tat Keung and Mr Chan King Fai. Guideline 12.1

No former partner or director of the Company's existing auditing firm has acted as a member of the ARMC. Guideline 12.9

The duties and responsibilities of the ARMC are contained in a written terms of reference, which mainly assists the Board in discharging its statutory and other responsibilities relating to internal controls, financial and accounting matters, compliance, business and financial risk management. During FY2018, the ARMC performed the following main functions (among other duties) in accordance with its written terms of reference: Guideline 12.1 Guideline 12.4 Guideline 12.8

- establishing and reviewing the terms of reference for the ARMC annually;
- recommending to the Board, the appointment or re-appointment of the internal and/or external auditors and approving the remuneration and terms of engagement of internal and/or external auditors;
- reviewing the scope and results of the external audit as well as the internal audit plan and process;
- evaluating the independence and objectivity of the external auditors;
- reviewing the Group's half year and full year financial statements and related notes and announcements relating thereto, accounting principles adopted, and the external auditors' reports prior to recommending to the Board for approval;
- reviewing and evaluating, having regard to input from external and in-house internal auditors, the adequacy and effectiveness of the Group's system of internal controls and risk management functions, which include internal financial controls, operational, compliance and information technology controls and risk management policies and systems;
- reviewing the nature, scope, extent and cost-effectiveness of any non-audit services provided by the external auditors and ensuring that these do not affect the independence and objectivity of the external auditors;
- reviewing any significant financial reporting issues and judgments and estimates made by the Management, so as to ensure the integrity of the financial statements of the Group;
- reviewing the adequacy and effectiveness of the Group's internal audit functions; and
- reviewing the interested person transactions falling within the scope of Chapter 9 of the Catalist Rules reported by the Management to ensure that they were carried out on normal commercial terms, and are not prejudicial to the interests of the Company and its minority Shareholders.

The ARMC also has express power to investigate any matter brought to its attention, within its terms of reference, with the power to retain professional advice at the Company's expense. The ARMC also has full access to, and co-operation by Management and full discretion to invite any Director or Executive Officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly. Guideline 12.3

The ARMC has met with the external auditors and in-house internal auditors without the presence of the Management to review the adequacy of the audit arrangement in FY2018. Guideline 12.5

The ARMC has reasonable resources to enable it to discharge its functions properly. The members of the ARMC shall also take measures to keep abreast of changes to accounting standards and issues which have a direct impact on financial statements as and when it, or the Board or the Company, deems necessary and appropriate. Guideline 12.3

The ARMC assesses the independence of the external auditors annually. Guideline 12.6

Foo Kon Tan LLP has been appointed as the Auditors of the Company for FY2018.

The aggregate amount of fees paid for the external auditors of the Group for FY2018 was S$227,000 and no non-audit fees was paid to the Company's Auditors during FY2018.

The ARMC has further recommended that Foo Kon Tan LLP be nominated for re-appointment as the Company's Auditors at the forthcoming Annual General Meeting.

The Company confirms that it is in compliance with Rule 712 and Rule 715 of the Catalist Rules in relation to its external auditors.

Details of the activities of the ARMC are also provided under Principles 11, 12 and 13 of this Corporate Governance Report.

The majority of the Directors, including the ARMC Chairman, sitting on the ARMC have the necessary accounting, risk management, financial and/or legal expertise to deal with the matters that come before them. The Board considers that the members of the ARMC are appropriately qualified, and have sufficient knowledge and experience in accounting, risk management and financial matters to discharge their responsibilities in the ARMC. Guideline 12.2

The Directors sitting on the ARMC will attend courses and seminars to keep abreast of changes to accounting standards and other issues which may have a direct impact on financial statements, as and when necessary. The external auditors provide, and had provided in FY2018, regular updates and periodic briefings to the ARMC on changes or amendments to accounting standards to enable the members of the ARMC to keep abreast of such changes and its corresponding impact on the financial statements, if any. As each of the ARMC members are practising accountants, they are also kept abreast of changes to accounting standards and issues which have a direct impact on financial statements.

Whistle-blowing policy

The Company has put in place a whistle-blowing policy by which staff of the Group and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters such as suspected fraud, corruption, and dishonest practices. The whistle-blowing policy is intended to conform to the guidance set out in the Code and aims to provide an avenue for staff of the Group and any other persons to raise concerns and offer reassurance that staff of the Group and any other persons making such reports will be treated fairly and protected from reprisals or victimisation for whistle-blowing in good faith within the limits of the law. Guideline 12.7

The ARMC exercises the overseeing functions over the administration of the whistle-blowing policy. The ARMC's objective is to ensure that arrangements are in place for the relevant concerns to be raised and independently investigated, and for appropriate follow-up action to be taken.

All reports including unsigned reports, reports weak in details and verbal reports are considered. These reports are directed to the Chairman of the ARMC and the ARMC will be informed immediately of any whistle-blowing reports received. To ensure independent investigation into such matters and for appropriate follow up action, all whistle-blowing reports are reviewed by the ARMC. In the event that the whistle-blowing report is about a Director, that Director shall not be involved in the review and any decisions with respect to that whistleblowing report. Periodic reports will be submitted by the ARMC to the Board stating the number and the complaints received, the results of the investigations, follow up actions and the unresolved complaints. Details of the whistle-blowing policy have also been made available to the staff of the Group.

There were no whistle-blowing reports received by the ARMC for FY2018.

PRINCIPLE 13: INTERNAL AUDIT

The company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

The Company has a dedicated internal audit function that is adequately resourced and independent of the activities it audits for the FY2018. The internal audit function reports directly to the ARMC on audit matters and the CEO of the Company on administrative matters. The ARMC is satisfied that the internal audit function will be staffed by suitably qualified and experienced professionals with the relevant experience and professional qualification. The internal audit work carried out will be guided by the International Standards for the Professional Practice of Internal Auditing ("**IIA Standards**") laid down in the International Professional Practices Framework issued by The Institute of Internal Auditors.

The internal audit plans are approved by the ARMC, with the outcome of the internal audit presented to and reviewed by the Management, ARMC and the Board.

Guideline 13.1

Guideline 13.3

Guideline 13.4

Guideline 13.5

Rule 719(3)

Rule 1204(10C)

The ARMC reviews the adequacy and effectiveness of the internal audit function annually and approves the appointment of the in-house internal auditors. In particular, the ARMC reviews the scope and results of the internal audit and ensure that the internal audit function is adequately resourced.

Guideline 13.5

Following the review of the internal audit plan and evaluation of the system of internal controls for FY2018, the ARMC is satisfied that the internal audit is effective, adequately resourced and has the appropriate standing within the Group.

The in-house internal auditor will have unfettered access to all the Group's documents, records and personnel, including the ARMC. The internal audit assesses the effectiveness of the Group's internal control procedures and provides reasonable assurance to the ARMC and the Management that the Group's risk management, controls and governance processes are adequate and effective.

Guideline 13.1

PRINCIPLE 14: SHAREHOLDER RIGHTS

Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

PRINCIPLE 15: COMMUNICATION WITH SHAREHOLDERS

Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

PRINCIPLE 16: CONDUCT OF SHAREHOLDER MEETINGS

Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

The Board believes in regular and timely communication with Shareholders as part of our organisation development to build systems and procedures that will enable us to operate transparently. Guideline 15.1

The Company did not engage a dedicated external investor relations team for FY2018. The Board and the CFO is responsible for implementing the investor relations policy described below, which was devised by the Board.

Where required, the Executive Directors and the CFO meets up with analysts and investors after the results are announced through the SGXNET system, to explain the financial performance, Group's strategy and major developments and to understand their views and concerns.

In line with the continuous disclosure obligations of the Company, pursuant to the Catalist Rules and the Companies Act, the Board's investor relations policy is that all Shareholders should be informed in a comprehensive manner and on a timely basis of all material developments that impact the Group and in particular, changes in the Group or its business which would be likely to materially affect the price or value of the Company's shares. Guideline 14.1

All announcements including the half year and full year financial results, distribution of notices, press releases, analyst briefings, presentations, announcements on acquisitions and other major developments are released via SGXNET and are also available on the Company's website at www.sed.com.sg. The Company does not practice selective disclosure and price sensitive information is publicly released on an immediate basis where required under the Catalist Rules. In the event that inadvertent disclosure is made to a selected group, the Company will make the same disclosure publicly to all Shareholders as soon as practicable. Guideline 14.1 Guideline 15.2

The Board supports the Code's principle to encourage Shareholder participation at general meetings and to allow Shareholders the opportunity to communicate their views as well as raise any concerns they might have on various matters affecting the Company or the Group. Guideline 15.3

The Board encourages Shareholders to attend general meetings to ensure a greater level of Shareholders' participation and to meet with the Board and the Management so as to stay informed of the Group's developments. In order to provide ample notice to Shareholders, the notice of general meeting, together with the relevant Annual Report or circular is despatched to all Shareholders before the scheduled date of the general meeting. The notice of general meeting is also advertised in the newspaper and made available via SGXNET and on the Company's website. At the general meetings, Shareholders will be given opportunities to raise issues and direct questions regarding the Group to the Directors or the Management. The Directors, including the Chairmen of each Board Committee, the Management, as well as the Company's external auditors will be present at the general meetings to address Shareholders' queries. Guideline 14.2 Guideline 15.3 Guideline 16.3

Shareholders can vote in person or appoint not more than two proxies to attend and vote on their behalf at general meetings, unless they are relevant intermediaries (as defined in the Companies Act). Shareholders who are relevant intermediaries (as defined in the Companies Act) may appoint more than two proxies to speak, attend and vote at general meetings. The Company's Constitution has been amended on 29 April 2016 to facilitate, subject to such security measures as may be deemed necessary or expedient, voting in absentia, including but not limited to voting by mail, electronic mail or facsimile. Guideline 14.3 Guideline 16.1

The Company conducts poll voting in accordance with the Catalist Rules for all resolutions tabled at general meetings and the detail results showing the number of votes cast for and against each resolution and the respective percentages are announced via SGXNET and made available on the Company's website after the conclusion of the general meetings. The rules, including the voting process, are explained by the scrutineers at such general meetings. The Company relies on the advice of the independent scrutineers to determine the need for electronic voting, taking into consideration the logistics involved, costs, and number of shareholders, amongst other factors. Guideline 14.2 Guideline 16.5

The Company practises having separate resolutions at general meetings on each substantially separate issue. "Bundling" of resolutions will be done only where resolutions are interdependent and linked so as to form one significant proposal. Guideline 16.2

The Company will record minutes of all general meetings, which include comments or queries from Shareholders relating to the agenda of the general meeting and responses from the Board and the Management, and will make available minutes of general meetings to Shareholders upon request in accordance with applicable law. Guideline 16.4

Under the Company's Constitution, Directors may in general, whenever they think fit, convene extraordinary general meetings. Under Section 176 of the Companies Act, however, Directors must notwithstanding anything in a Company's Constitution, on the requisition of Shareholders holding not less than 10% of the total paid-up capital of the Company as at the date of the deposit of the requisition, immediately proceed to convene an extraordinary general meeting to be held as soon as practicable but in any case not later than two (2) months after receipt by the Company of the requisition.

DIVIDENDS

The Company currently does not have a fixed dividend policy. The form, frequency and amount of future dividends on the Company's shares will depend on the Group's earnings, general financial condition, results of operations, capital requirements, cash flow, general business condition, the Group's development plans and other factors as the Directors may deem appropriate. Guideline 15.5

The Group did not declare any dividend in FY2018 in light of the Group's financial performance.

DEALING IN SECURITIES

The Company has adopted internal codes of conduct pursuant to Rule 1204(19) of the Catalist Rules applicable to all its Directors and officers in relation to dealings in the Company's securities. Rule 1204(9)

The Company, and its Directors and officers are aware that it is an offence to deal in its securities as well as securities of other listed issuers when in possession of unpublished material price-sensitive information in relation to those securities.

As required under Chapter 12 of the Catalist Rules, the Company, and its Directors and officers do not deal in the Company's securities on short-term considerations and they are not allowed to deal in the Company's shares during the period commencing one (1) month before the announcement of half year or full year results and ending on the date of the announcement of such results. Directors and officers of the Company are also expected to observe insider trading laws at all times even when dealing with securities within permitted trading period.

MATERIAL CONTRACTS

On 15 October 2018, the Company and Mr Chan Heng Fai signed a loan agreement and a S$14 million loan facility was provided by Mr Chan Heng Fai to the Company. 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, and bears an interest of 6% interest per annum starting from 1 January 2018 (interest-free prior to FY2018). The outstanding loan is repayable on 31 December 2019.

Save as disclosed in the Report of the Directors and Financial Statements, the service agreements between the Executive Directors and the Company, and above, there were no material contracts (including loans) of the Company or its subsidiaries involving the interests of the CEO, any Directors or controlling Shareholders which are either still subsisting as at the end of FY2018 or if not then subsisting, entered into since the end of the previous financial year.

AUDIT & RISK MANAGEMENT COMMITTEE'S COMMENTARY ON KEY AUDIT MATTERS

Carrying Value of Properties Under Development

As at 31 December 2018, the Group has three (3) property development projects and the carrying value of these property development projects is S$56,855,000 which constitutes 84% of the Group's total current assets as at 31 December 2018.

The Management's estimation is required to assess the recoverability of the carrying value.

In order to satisfy that the carrying value of the properties under development is not materially misstated, the ARMC has obtained assurance from the Management that a detailed assessment has been undertaken using appropriate assumptions and estimates in deriving the budgeted total costs to completion and the estimated selling prices. The Management also confirmed to the ARMC that the valuation reports for these property development projects were prepared by independent appraisers.

In considering this matter, the ARMC has reviewed the budget and cashflow projections prepared by the Management. In addition, the ARMC has discussed with and sought concurrence from the external auditors on this matter. Taking into consideration the above assurance and confirmation obtained from the Management, valuation for these property development projects from independent appraisers and reviews performed by the external auditors on this matter, the ARMC concurs with the Management's determination that the disclosure in the financial statements in respect of the carrying value of properties under development is appropriate.

INTERESTED PERSON TRANSACTIONS

The Company has established procedures to ensure that all transactions with interested persons are properly documented and reported in a timely manner to the ARMC, and that these transactions are conducted on an arm's length basis, on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

Pursuant to Rule 907 of the Catalist Rules, the details of the interested person transactions entered into during FY2018 were as follows:

Interested person transaction	Name of interested person	Aggregate value of all interested person transactions during FY2018 (excluding transactions less than S$100,000 and transactions conducted under Shareholders' mandate pursuant to Rule 920 of the Catalist Rules)	Aggregate value of all interested person transactions conducted under Shareholders' mandated pursuant to Rule 920 of the Catalist Rules (excluding transactions less than S$100,000)
Interest paid for the loan from a director	Chan Heng Fai [(1)]	S$642,780	–
Consultancy agreement with Pop Motion Consulting Pte. Ltd.	Chan Tung Moe [(2)]	S$110,000	–

Note:

(1) Chan Heng Fai is the Executive Chairman and Chief Executive Officer of the Company.

(2) Chan Tung Moe is the son of Chan Heng Fai, Executive Chairman and Chief Executive Officer of the Company.

On 15 October 2018, the Company and Mr Chan Heng Fai signed a loan agreement and a S$14 million loan facility was provided by Mr Chan Heng Fai. 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, and bears an interest of 6% per annum starting from 1 January 2018 (interest-free prior to FY2018).

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 CEO of the Company. On 27 August 2018, PMCPL signed a consultancy services agreement with the Company. The agreement commenced on 1 September 2018 and the monthly consultancy fee is S$27,500.

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 Limited to investors up to US$5 million.

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

UPDATE ON USE OF PROCEEDS

Utilisation of net proceeds from the issuance of the 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 of the net proceeds have been partially utilised to fund the Black Oak Project in the USA. Accordingly, as at the date of this Corporate Governance Report, 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 USA	100	1,336	–
Total	100	1,336	–

NON-SPONSOR FEES

During FY2018, there was no non-sponsor fees paid to the Company's sponsor, Hong Leong Finance Limited.

Corporate **Governance Report**

The following is a summary of disclosures made in response to the express disclosure requirements in the Corporate Governance Disclosure Guide issued by the Singapore Exchange on 29 January 2015:

Guideline	Questions	Page reference in the Annual Report
Board Responsibility		
Guideline 1.5	What are the types of material transactions which require approval from the Board?	11
Members of the Board		
Guideline 2.6	(a) What is the Board's policy with regard to diversity in identifying Director nominees?	13
	(b) Please state whether the current composition of the Board provides diversity on each of the following – skills, experience, gender and knowledge of the Company, and elaborate with numerical data where appropriate.	13
	(c) What steps has the Board taken to achieve the balance and diversity necessary to maximize its effectiveness?	13
Guideline 4.6	Please describe the Board nomination process for the Company in the last financial year for (i) selecting and appointing new Directors and (ii) re-electing incumbent Directors.	16
Guideline 1.6	(a) Are new Directors given formal training? If not, please explain why.	12
	(b) What are the types of information and training provided to (i) new Directors and (ii) existing Directors to keep them up-to-date?	12
Guideline 4.4	(a) What is the maximum number of listed company Board representations that the Company has prescribed for its Directors? What are the reasons for this number?	16
	(b) If a maximum number has not been determined, what are the reasons?	16
	(c) What are the specific considerations in deciding on the capacity of Directors?	17
Board Evaluation		
Guideline 5.1	(a) What was the process upon which the Board reached the conclusion on its performance for the financial year?	19
	(b) Has the Board met its performance objectives?	20
Independence of Directors		
Guideline 2.1	Does the Company comply with the guideline on the proportion of Independent Directors on the Board? If not, please state the reasons for the deviation and the remedial action taken by the Company.	13
Guideline 2.3	(a) Is there any Director who is deemed to be independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent? If so, please identify the Director and specify the nature of such relationship.	13
	(b) What are the Board's reasons for considering him independent? Please provide a detailed explanation.	13
Guideline 2.4	Has any Independent Director served on the Board for more than nine years from the date of his first appointment? If so, please identify the Director and set out the Board's reasons for considering him independent.	14

Guideline	Questions	Page reference in the Annual Report
Disclosure on Remuneration		
Guideline 9.2	Has the Company disclosed each Director's and the CEO's remuneration as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?	26
Guideline 9.3	(a) Has the Company disclosed each key management personnel's remuneration, in bands of S$250,000 or in more detail, as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/ bonuses, benefits in kind, stock options granted, share based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?	26
	(b) Please disclose the aggregate remuneration paid to the top five key management personnel (who are not directors or the CEO).	26
Guideline 9.4	Is there any employee who is an immediate family member of a Director or the CEO, and whose remuneration exceeds S$50,000 during the year? If so, please identify the employee and specify the relationship with the relevant Director or the CEO.	26
Guideline 9.6	(a) Please describe how the remuneration received by Executive Directors and key management personnel has been determined by the performance criteria.	26
	(b) What were the performance conditions used to determine their entitlement under the short-term and long-term incentive schemes?	26
	(c) Were all of these performance conditions met? If not, what were the reasons?	26
Risk Management and Internal Controls		
Guideline 6.1	What types of information does the Company provide to Independent Directors to enable them to understand its business, the business and financial environment as well as the risks faced by the Company? How frequently is the information provided?	20
Guideline 13.1	Does the Company have an internal audit function? If not, please explain why.	31
Guideline 11.3	(a) In relation to the major risks faced by the Company, including financial, operational, compliance, information technology and sustainability, please state the bases for the Board's view on the adequacy and effectiveness of the Company's internal controls and risk management systems.	28
	(b) In respect of the past 12 months, has the Board received assurance from the CEO and the CFO as well as the internal auditor that: (i) the financial records have been properly maintained and the financial statements give true and fair view of the Company's operations and finances; and (ii) the Company's risk management and internal control systems are effective? If not, how does the Board assure itself of points (i) and (ii) above?	28
Guideline 12.6	(a) Please provide a breakdown of the fees paid in total to the external auditors for audit and non-audit services for the financial year.	29
	(b) If the external auditors have supplied a substantial volume of non-audit services to the Company, please state the bases for the Audit Committee's view on the independence of the external auditors.	29

Guideline	Questions	Page reference in the Annual Report
Communication with Shareholders		
Guideline 15.4	(a) Does the Company regularly communicate with Shareholders and attend to their questions? How often does the Company meet with institutional and retail investors?	32
	(b) Is this done by a dedicated investor relations team (or equivalent)? If not, who performs this role?	32
	(c) How does the Company keep Shareholders informed of corporate developments, apart from SGXNET announcements and the annual report?	32
Guideline 15.5	If the Company is not paying any dividends for the financial year, please explain why.	33

We are pleased to submit this statement to the members of the Company together with the audited consolidated financial statements of Singapore eDevelopment Limited (the "Company") and its subsidiaries (collectively the "Group") for the financial year ended 31 December 2018.

In our opinion,

(a) the accompanying financial statements of the Group and the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2018 and of the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International); and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Names of directors

The directors of the Company in office at the date of this statement are:

Chan Heng Fai (Executive Chairman and Chief Executive Officer)
Lam Lee G. (Non-Executive Vice Chairman)
Tao Yeoh Chi (Independent Non-Executive Director)
Wong Tat Keung (Independent Non-Executive Director)
Chan King Fai (Independent Non-Executive Director)
Wong Shui Yeung (Independent Non-Executive Director)

Arrangements to enable directors to acquire shares or debentures

During and at the end of the financial year, neither the Company nor any of its subsidiaries was a party to any arrangement the object of which was to enable the directors to acquire benefits through the acquisition of shares in or debentures of the Company or of any other corporate body, other than as disclosed in this statement.

Directors' interest in shares or debentures

According to the register kept by the Company for the purposes of Section 164 of the Act, particulars of interests of directors who held office at the end of the financial year (including those of their spouses and infant children) in shares, debentures, warrants and share options in the Company and in related corporations (other than wholly-owned subsidiaries) are as follows:

Directors' interest in shares or debentures (Cont'd)

	Direct interest			Deemed interest		
	As at 1.1.2018	**As at 31.12.2018**	**As at 21.1.2019**	As at 1.1.2018	**As at 31.12.2018**	**As at 21.1.2019**
The Company						
Ordinary shares						
Chan Heng Fai	625,000	**8,894,000**	**10,346,000**	756,506,394	**761,150,294**	**761,150,294**
2016 Warrants						
Chan Heng Fai	–	**–**	**–**	359,834,471	**359,834,471**	**359,834,471**
2017 Warrants						
Chan Heng Fai	–	**–**	**–**	1,864,275,000	**1,864,275,000**	**1,864,275,000**
Option to purchase shares in the Company*						
Chan Heng Fai	25,941,000	**–**	**–**	–	**–**	**–**
Share option of the Company in relation to the Singapore eDevelopment Share Option Scheme						
Chan Heng Fai	1,061,333	**1,061,333**	**1,061,333**	–	**–**	**–**
Tao Yeoh Chi	530,667	**–**	**–**	–	**–**	**–**

* An option to purchase 25,941,100 shares subject to the terms and conditions as set out in a Stock Option Agreement dated 20 January 2017 entered into between Mr Chan Heng Fai and Mr Toh Soon Huat. It had expired on 19 January 2018.

Share options of the directors who cease to be employed by the Group will lapse, become null and void unless at the absolute discretion of the Remuneration Committee, may allow them to exercise any unexercised share option within the relevant option period.

As at the end of financial year, by virtue of Section 7 of the Act, Mr Chan Heng Fai is deemed to be interested in the shares held in the Company.

Except as disclosed in this statement, no directors who held office at the end of the financial year had an interest in the shares, warrants or debentures of the Company, or of related corporations, either at the beginning or at the end of the financial year.

Share options

At an Extraordinary General Meeting held on 20 November 2013, shareholders of the Company approved the Singapore eDevelopment Limited Share Option Scheme (the "Option Scheme") for the granting of share options that are settled by physical delivery of the ordinary shares of the Company, to eligible participants respectively.

The Option Scheme is administered by the Remuneration Committee whose members are:

Wong Shui Yeung (Chairman)
Wong Tat Keung (Member)
Chan King Fai (Member)

During the financial year, the Company did not grant any share options under the Option Scheme.

Details of all the share options to subscribe for ordinary shares of the Company pursuant to the Option Scheme as at 31 December 2018 are as follows:

Grant date	Exercise price $	Share options outstanding as at 1 January 2018	Share options granted	Share options forfeited	Share options outstanding as at 31 December 2018	Expiry date
31 December 2013	0.12	530,667	–	(530,667)	–	31 December 2018
31 December 2013	0.12	1,061,333	–	–	1,061,333	31 December 2023
		1,592,000	–	(530,667)	1,061,333	

Details of the share options to subscribe for ordinary shares of the Company granted to directors of the Company pursuant to the Option Scheme are as follows:

Name of director	Share options granted during financial year	Aggregate share options granted since commencement of plan to end of financial year	Aggregate share options forfeited during financial year	Aggregate share options outstanding as at the end of financial year
Chan Heng Fai	**–**	**1,061,333**	**–**	**1,061,333**
Tao Yeoh Chi	**–**	**530,667**	**(530,667)**	**–**
Total	**–**	**1,592,000**	**(530,667)**	**1,061,333**

Since the commencement of the Option Scheme till the end of the financial year:

- No participant has received 5% or more of the total share options available under the Option Scheme.
- No share options that entitled the holder to participate, by virtue of the share options, in any share issue of any other corporations have been granted.
- No share options have been exercised.
- 1,061,333 share options were granted at a discount up to 50% of the marker price.

Audit and Risk Committee

The Audit and Risk Committee ("AC") comprises three non-executive directors who are also independent directors. The Chairman of the AC is Mr Wong Shui Yeung, and the members of the AC are Mr Wong Tat Keung and Mr Chan King Fai.

The AC carried out its functions in accordance with Section 201B(5) of the Act.

In performing those functions, the AC:

(a) Reviews with the external auditors, the audit plan, the evaluation of the system of internal accounting controls, the audit report, the assistance given by the Company's officers to the external auditors and the scope and results of the internal audit procedures;

(b) Reviews with the in-house internal auditors the internal audit plan, the evaluation of the adequacy of internal accounting controls and the internal audit report before submission of such report to the Board;

(c) Reviews effectiveness of the Group's material internal controls, including financial, operational and compliance controls, information technology controls and risk management systems via reviews carried out by the in-house internal auditors;

(d) Reviews the annual consolidated financial statements of the Group before submission to the Board for approval, focusing in particular on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance with accounting standards and compliance with the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual and any other relevant statutory or regulatory requirements;

(e) Reviews the internal control procedures and ensure co-ordination between the external auditors and the management, reviews the assistance given by the management to the auditors, and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of the management, where necessary);

(f) Reviews and discuss with the external and in-house internal auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and the management's response;

(g) Considers the appointment or re-appointment of the external and in-house internal auditors and matters relating to the resignation or dismissal of the auditors;

(h) Reviews interested person transactions (if any) and potential conflicts of interest (if any) falling within the scope of Chapter 9 of the SGX-ST Listing Manual;

(i) Undertakes such other reviews and projects as may be requested by the Board, and reports to the Board its findings from time to time on matters arising and requiring the attention of the AC;

(j) Generally undertakes such other functions and duties as may be required by statute or the SGX-ST Listing Manual, or by such amendments as may be made thereto from time to time; and

(k) Reviews the Group's key financial risk areas, with a view to provide independent oversight on the Group's financial reporting, the outcome of such review to be disclosed in the annual reports or, where the findings are material, announced immediately via SGXNET.

The AC has recommended to the directors the nomination of Foo Kon Tan LLP for re-appointment as external auditors of the Company at the forthcoming Annual General Meeting of the Company.

There are no non-audit services provided by the external auditors to the Group for the financial year ended 31 December 2018. The AC has also conducted a review of interested person transactions.

Audit and Risk Committee (Cont'd)

Following the retirement of BDO LLP as an internal auditor in 2017, the Company has formed an internal audit committee to perform the internal audit function in-house. The Company also noted that there were no material internal audit findings for FY2017.

Based on the internal controls established and maintained by the Group and reviews performed by management, various Board Committees and the Board, in concurrence with the AC, are of the view that the Group's internal controls addressing financial, operational, compliance, controls and information technology risks, and risk management systems were adequate as at 31 December 2018.

The AC convened four meetings during the year with full attendance from all members. The AC has also met with external auditors, without the presence of the Company's management, at least once a year.

Further details regarding the AC are disclosed in the Corporate Governance Report in the Company's Annual Report.

In appointing our external auditors for the Company, its subsidiaries and significant associated companies, the Company has complied with Rules 712 and 715 of the SGX-ST Listing Manual.

Independent auditor

The independent auditor, Foo Kon Tan LLP, Public Accountant and Chartered Accountants, has expressed its willingness to accept re-appointment.

On behalf of the Directors

....
CHAN HENG FAI

....
WONG SHUI YEUNG

Dated: 3 April 2019

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Singapore eDevelopment Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2018, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2018 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<u>Net realisable value of properties under development</u>

Risk:

As of 31 December 2018, the properties under development of the Group amounted to $56,855,000 and constitutes 84% of the Group's total assets and thus considered significant. The Group's properties under development in the United States of America include Black Oak in Houston, Texas and Ballenger Run in Frederick, Maryland. The Group also has a property under development in Mandurah, Western Australia. The determination of the net realisable value of these properties under development requires management to make various assumptions and estimates in deriving the budgeted costs to completion, including selling costs and the estimated selling prices and demand.

Properties under development are held as inventories and are measured at the lower of cost and net realisable value.

Net realisable value of properties under development is the estimated selling price in the ordinary course of business, based on market prices at the reporting date and discounted for the time value of money if material, less the estimated costs of completion and the estimated costs necessary to make the sale.

Key Audit Matters (Cont'd)

Net realisable value of properties under development (Cont'd)

Risk:

The costs of properties under development recognised in profit or loss on disposal are determined with reference to the specific costs incurred on the property sold.

Our response:

We have performed the following audit procedures:

(a) Obtained the project budgets approved by the Board of Directors and evaluated management's assumptions used in deriving the estimated selling prices, budgeted development and selling costs for the development projects;

(b) Assessed the reasonableness of the estimation of the costs to complete the properties under development, taking into account the stage of project and incremental work to be carried out;

(c) Evaluated management's revenue assumptions by comparing them to external data extracted from valuation reports and other agreements with customers;

(d) Performed sensitivity analysis of the significant assumptions used by management in deriving the net realisable values;

(e) Discussed with management to ascertain whether there are any major delays and cost overruns which may result in profitable contracts becoming loss making;

(f) For the estimated costs, we have performed inquiries with the project managers and compared the cost estimates to suppliers' quotations;

(g) We have evaluated the competency, capabilities and objectivity of the external valuer and assessed the appropriateness of the external valuer's work; and

(h) Evaluated the adequacy of the disclosures and presentation related to the properties under development in the financial statements.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report is the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of the true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's or the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Chin Sin Beng.

Foo Kon Tan LLP
Public Accountants and
Chartered Accountants

Singapore, 3 April 2019

Statements of **Financial Position**

as at 31 December 2018

	Note	The Group			The Company		
		31 December 2018 $'000	31 December 2017 $'000	1 January 2017 $'000	**31 December 2018 $'000**	31 December 2017 $'000	1 January 2017 $'000
ASSETS							
Non-Current Assets							
Property, plant and equipment	4	**143**	154	197	**6**	14	23
Other investment	5	**445**	490	–	**–**	–	–
Investment in subsidiaries	6	**–**	–	–	**–**	–	98
Investment in joint venture	7	**12**	–	–	**–**	–	–
		600	644	197	**6**	14	121
Current Assets							
Trade and other receivables	8	**1,392**	1,584	314	**50,105**	59,613	48,891
Prepaid operating expenses		**126**	170	193	**15**	40	32
Properties under development	9	**56,855**	69,624	71,098	**–**	–	–
Properties for sale	10	**186**	182	2,002	**–**	–	–
Investment securities	11	**1,066**	4,995	311	**21**	21	21
Derivative assets	12	**–**	–	785	**–**	–	–
Bank deposits pledged	13	**5,235**	3,528	3,816	**–**	–	–
Cash and cash equivalents	13	**2,053**	1,708	3,885	**227**	408	1,377
Inventory		**271**	85	–	**–**	–	–
		67,184	81,876	82,404	**50,368**	60,082	50,321
Total Assets		**67,784**	82,520	82,601	**50,374**	60,096	50,442
EQUITY							
Share capital	14	**102,425**	102,425	81,286	**102,425**	102,425	81,286
Capital reserve	14(a)	**1,653**	1,788	500	**–**	–	–
Merger reserve	14(b)	**1,480**	1,480	–	**–**	–	–
Employee share option reserve	14(c)	**173**	259	420	**173**	259	420
Fair value reserve		**(45)**	–	–	**–**	–	–
Foreign currency translation reserve	14(d)	**10**	(46)	(136)	**–**	–	–
Accumulated losses		**(70,121)**	(62,628)	(56,069)	**(67,094)**	(54,570)	(48,249)
Equity attributable to owners of the Company		**35,575**	43,278	26,001	**35,504**	48,114	33,457
Non-controlling interests		**1,539**	2,108	3,482	**–**	–	–
Total Equity		**37,114**	45,386	29,483	**35,504**	48,114	33,457
Non-Current Liabilities							
Loans and borrowings	15	**–**	1,884	1,968	**–**	–	–
Current Liabilities							
Trade and other payables	16	**28,449**	24,145	15,338	**14,870**	11,982	1,783
Income tax payable		**–**	–	809	**–**	–	–
Loans and borrowings	15	**2,221**	11,105	35,003	**–**	–	15,202
		30,670	35,250	51,150	**14,870**	11,982	16,985
Total Liabilities		**30,670**	37,134	53,118	**14,870**	11,982	16,985
Total Equity and Liabilities		**67,784**	82,520	82,601	**50,374**	60,096	50,442

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Consolidated Statement of **Comprehensive Income**

For the financial year ended 31 December 2018

	Note	**Year ended 31 December 2018 $'000**	Year ended 31 December 2017 $'000
Revenue	3	**26,922**	15,008
Cost of sales		**(23,259)**	(12,351)
Gross profit		**3,663**	2,657
Other operating income	17	**1,495**	4,283
Marketing expenses		**(286)**	(561)
Research and development		**(623)**	(715)
Administrative expenses		**(7,048)**	(8,185)
Other operating expenses	18	**(4,667)**	(4,552)
Results from operating activities		**(7,466)**	(7,073)
Finance income	19	**44**	39
Finance costs	20	**(804)**	(165)
Net finance costs		**(760)**	(126)
Share of joint venture's results (net of tax)	7	**(62)**	–
Loss before taxation	21	**(8,288)**	(7,199)
Income tax	24	**–**	809
Loss for the year, net of tax		**(8,288)**	(6,390)
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation differences		**29**	(152)
Items that are not reclassified subsequently to profit or loss			
Fair value loss of equity instruments at FVOCI	5	**(45)**	–
Other comprehensive loss for the year, net of nil tax		**(16)**	(152)
Total comprehensive loss for the year		**(8,304)**	(6,542)
Total comprehensive loss attributable to:			
Owners of the Company		**(7,568)**	(5,287)
Non-controlling interests		**(736)**	(1,255)
Total comprehensive loss for the year		**(8,304)**	(6,542)
Owners of the Company			
Total comprehensive loss:			
- Loss for the year		**(7,579)**	(5,377)
- Fair value loss of equity instruments at FVOCI		**(45)**	–
- Other comprehensive income		**56**	90
		(7,568)	(5,287)
Total comprehensive loss for the year attributable to owners of the Company		**(7,568)**	(5,287)
Non-controlling interests			
Total comprehensive loss:			
- Loss for the year		**(709)**	(1,013)
- Other comprehensive loss		**(27)**	(242)
Total comprehensive loss for the year attributable to non-controlling interests		**(736)**	(1,255)
Loss per share attributable to owners of the Company (cents per share)			
- Basic and diluted	25	**(0.7)**	(0.6)

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Consolidated Statement of **Changes in Equity**

For the financial year ended 31 December 2018

	Attributable to equity holders of the Company									
The Group	**Share capital $'000**	**Capital reserve $'000**	**Merger reserve $'000**	**Employee share option reserve $'000**	**Fair value reserve $'000**	**Foreign currency translation reserve $'000**	**Accumulated losses $'000**	**Equity attributable to owners of the Company, total $'000**	**Non-controlling interests $'000**	**Total equity $'000**
At 1 January 2018	**102,425**	**1,788**	**1,480**	**259**	**–**	**(46)**	**(62,628)**	**43,278**	**2,108**	**45,386**
Total comprehensive loss for the year										
Loss for the year	**–**	**–**	**–**	**–**	**–**	**–**	**(7,579)**	**(7,579)**	**(709)**	**(8,288)**
Other comprehensive loss:										
Fair value loss of equity instruments at FVOCI	**–**	**–**	**–**	**–**	**(45)**	**–**	**–**	**(45)**	**–**	**(45)**
Foreign currency translation differences, net of tax	**–**	**–**	**–**	**–**	**–**	**56**	**–**	**56**	**(27)**	**29**
Total comprehensive loss for the year	**–**	**–**	**–**	**–**	**(45)**	**56**	**(7,579)**	**(7,568)**	**(736)**	**(8,304)**
Transactions with owners, recognised directly in equity										
Contributions by and distributions to owners										
Disposal of a subsidiary without change in control	**–**	**114**	**–**	**–**	**–**	**–**	**–**	**114**	**–**	**114**
Acquisition of a subsidiary without change in control	**–**	**(249)**	**–**	**–**	**–**	**–**	**–**	**(249)**	**167**	**(82)**
Forfeiture of equity-settled share options to employees	**–**	**–**	**–**	**(86)**	**–**	**–**	**86**	**–**	**–**	**–**
Total contributions by and distributions to owners and total transactions with owners	**–**	**(135)**	**–**	**(86)**	**–**	**–**	**86**	**(135)**	**167**	**32**
At 31 December 2018	**102,425**	**1,653**	**1,480**	**173**	**(45)**	**10**	**(70,121)**	**35,575**	**1,539**	**37,114**

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

	← Attributable to equity holders of the Company							→		
The Group	**Share capital $'000**	**Capital reserve $'000**	**Merger reserve $'000**	**Employee share option reserve $'000**	**Fair value reserve $'000**	**Foreign currency translation reserve $'000**	**Accumulated losses $'000**	**Equity attributable to owners of the Company, total $'000**	**Non-controlling interests $'000**	**Total equity $'000**
At 1 January 2017	81,286	500	–	420	–	(136)	(56,069)	26,001	3,482	29,483
Total comprehensive loss for the year										
Loss for the year	–	–	–	–	–	–	(5,377)	(5,377)	(1,013)	(6,390)
Other comprehensive income:										
Foreign currency translation differences, net of tax	–	–	–	–	–	90	–	90	(242)	(152)
Total comprehensive loss for the year	–	–	–	–	–	90	(5,377)	(5,287)	(1,255)	(6,542)
Transactions with owners, recognised directly in equity										
Contributions by and distributions to owners										
Issuance of new ordinary shares pursuant to exercise of 2016 warrants	6,350	–	–	–	–	–	–	6,350	–	6,350
Issuance of new ordinary shares pursuant to conversion of Heng Fai Business Development Pte Ltd ("HBD") loan	14,914	–	–	–	–	–	–	14,914	–	14,914
Share issuance expense	(125)	–	–	–	–	–	–	(125)	–	(125)
Deemed capital contribution arising from interest free loan	–	1,288	–	–	–	–	–	1,288	–	1,288
Acquisition of a subsidiary under common control	–	–	1,480	–	–	–	(1,331)	149	–	149
Acquisition of a subsidiary with non-controlling interests	–	–	–	–	–	–	–	–	(131)	(131)
Acquisition of a subsidiary without change in control	–	–	–	–	–	–	(12)	(12)	12	–
Forfeiture of equity-settled share options to employees	–	–	–	(161)	–	–	161	–	–	–
Total contributions by and distributions to owners and total transactions with owners	21,139	1,288	1,480	(161)	–	–	(1,182)	22,564	(119)	22,445
At 31 December 2017	102,425	1,788	1,480	259	–	(46)	(62,628)	43,278	2,108	45,386

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Consolidated Statement of **Cash Flows**

For the financial year ended 31 December 2018

	Note	**Year ended 31 December 2018 $'000**	Year ended 31 December 2017 $'000
Cash Flows from Operating Activities			
Loss before taxation		**(8,288)**	(7,199)
Adjustments for:			
Depreciation of property, plant and equipment	4	**48**	68
Loss on disposal of property, plant and equipment	21	**8**	–
Reversal of write down of properties under development	9	**–**	(218)
Withholding tax expense	18	**673**	625
Net fair value losses/(gains) on investment securities	17,18	**3,979**	(3,901)
Unrealised exchange (gain)/loss	17,18	**(920)**	3,771
Finance income	19	**(44)**	(39)
Finance costs	20	**804**	165
Goodwill written off	6(e)	**–**	147
Share of result from joint venture	7	**62**	–
Operating results before working capital changes		**(3,678)**	(6,581)
Change in trade and other receivables		**192**	(1,566)
Change in prepaid operating expenses		**44**	42
Change in inventory		**(186)**	(35)
Change in properties under development		**14,945**	(358)
Change in properties held for sales		**–**	1,772
Change in trade and other payables		**938**	(1,692)
Cash generated from/(used in) in operations		**12,255**	(8,418)
Interest received		**44**	39
Interest paid (Note A)		**(550)**	(1,530)
Net cash generated from/(used in) operating activities		**11,749**	(9,909)
Cash Flows from Investing Activities			
Purchase of property, plant and equipment	4	**(42)**	(36)
Increase in other investment		**–**	(490)
Investment in joint venture	7	**(74)**	–
Investment in marketable securities		**–**	(188)
Proceeds from partial disposal of a subsidiary	6(d)	**114**	–
Acquisition of a subsidiary without change in control	6@	**(82)**	–
Net cash inflow on acquisition of a subsidiary under common control	6(f)	**–**	115
Net cash inflow on acquisition of a subsidiary	6(e)	**–**	2
Net cash used in investing activities		**(84)**	(597)
Cash Flows from Financing Activities			
Proceeds from loans and borrowings (Note A)		**–**	864
Proceeds from issuance of ordinary shares	14	**–**	6,350
Share issuance expense	14	**–**	(125)
Advances from director		**1,946**	9,845
Repayment of loans and borrowings (Note A)		**(11,664)**	(8,449)
(Increase)/decrease in bank deposits pledged		**(1,707)**	288
Net cash (used in)/generated from financing activities		**(11,425)**	8,773
Net changes in cash and cash equivalents		**240**	(1,733)
Effect of exchange rate changes on cash and cash equivalents		**105**	(444)
Cash and cash equivalents at beginning of year		**1,708**	3,885
Cash and cash equivalents at end of year	13	**2,053**	1,708

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Reconciliation of liabilities arising from financing activities, excluding equity items

Note A:

	At the beginning of the year $'000	Cash flows – Proceeds from loans $'000	Cash flows – Repayment of loans $'000	Cash flows – Interest Paid $'000	Non-Cash change: Shareholder's loan converted into shares $'000	Non-Cash change: Interest expense $'000	Non-Cash change: Amortisation of transaction costs $'000	Non-Cash change: Foreign exchange movement $'000	At the end of of the year 2018 $'000
2018									
Loans and Borrowings*	11,105	–	(11,664)	(388)	–	335	192	655	235
Corporate Bond	1,884	–	–	(162)	–	162	67	35	1,986
	12,989	–	(11,664)	(550)	–	497	259	690	2,221
2017									
Loans and Borrowings	35,003*	864	(8,449)	(1,365)	(14,914)*	1,348	318	(1,700)	11,105
Corporate Bond	1,968	–	–	(165)	–	165	66	(150)	1,884
Total	36,971	864	(8,449)	(1,530)	(14,914)	1,513	384	(1,850)	12,989

* Included interest-free USD loan of USD10.5 million (equivalent to $14,914,000) (Note 15).

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

1 General Information

The financial statements of the Company and of the Group for the year ended 31 December 2018 were authorised for issue in accordance with a resolution of the directors on the date of the Directors' Statement.

The Company is incorporated as a limited liability company and domiciled in the Republic of Singapore. The Company was listed on the Catalist Board of the Singapore Exchange Securities Trading Limited ("SGX-ST").

The registered office and principal place of business of the Company is located at 7 Temasek Boulevard #29-01B, Suntec Tower One, Singapore 038987.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are disclosed in Note 6.

2(a) Going concern

The financial statements of the Group has been prepared on a going concern basis not withstanding that the Group has incurred a loss of $8,288,000 (2017 - $6,390,000), total comprehensive loss of $8,304,000 (2017 - $6,542,000) for the financial year ended 31 December 2018. As at 31 December 2018, the Group's net equity was $37,114,000 (31 December 2017 - $45,386,000; 1 January 2017 - $29,483,000) and its current assets also exceeded its current liabilities by $36,514,000 (31 December 2017 - $46,626,000; 1 January 2017 - $31,254,000). In addition, the Group has also generated a net cash inflow of $11,749,000 (31 December 2017 – net cash outflow of $9,909,000 from its operation; 1 January 2017 – net cash outflow of $24,833,000 from its operation) from its operations for the financial year ended 31 December 2018.

The directors are of the view that it is appropriate to prepare the Group's financial statements on a going concern basis since the directors had considered the Group's cashflows and funding needs for the next 12 months to meet its financial obligations as and when they fall due. In the budgeting for the Group's cashflows and funding requirements, the directors had also considered that the Group had entered into agreements with the customer for its land sub-division development, the securing of an agreement with an external unrelated purchaser in respect of the sale of its 124 residential dwelling units in respect of its Black Oak project in Magnolia, Texas in January 2019, as well as the proceeds arising from the sale of biomedical products. Furthermore, the Group had not defaulted any principal and interest repayment on its loans and borrowings and had substantially repaid its floating rate USD loan from US$8.1 million to US$14,000 during the year. Included in trade and other payables is a non-trade advance from a director amounting to $12.6 million in which the Group had obtained a letter of financial support from the director who would not demand repayment within the next 12 months from the balance sheet date if the need arises.

Accordingly, the directors of the Company believed that the use of going concern assumption in the preparation and presentation of the financial statements for the financial year ended 31 December 2018 is appropriate.

2(b) Basis of preparation

The financial statements are prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)"), including related Interpretations promulgated by the Accounting Standards Council ("ASC"). These financial statements have been prepared under the historical cost conversion, except as disclosed in the accounting policies below. SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standard (International), has been applied in preparing these financial statements.

The Group's consolidated financial statements until 31 December 2017 had been prepared in accordance with Singapore Financial Reporting Standards ("FRS"). FRS differs in certain respects from SFRS(I). The Group's financial statements for the financial year ended 31 December 2018 are prepared in accordance with SFRS(I). As a result, this is the first set of financial statements prepared under SFRS(I).

The financial statements are presented in Singapore dollars which is the Company's functional currency. All financial information is presented in Singapore dollars, rounded to the nearest thousand ($'000), unless otherwise stated.

2(c) Full convergence with SFRS(I) and adoption of new standards effective and not yet effective

In December 2017, the Accounting Standards Council ("ASC") issued the Singapore Financial Reporting Standards (International) ("SFRS(I)"). SFRS(I) comprises standards and interpretations that are equivalent to International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") at 31 December 2017 that are applicable for annual period beginning on 1 January 2018. Singapore-incorporated companies that have issued, or are in the process of issuing, equity or debt instruments for trading in a public market in Singapore, will apply SFRS(I) with effect from annual periods beginning on or after 1 January 2018.

As a first-time adopter of SFRS(I), the Group and the Company have applied retrospectively, accounting policies based on each SFRS(I) effective as at end of the first SFRS(I) reporting period (31 December 2018), except for areas of exceptions and optional exemptions set out in SFRS(I) 1. In the first set of SFRS(I) financial statements for the financial year ended 31 December 2018, an additional opening statement of financial position as at date of transition (1 January 2017) is presented, together with related notes. Reconciliation statements from previously reported FRS amounts and explanatory notes on transition adjustments are presented for equity as at date of transition (1 January 2017) and as at end of last financial period under FRS (31 December 2017). Additional disclosures are made for specific transition adjustments if applicable.

The financial statements for the year ended 31 December 2016 (where the additional opening statement of financial position as at the date of transition i.e. 1 January 2017 is presented) are audited by another firm of auditors whose report dated 31 March 2017 expressed an unmodified opinion on those financial statements.

In adopting the new framework, the Group and the Company will be required to apply the specific transition requirements in SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International). In addition to the adoption of the new framework, the following new SFRS(I)s, amendments to and interpretations of SFRS(I) are effective from the same date and relevant to the Group and the Company:

Reference	**Descriptions**
SFRS(I) 15	*Revenue from Contracts with Customers*
SFRS(I) 9	*Financial Instruments*
SFRS(I) INT 22	*Foreign Currency Transactions and Advance Consideration*

The application of the above standards and interpretations do not have a material effect on the Group's and the Company's financial statements.

Management did not elect any of the optional exemptions available under SFRS(I) 1. The adoption of SFRS(I) does not have a material effect on the financial statements.

The accounting policies set out in Note 2(e) have been applied in preparing the financial statements for the year ended 31 December 2018, the comparative information presented in these financial statements for the year ended 31 December 2017 and in the preparation of the opening SFRS(I) statement of financial position at 1 January 2017 (the Group's date of transition), subject to the mandatory exceptions under SFRS(I) 1.

2(c) Full convergence with SFRS(I) and adoption of new standards effective and not yet effective (Cont'd)

The effects of transition to SFRS(I) and initial application of SFRS(I) 15 are as follows:

Impact on the consolidated statements of financial position as at 1 January 2017 (date of transition to SFRS(I))

The Group	Note	FRS Framework S$'000	SFRS(I) 1 S$'000	SFRS(I) 15 S$'000	SFRS(I) 9 S$'000	SFRS(I) Framework S$'000
Current liabilities						
Deferred revenue (included under trade and other payables)	16	724	–	(724)	–	–
Contract liabilities (included under trade and other payables)	16	–	–	724	–	724

(a) SFRS(I) 1

The Group has adopted SFRS(I) in 2018 and has applied SFRS(I) 1 with 1 January 2017 as the date of transition. SFRS(I) 1 generally requires that the Group applies SFRS(I) on a retrospective basis, as if such accounting policy had always been applied. If there are changes to accounting policies arising from new or amended standards effective in 2018, restatement of comparatives may be required because SFRS(I) requires both the opening balance sheet and comparative information to be prepared using the most current accounting policies. SFRS(I) 1 provides mandatory exceptions and optional exemptions from retrospective application, but these are often different from those specific transition provisions in individual FRSs applied to the FRS financial statements. The application of the mandatory exceptions in SFRS(I) 1 does not have quantitative impact on the Group's and the Company's financial statements. The Group has not elected any optional exemption upon transition under SFRS(I) 1.

(b) SFRS(I) 15

SFRS(I) 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met.

The Group has adopted SFRS(I) 15 in its financial statements for the year ended 31 December 2018. There are no significant changes to the basis of revenue recognition for its revenue from the sale of development properties, sale of biomedical products and provision of management services since these are recognised when the Group satisfies a performance obligation (PO) by transferring control of a promised good or service to the customer for an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services and no restatement is required for prior periods.

There is no significant financing component arising from the sale of development properties since the transaction is usually settled upon the transfer of ownership and title deed of the properties to the buyers.

For the sale of biomedical products and the provision of management services, credit terms are generally extended in accordance with the industry norm.

The Group has changed the presentation of certain amounts in the statements of financial position as at 1 January 2017 upon adopting SFRS(I) 15:

– Contract liabilities refer to consulting services for which consideration has been received from customers that have yet to be rendered.

2(c) Full convergence with SFRS(I) and adoption of new standards effective and not yet effective (Cont'd)

(c) SFRS(I) 9

SFRS(I) 9 contains new requirements for classification and measurement of financial instruments, a new expected credit loss model for calculating impairment of financial assets, and new general hedge accounting requirements.

The following assessments have been made on the basis of facts and circumstances that existed at 1 January 2018:

- The determination of the business model within which a financial asset is held.
- The determination of whether the contractual terms of a financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- The designation of investments in equity instruments that are not held for trading at fair value through other comprehensive income ("FVOCI").

SFRS(I) 9 replaces the provision of FRS 39 that relates to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, and impairment of financial assets. The adoption of SFRS(I) 9 Financial Instruments from 1 January 2018 resulted in changes of accounting policies and adjustments to the amounts recognised in the financial statements. The new accounting policies are set out in Note 2(e) below.

The Group has assessed the impact to the consolidated financial statements. Loans and receivables accounted for at amortised cost under FRS 39 are accounted for as debt instruments at amortised cost under SFRS(I) 9. For financial assets measured at fair value, the Group continues to perform fair value measurement of these assets at the end of each reporting period under SFRS(I) 9.

There is no significant change to the measurement basis arising from adopting the new classification and measurement model or a significant increase in the impairment loss allowance.

The following table below explains the original measurement categories under FRS 39 and the new measurement categories under SFRS(I) 9 for the Group's financial assets related to equity investment as at 1 January 2017 and 31 December 2017.

			31 December 2017		1 January 2017	
	Original classification under FRS 39	New classification under SFRS(I) 9	Original carrying amount under FRS 39	New carrying amount under SFRS(I) 9	Original carrying amount under FRS 39	New carrying amount under SFRS(I) 9
			S$'000	S$'000	S$'000	S$'000
The Group						
Equity investment	Available-for-sale	FVOCI	**490**	490	–	–

The Group elected to present in OCI changes in the fair value of its equity investment previously classified as available-for-sale, because these investments are held as long-term strategic investments that are not expected to be sold in the short to medium-term. As a result, an asset with a fair value of $490,000 was reclassified from available-for-sale to financial assets at FVOCI on 1 January 2018.

2(c) Full convergence with SFRS(I) and adoption of new standards effective and not yet effective (Cont'd)

(c) SFRS(I) 9 (Cont'd)

Issued but not yet effective

The following are the new or amended SFRS(I) and SFRS(I) INT issued in 2018 that are not yet effective but may be early adopted for the current financial year:

Reference	**Description**	**Effective date (Annual periods beginning on)**
SFRS(I) 16	Leases	1 January 2019
SFRS(I) INT 23	Uncertainty over Income Tax Treatments	1 January 2019
Amendments to SFRS(I) 3	Definition of a Business	1 January 2020
Amendments to SFRS(I) 1-1 and SFRS 1-8	Definition of Material	1 January 2020

(d) SFRS(I) 16 Leases

SFRS(I) 16 Leases replaces accounting requirements introduced more than 30 years ago in accordance with FRS 17 Leases that are no longer considered fit for purpose, and is a major revision of the way in which companies are required to recognise most leases on their balance sheets. Lessor accounting is substantially unchanged from current accounting in accordance with FRS 17. SFRS(I) 16 Leases will be effective for accounting periods beginning on or after 1 January 2019. Early adoption will be permitted, provided the Company has adopted SFRS(I) 15.

The Group plans to apply SFRS(I) 16 on 1 January 2019. The Group expects to measure lease liabilities by applying a single discount rate to their office premises leases. The Group is likely to apply the practical expedient to recognise amounts of right-of-use ("ROU") assets equal to their lease liabilities at 1 January 2019.

Upon the adoption of SFRS(I) 16, the Group expects an increase in ROU assets and lease liabilities of $216,000. The nature of expenses related to those leases will change as SFRS(I) 16 replaces the straight-line operating lease expense with depreciation charge for ROU assets and interest expense on lease liabilities.

SFRS(I) INT 23 Uncertainty over Income Tax Treatments

The Interpretation provides guidance on considering uncertain tax treatments separately or together, examination by tax authorities, the appropriate method to reflect uncertainty and accounting for changes in fact and circumstances. The Interpretation is effective for annual reporting periods beginning on or after 1 January 2019, but certain transition reliefs are available.

2(d) Significant accounting estimates and judgements

The preparation of the financial statements in conformity with SFRS(I) requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

2(d) Significant accounting estimates and judgements (Cont'd)

The critical accounting estimates and assumptions used and areas involving a significant judgement are disclosed below.

(i) Significant judgements in applying accounting policies

(a) Carrying amount of properties under development (Note 9)

Significant judgement is required in assessing the recoverability of the carrying value of properties under development. The determination of the net realisable value of these properties under development required management to make various assumptions and estimates in deriving the budgeted cost to complete, the estimated cost to sell and estimated selling prices. Net realisable value in respect of properties under development is assessed with reference to market price less estimated costs of completion and estimated cost to make the sale.

(b) Impairment of financial assets (Note 8)

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. The carrying amounts of the Group's and the Company's trade and other receivables at the end of the reporting period are disclosed in Note 8 to the financial statements.

The Company held non-trade receivables from its subsidiaries that are repayable on demand of $75,053,000 (31 December 2017: $71,499,000; 1 January 2017: $59,652,000) as at the reporting date. These balances are amounts lent to subsidiaries to satisfy short term funding requirements. The impairment of the amounts due from subsidiaries is based on the expected loss model using general approach which considers the availability of highly accessible liquid assets of the subsidiaries to repay these amounts if demanded repayment at the reporting date. As a result of management's assessment, an impairment allowance of $25,050,000 (31 December 2017: $11,995,000; 1 January 2017: $10,883,000) was provided for at the reporting date.

(c) Income taxes (Note 24)

Significant judgement is involved in determining the group-wide provision for income taxes mainly in Singapore and United States of America. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issue based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

2(e) Summary of significant accounting policies

The accounting policies used by the Group have been applied consistently to all periods presented in these financial statements.

Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Losses and other comprehensive income are attributable to the non-controlling interest even if that results in a deficit balance.

Subsidiary

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Thus, the Group controls an investee if and only if the Group has all of the following:

(i) power over the investee;

(ii) exposure, or rights or variable returns from its involvement with the investee; and

(iii) the ability to use its power over the investee to affect its returns

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- The size of the Group's holding of the voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Group, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant authorities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

2(e) Summary of significant accounting policies (Cont'd)

Consolidation (Cont'd)

Non-controlling interests

Non-controlling interests represent the equity in subsidiary not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated statement of comprehensive income, and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

Acquisition of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result. Adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary.

Changes in ownership interests in subsidiaries without change of control

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

Changes in ownership interests in subsidiaries with change of control

When the Group loses control of a subsidiary, it:

- De-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts as at that date when control is lost;
- De-recognises the carrying amount of any non-controlling interest;
- De-recognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any gain or loss in profit or loss; and
- Reclassifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

A gain or loss is recognised in profit or loss and is calculated as the difference between:

(i) the aggregate of the fair value of the consideration received and the fair value of any retained interest, and

(ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interest.

All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable SFRS(I)).

The fair value of any investment retained in the former subsidiary at the date when the control is lost is regarded as the fair value on the initial recognition for subsequent accounting under SFRS(I) 9 or when applicable, the costs on initial recognition of an investment in an associate or a joint venture.

2(e) Summary of significant accounting policies (Cont'd)

Consolidation (Cont'd)

Business combination

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred. If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss. Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with SFRS(I) 9 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Goodwill

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill.

Bargain purchase

If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Common control business combination outside the scope of SFRS(I) 3

A business combination involving entities under common control is a business combination in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. Accordingly, the assets and liabilities of these entities have been accounted for at historical amounts in the consolidated financial statements.

In applying pooling-of-interest accounting, financial statements items of the combining entities or businesses of the reporting period in which the common control combination occurs are included in the consolidated financial statements of the combined entities as if the combination had taken place at the beginning of the earliest comparative period presented and for this purpose, no restatement is made to the comparative information.

2(e) Summary of significant accounting policies (Cont'd)

Common control business combination outside the scope of SFRS(I) 3 (Cont'd)

A single uniform set of accounting policies is adopted by the combined entity. Therefore, the combined entity recognised the assets, liabilities and equity of the combining entities of businesses at the carrying amounts in the consolidated financial statements of the controlling party or parties prior to the common control combination. The carrying amounts are included as if such consolidated financial statements had been prepared by the controlling party, including adjustments required for conforming to the combined entity's accounting policies and applying those policies to all period presented. There is no recognition of any goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over consideration transferred at the time of the common control combination.

The effects of all transactions between the combining entities or businesses, whether occurring before or after the combination, are eliminated in preparing the consolidated financial statements of the combined entity.

Subsidiaries

Subsidiaries are entities controlled by the Company. In the Company's separate statement of financial position, subsidiaries are stated at cost less any impairment losses on an individual subsidiary basis.

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is computed utilising the straight-line method to write off the cost of these assets over their estimated useful lives as follows:

Motor vehicles	10 years
Furniture and fittings	3 - 5 years
Renovation	3 years
Office and computer equipment	3 - 5 years

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

Subsequent expenditure relating to property, plant and equipment that have been recognised is added to the carrying amount of the asset when it is probable that future economic benefits in excess of the standard of performance of the asset before the expenditure was made will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready to use.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at end of each reporting period as a change in estimates.

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss.

2(e) Summary of significant accounting policies (Cont'd)

Properties under development

Properties under development are properties being constructed for sale in the ordinary course of business, rather than to be held for the Group's own use, rental or capital appreciation.

Properties under development are held as inventories and are measured at the lower of cost and net realisable value.

Net realisable value of properties under development is the estimated selling price in the ordinary course of business, based on market prices at the reporting date less the estimated costs of completion and the estimated costs necessary to make the sale.

The costs of properties under development recognised in profit or loss on disposal are determined with reference to the specific costs incurred on the property sold.

Properties for sale

Properties for sale are acquired with the intention for sale in the ordinary course of business.

Properties for sale are stated at the lower of cost or net realisable value. Related acquisition expense, interest and other related expenditure are capitalised as part of the cost of properties for sale. Net realisable value represents the estimated selling price less costs to be incurred in selling the property.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out method and includes all costs in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) **Financial assets**

Initial recognition and measurement

Financial assets are recognised when and only when the entity becomes party to the contractual provisions of the instruments.

The classification of financial assets, at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of financial asset not at fair value through profit or loss, transaction costs.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party if the trade receivables do not contain a significant financing component at initial recognition.

2(e) Summary of significant accounting policies (Cont'd)

Financial instruments (Cont'd)

(a) **Financial assets (Cont'd)**

Initial recognition and measurement (Cont'd)

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are "Solely Payments of Principal and Interest ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchase or sales of financial assets that required delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

<u>Financial assets at amortised cost (debt instruments)</u>

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

Subsequent measurement of debt instruments depends on the Group's business model with the objective to hold financial assets in order to collect contractual cash flows and the contractual cash terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding on the asset.

The Group's financial assets at amortised cost include trade and other receivables (excluding prepayments) and cash and cash equivalents.

<u>Fair value through other comprehensive income ("FVOCI") (debt instruments)</u>

Financial assets that are held for collection of contractual of cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

2(e) Summary of significant accounting policies (Cont'd)

Financial instruments (Cont'd)

(a) Financial assets (Cont'd)

Subsequent measurement (Cont'd)

Financial assets designated at fair value through other comprehensive income ("OCI") (equity instruments)

The Group subsequently measures all equity instrument at fair value. On initial recognition of an equity instruments that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. The classification is determined on an instrument-by-instrument basis. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established.

Changes in fair value of these financial assets at FVOCI are recognised in OCI are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at FVOCI are not subject to impairment assessment.

The Group has elected to classify irrevocably its unquoted equity investments under this category.

Financial assets at fair value through profit and loss

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVOCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch. A gain or loss on a debt instruments that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss statement in the period in which it arises. Interest income from these financial assets is included in the finance income.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss. This category includes listed equity investment which the Group had not irrevocably elected to classify at FVOCI. Dividends on listed equity instruments are also recognised as other income in the statement of comprehensive income when the right of payment has been established.

2(e) Summary of significant accounting policies (Cont'd)

Financial instruments (Cont'd)

(a) Financial assets (Cont'd)

Derecognition

A financial asset (or, where applicable, part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired or

- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit losses ("ECL") associated with its debt instrument assets carried at amortised cost. ECL are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-months ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group measures the loss allowance at an amount equal to the lifetime expected credit losses. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2(e) Summary of significant accounting policies (Cont'd)

Financial instruments (Cont'd)

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised initially at fair value less directly attributable transaction costs. The Group's financial liabilities comprise trade and other payables and loans and borrowings, excluding contract liabilities.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by SFRS(I) 9. Separate embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in SFRS (I) 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Other financial liabilities at amortised cost

Other financial liabilities are initially measured at fair value less directly attributable transaction costs and subsequently measured at amortised cost, using the effective interest method.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and at bank and short-term deposits with financial institutions that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in values. For the purposes of the consolidated statement of cash flows, cash and cash equivalents are shown net of bank deposits pledged.

2(e) Summary of significant accounting policies (Cont'd)

Share capital and share issuance expenses

Ordinary shares are classified as equity.

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Borrowing costs

Borrowing costs incurred to finance the development of properties are capitalised for the period of time that is required to complete and prepare the asset for its intended use or sale. The amount of borrowing costs capitalised on that asset is the actual borrowing costs incurred during the period less any investment income on the temporary investment of those borrowings. Other borrowing costs are recognised on a time-proportion basis in profit or loss using the effective interest method.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each end of the reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Financial guarantees

The Company has provided guarantees in respect of corporate bonds issued by a subsidiary to external parties. These guarantees are financial guarantees as they require the Company to reimburse the parties if the subsidiary fails to make principal or interest payments when due in accordance with the terms of the borrowings.

Financial guarantee issued are initially measured at fair value and the initial fair value is amortised over the life of the guarantees. Subsequent to initial measurement, the financial guarantees are measured at the higher of the amortised amount and the amount of loss allowance.

Leases

Where the Group is the lessee,

Operating leases are office premises' leases where a significant portion of the risks and rewards of ownership are retained by the lessor. Payments made under operating leases are charged to profit or loss on a straight-line basis over the term of the leases. Lease incentives, if any, are recognised as an integral part of the net consideration agreed for the use of the leased asset.

2(e) Summary of significant accounting policies (Cont'd)

Income taxes

Income tax expense represents the sum of the income tax currently payable and deferred income tax.

Income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantially enacted by the balance sheet date.

Deferred income tax is provided in full, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets and liabilities are recognised for all temporary differences, except:

– Where the deferred tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction affects neither the accounting profit nor taxable profit or loss.

– In respect of temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future; and

– In respect of deductible temporary differences and carry-forward of unutilised tax losses, if it is not probable that taxable profits will be available against which those deductible temporary differences and carry-forward of unutilised tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Current and deferred income tax are recognised as income or expense in the profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised either in other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authorities on the same taxable entity, or on different tax entities, provided they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Employee benefits

<u>Short-term employee benefits</u>

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

2(e) Summary of significant accounting policies (Cont'd)

Employee benefits (Cont'd)

Defined contribution plans

A defined contribution national pension is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The contributions to national pension schemes are charged to profit or loss in the period to which the contributions relate.

Employee share option plans

Certain employees and directors of the Group receive remuneration in the form of share options as consideration for services rendered. The cost of these equity-settled share based payment transactions with employees is measured by reference to the fair value of the options at the date on which the options are granted which takes into account market conditions and non-vesting conditions. This cost is recognised in profit or loss, with a corresponding increase in the employee share option reserve, over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

The employee share option reserve is transferred to retained earnings upon expiry or forfeiture of the share option.

Key management personnel

Key management are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group. Directors and certain executive officers are considered key management personnel.

Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and Company if that person:

(i) has control or joint control over the Company;

(i) has significant influence over the Company; or

(iii) is a member of the key management personnel of the Group or Company or of a parent of the Company.

(b) An entity is related to the Group and the Company if any of the following conditions applies:

(i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

(iii) both entities are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

2(e) Summary of significant accounting policies (Cont'd)

Related parties (Cont'd)

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or the Company.

Impairment of non-financial assets

The carrying amounts of the Company's and Group's non-financial assets subject to impairment are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

If it is not possible to estimate the recoverable amount of the individual asset, then the recoverable amount of the cash-generating unit to which the assets belong will be identified.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the company at which management controls the related cash flows.

Individual assets or cash-generating units that include goodwill and other intangible assets with an indefinite useful life or that are not yet available for use are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value-in-use, based on an internal discounted cash flow evaluation. Impairment losses recognized for cash generating units, to which goodwill has been allocated are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist.

2(e) Summary of significant accounting policies (Cont'd)

Impairment of non-financial assets (Cont'd)

Any impairment loss is charged to the profit or loss unless it reverses a previous revaluation in which case it is charged to equity.

With the exception of goodwill,

- An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognized for the asset no longer exists or decrease.
- An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognized.
- A reversal of an impairment loss on a revalued asset is credited directly to equity under the heading revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognized as an expense in the profit or loss, a reversal of that impairment loss is recognized as income in the profit or loss.

An impairment loss in respect of goodwill is not reversed, even if it relates to impairment loss recognized in an interim period that would have been reduced or avoided had the impairment assessment been made at a subsequent reporting or end of reporting period.

Foreign currency

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements of the Group and the Company are presented in Singapore dollar, which is also the functional currency of the Company.

Conversion of foreign currencies

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the exchange rates prevailing at that date.

Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing exchange rates at the balance sheet date are recognised in profit or loss, unless they arise from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations. Those currency translation differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve in the consolidated financial statements and transferred to profit or loss as part of the gain or loss on disposal of the foreign operation.

2(e) Summary of significant accounting policies (Cont'd)

Conversion of foreign currencies (Cont'd)

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the exchange rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing exchange rates at the end of the reporting period;
- Income and expenses for each statement presenting profit and loss and other comprehensive income (i.e. including comparatives) shall be translated at exchange rates at the dates of the transactions; and
- All resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

Revenue recognition

Revenue from sale of goods and services in the ordinary course of business is recognised when the Group satisfies a performance obligation ("PO") by transferring control of a promised good or service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO. The transaction price is allocated to each PO in the contract on the basis of the relative stand-alone selling prices of the promised goods or services.

Revenue may be recognised at a point in time or over time following the timing of satisfaction of the PO. If a PO is satisfied over time, revenue is recognised based on the percentage of completion reflecting the progress towards complete satisfaction of that PO.

Sale of properties under development

Revenue from sales of properties is recognised upon the transfer of the ownership of the properties to the buyer, which usually coincides with the transfer of the title deed. Revenue is not recognised to the extent when there are significant uncertainties regarding receipt of the consideration due or associated costs.

Sale of biomedical products

Revenue from the sales of biomedical products is recognised when the goods are delivered and accepted by the customers.

Rendering of services

Revenue from the rendering of services, including management fees is recognised over the period in which the services are rendered, by reference to completion of the specific service.

Interest income

Interest income, including income arising from finance leases and other financial instruments, is recognised on an accrual basis based on the effective interest method.

2(e) Summary of significant accounting policies (Cont'd)

Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted-average number of ordinary shares outstanding during the year, adjusted for own shares held.

Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible bonds and warrants.

Segment reporting

A business segment is a distinguishable component of the Group engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is a distinguishable component of the Group engaged in providing products or services within a particular economic environment that is subject to risks and returns that are different from those of segments operating in other economic environments.

Operating segments are reported in a manner consistent with the internal reporting provided to the executive committee whose members are responsible for allocating resources and assessing performance of the operating segments.

3 Revenue

Revenue mainly relates to the sale of properties and sale of biomedical health products and supplements.

	2018	2017
The Group	**$'000**	$'000
Sales of properties	**23,298**	10,006
Sales of biomedical products	**3,380**	4,111
Management fees	**244**	891
	26,922	15,008

3 Revenue (Cont'd)

Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services at a point in time or overtime for the following lines of business and geographical regions. Revenue is attributed to countries by geographical areas of operations.

The Group	**2018 Over time $'000**	**2018 At a point in time $'000**	**2018 Total revenue $'000**	2017 Over time $'000	2017 At a point in time $'000	2017 Total revenue $'000
United States of America						
Sales of properties	**–**	**23,298**	**23,298**	–	10,006	10,006
Sales of biomedical products	**–**	**3,380**	**3,380**	–	3,667	3,667
	–	**26,678**	**26,678**	–	13,673	13,673
People's Republic of China						
Management fees	**200**	**–**	**200**	839	–	839
	200	**–**	**200**	839	–	839
Australia						
Sale of biomedical products	**–**	**–**	**–**	–	444	444
	–	**–**	**–**	–	444	444
Singapore						
Management fee	**44**	**–**	**44**	52	–	52
	44	**–**	**44**	52	–	52

4 Property, plant and equipment

The Group	Motor vehicles $'000	Furniture and fittings $'000	Renovation $'000	Office and computer equipment $'000	Total $'000
Cost					
At 1 January 2017	141	40	–	248	429
Additions	–	7	–	29	36
Acquisition under common control during the year (Note 6f)	–	–	–	2	2
Exchange difference on retranslation	(12)	(1)	–	(5)	(18)
At 31 December 2017	**129**	**46**	**–**	**274**	**449**
Additions	**–**	**–**	**36**	**6**	**42**
Disposals	**–**	**(7)**	**–**	**(42)**	**(49)**
Exchange difference on retranslation	**(5)**	**(3)**	**–**	**2**	**(6)**
At 31 December 2018	**124**	**36**	**36**	**240**	**436**
Accumulated depreciation					
At 1 January 2017	17	31	–	184	232
Depreciation for the year	13	10	–	45	68
Exchange difference on retranslation	(2)	–	–	(3)	(5)
At 31 December 2017	**28**	**41**	**–**	**226**	**295**
Depreciation for the year	**12**	**2**	**2**	**32**	**48**
Disposals	**–**	**(5)**	**–**	**(36)**	**(41)**
Exchange difference on retranslation	**(5)**	**(2)**	**–**	**(2)**	**(9)**
At 31 December 2018	**35**	**36**	**2**	**220**	**293**
Net book value					
At 31 December 2018	**89**	**–**	**34**	**20**	**143**
At 31 December 2017	101	5	–	48	154
At 1 January 2017	124	9	–	64	197

4 Property, plant and equipment (Cont'd)

The Company	Furniture and fittings	Office and computer equipment	Total
Cost	**$'000**	**$'000**	**$'000**
At 1 January 2017	29	45	74
Additions	3	9	12
At 31 December 2017	**32**	**54**	**86**
Additions	**–**	**–**	**–**
At 31 December 2018	**32**	**54**	**86**
Accumulated depreciation			
At 1 January 2017	21	30	51
Depreciation for the year	9	12	21
At 31 December 2017	**30**	**42**	**72**
Depreciation for the year	**1**	**7**	**8**
At 31 December 2018	**31**	**49**	**80**
Net book value			
At 31 December 2018	**1**	**5**	**6**
At 31 December 2017	2	12	14
At 1 January 2017	8	15	23

5 Other investment

The Group	**31 December 2018 $'000**	31 December 2017 $'000	1 January 2017 $'000
Equity instruments at FVOCI (Note 32)	**445**	–	–
Available-for-sale financial assets (unquoted) (Note 32)	**–**	490	–

Other investment relates to the investment in an unquoted fund entity. The fund mainly invests in quoted equity securities.

6 Investment in subsidiaries

The Company	**31 December 2018 $'000**	31 December 2017 $'000	1 January 2017 $'000
Unquoted equity shares, at cost	**6,329**	6,331	5,776
Allowance for impairment losses	**(6,329)**	(6,331)	(5,678)
	–	–	98

	2018 $'000	2017 $'000
Movement in allowance accounts:		
At 1 January	**6,331**	5,678
(Reversal upon partial disposal of interest in a subsidiary)/charge during the year	**(2)**	653
At 31 December	**6,329**	6,331

Impairment of subsidiary

As at 31 December 2018, management had performed an impairment test for the investment in HotApp Blockchain Inc., as this subsidiary was loss making. Management had previously made an impairment allowance of $6.3 million as of 31 December 2017 (1 January 2017: $5.7 million) and there was no realistic prospect of recovery of the investment. There is no evidence which shows that there has been a change in circumstances and there is no indication that the impairment loss recognised for the asset no longer exist since the subsidiary continued to be loss making in the current financial year. Accordingly, no additional impairment allowance (2017: $653,000; 1 January 2017: $222,000) was made during the year for its investment in HotApp Blockchain Inc.

6 Investment in subsidiaries (Cont'd)

(a) The investments in subsidiaries held by the Company at 31 December 2018 and 2017 and 1 January 2017 are as follows:

Name	Country of incorporation/ principal place of business	Effective ownership interest			Principal activities
		31 December 2018	31 December 2017	1 January 2017	
		%	%	%	
Singapore Construction & Development Pte. Ltd. [i]	Singapore	**100**	100	100	Property development
Art eStudio Pte. Ltd. [i]	Singapore	**51**	51	51	Dormant
Singapore Construction Pte. Ltd. [i]	Singapore	**100**	100	100	Dormant
Global BioMedical Pte. Ltd. [i] (f.k.a Singapore Biomedical Pte. Ltd.)	Singapore	**100**	100	–	Investment holding
Impact Biomedical Inc [iv, v]	United States of America	***100**	–	–	Biomedical science
SeD BioLife International, Inc. [iv, v]	United States of America	**100**	100	–	Investment holding
Global BioMedical, Inc. [iv, v]	United States of America	**90.91**	90.91	–	Investment holding
SeD BioMedical International, Inc. [iv,v]	United States of America	**100**	100	–	Investment holding
Global BioLife, Inc. [iv, v]	United States of America	**63.64**	63.64	–	Biomedical science
Biolife Sugar, Inc [iv, v]	United States of America	***63.64**	–	–	Biomedical science
Happy Sugar Inc [iv, v]	United States of America	***63.64**	–	–	Biomedical science
Health Wealth Happiness Pte. Ltd. [i]	Singapore	**100**	100	100	Dormant
iGalen International Inc [iv, v]	United States of America	**53**	53	–	Investment holding

6 Investment in subsidiaries (Cont'd)

Name	Country of incorporation/ principal place of business	Effective ownership interest			Principal activities
		31 December 2018 %	31 December 2017 %	1 January 2017 %	
iGalen USA Inc [iv, vi] (f.k.a. iGalen USA LLC)	United States of America	**53**	53	–	Biomedical science
SeD Capital Pte. Ltd. [i]	Singapore	**100**	100	100	Investment holding
SeD BioMedical International Pte. Ltd. **	Singapore	**–**	100	100	Investment holding
SeD BioMedical Inc. **	United States of America	**–**	80	80	Biomedical science
SeD BioMedical Pte. Ltd. **	Singapore	**–**	80	80	Biomedical science
SeD BioMedical Limited **	Hong Kong	**–**	80	80	Biomedical science
SeD BioMedical Sdn Bhd **	Malaysia	**–**	80	80	Biomedical science
HengFai Asset Management Pte. Ltd.[i]	Singapore	**100**	100	–	Portfolio management
SeD Home Limited [iii]	Hong Kong	**100**	100	100	Property development
SeD Investment Pte. Ltd. (f.k.a SingLife Regenerate Pte. Ltd.) [i]	Singapore	**100**	100	–	Investment holding
SeD iHome Pte. Ltd. (f.k.a.Global Lite Food Pte. Ltd.) [i]	Singapore	**100**	100	–	Investment holding
BMI Asset Management Pte. Ltd. **	Singapore	**–**	100	–	Investment holding
SeD Medical Solution Pte. Ltd. **	Singapore	**–**	100	–	Investment holding
SeD Health Solution Pte. Ltd. **	Singapore	**–**	100	–	Investment holding
Global Techfund of Fund Pte. Ltd.[i]	Singapore	**100**	100	100	Dormant

6 Investment in subsidiaries (Cont'd)

Name	**Country of incorporation/ principal place of business**	**Effective ownership interest**			**Principal activities**
		31 December 2018 %	31 December 2017 %	1 January 2017 %	
Singapore eChain Logistic Pte. Ltd. [i] (f.k.a. CloudTV Pte. Ltd.)	Singapore	**100**	100	100	Dormant
BMI Capital Partners International Limited [iii, vi]	Hong Kong	**100**	100	100	Investment holding and consulting services
SeD Perth Pty Ltd [vi]	Australia	**100**	100	100	Property development
SeD Home International, Inc. [ii]	United States of America	**100**	100	100	Property development
SeD Intelligent Home Inc [ii, vi]	United States of America	**99.99**	99.99	99.96	Investment holding
SeD Home, Inc. [ii, vi]	United States of America	**99.99**	99.99	100	Property development
SeD USA, LLC [ii, vi]	United States of America	**99.99**	99.99	100	Property development
SeD Development USA Inc. [ii, vi]	United States of America	**99.99**	99.99	100	Property development
SeD Texas Home, LLC [ii, vi]	United States of America	**99.99**	99.99	100	Property development
SeD Ballenger, LLC [ii, vi]	United States of America	**99.99**	99.99	100	Property development
SeD Development Management, LLC [ii, vi]	United States of America	**84.99**	84.99	85	Property development
SeD Builder, LLC [ii, vi]	United States of America	**99.99**	99.99	100	Property development
SeD Home Rental Inc [ii, vi]	United States of America	***99.99**	–	–	Dormant
150 Black Oak GP, Inc [ii, vi]	United States of America	**99.99**	99.99	50	Property development

6 Investment in subsidiaries (Cont'd)

Name	Country of incorporation/ principal place of business	Effective ownership interest 31 December 2018 %	31 December 2017 %	1 January 2017 %	Principal activities
150 CCM Black Oak Ltd [ii,vi,6@]	United States of America	**99.99**	69	69	Property development
SeD Maryland Development, LLC [ii, vi]	United States of America	**83.54**	83.54	83.55	Property development
HotApp Blockchain, Inc. [ii]	United States of America	**99.95**	99.98	98.17	Investment holding
Crypto Exchange Inc [ii]	United States of America	***99.95**	–	–	Dormant
HotApps International Pte. Ltd. [i]	Singapore	**99.95**	99.98	99.98	Dormant
HWH World Inc. [ii]	United States of America	***99.95**	–	–	Dormant
HotApp International Limited [iii]	Hong Kong	**99.95**	99.98	99.98	Sale and marketing of mobile application
HWH World Pte. Ltd. [i] (f.k.a. Crypto Exchange Pte. Ltd.)	Singapore	**99.95**	99.98	99.98	Dormant
Guangzhou HotApps Technology Ltd [v]	People's Republic of China	**99.95**	99.98	98.17	Sale, marketing and support services of mobile application
HWH International Inc [iv, v]	United States of America	**100**	100	–	Dormant
Health, Wealth & Happiness Inc [iv, v]	United States of America	**100**	100	–	Dormant
HWH Multi-Strategy Investment Inc [iv, v]	United States of America	**100**	100	–	Dormant

i Audited by Foo Kon Tan LLP
ii Audited by Rosenberg Rich Baker Berman & Company
iii Audited by Dominic K.F.Chan & Co
iv Not required to be audited in accordance with the law of the country of incorporation
v Not material to the Group and not required to be disclosed under SGX Listing Rule 717
vi Audited by Foo Kon Tan LLP for the purpose of Group consolidation
* Subsidiaries incorporated during the year
** Subsidiaries struck off during the year

6 Investment in subsidiaries (Cont'd)

@ 150 CCM Black Oak Ltd ("Black Oak Ltd")

During the financial year ended 31 December 2014, the Group had made the entire capital contribution of US$4.3 million (equivalent to $5.6 million) in Black Oak Ltd while no capital contribution is required from other limited partners, ("Black Oak Ltd's non-controlling interests") in accordance with the partnership agreement dated 20 March 2014. The Group has the first priority on the return of this capital contribution before any distributions of profits to the Black Oak Ltd's partners. The Group has not attributed any capital contributions to Black Oak Ltd's non-controlling interests as at 31 December 2018 and 2017.

During the financial year ended 31 December 2018, the Company through its indirect subsidiary, SeD Development USA Inc ("SDUSA"), acquired an additional 31% interest in 150 CCM Black Oak Ltd, increasing its ownership from 68.5% to 99.5%.

The following schedule shows the effects of changes in the Group's ownership interest in the subsidiary that did not result in a change in control on the equity attributable to owners of the Company:

	2018
	$'000
Amount paid on changes in ownership interest in a subsidiary	**82**
Non-controlling interest acquired	**167**
Difference recognised in capital reserve	**249**

b. Interest in subsidiaries with material non-controlling interests (NCI)

Name of subsidiary	**Principal place of business**	**Proportion of ownership interest held by non-controlling interest**	**Profit/(Loss) allocated to NCI during the reporting period $'000**	**Accumulated NCI at the end of the reporting period $'000**
31 December 2018				
SeD Maryland Development LLC	United States of America	**16.46%**	**611**	**4,152**
iGalen USA Inc (f.k.a. iGalen USA LLC)	United States of America	**47.00%**	**(750)**	**(1,486)**
31 December 2017				
SeD Maryland Development LLC	United States of America	16.46%	167	3,465
iGalen USA LLC	United States of America	47.00%	(639)	(724)
1 January 2017				
SeD Maryland Development LLC	United States of America	16.45%	(33)	3,574

6 Investment in subsidiaries (Cont'd)

c. Summarised financial information about subsidiaries with material NCI

Summarised financial information, not adjusted for the Group's equity interest, including goodwill on acquisition and consolidation adjustments but before intercompany eliminations of subsidiaries with material non-controlling interest are as follows:

	SeD Maryland Development LLC			iGalen USA Inc		
	31 December 2018	31 December 2017	1 January 2017	**31 December 2018**	31 December 2017	1 January 2017
Summarised balance sheet	**$'000**	$'000	$'000	**$'000**	$'000	$'000
Assets	**31,567**	39,083	41,311	**1,193**	591	–
Liabilities	**(6,344)**	(18,032)	(19,582)	**(4,355)**	(2,132)	–
Net assets/ (liabilities)	**25,223**	21,051	21,729	**(3,162)**	(1,541)	–

	SeD Maryland Development LLC		iGalen USA Inc	
	31 December 2018	31 December 2017	**31 December 2018**	31 December 2017
Summarised statement of comprehensive income	**$'000**	$'000	**$'000**	$'000
Revenue	**23,286**	7,550	**3,381**	4,212
Profit/(Loss) before tax	**3,712**	1,014	**(1,595)**	(1,361)
Profit/(Loss) after tax, representing total comprehensive income/(loss)	**3,712**	1,014	**(1,595)**	(1,361)

	SeD Maryland Development LLC		iGalen USA Inc	
	31 December 2018	31 December 2017	**31 December 2018**	31 December 2017
Other summarised information	**$'000**	$'000	**$'000**	$'000
Net cash flows (used in)/ generated from operations	**(1,927)**	28	**1,498**	84
Proceeds from loans and borrowings	**11,664**	864	**–**	–

6 Investment in subsidiaries (Cont'd)

d. Change in ownership interest in a subsidiary

HotApp Blockchain, Inc.

During the year, the Group disposed of 0.03% of its equity interest in HotApp Blockchain, Inc., reducing its equity interest to 99.95%. The proceeds on disposal of $114,000 were received in cash. The effect arising from the above transaction with owners without a loss of control did not have a significant impact to the Group. As a result of the disposal of the equity interest of 0.03% in HotApp Blockchain, Inc. the Group accounted for a capital reserve of $114,000 which represented the difference between consideration received and non-controlling interest adjusted.

e. Acquisition of subsidiaries

iGalen USA LLC & iGalen International Inc

On 16 January 2017 and 14 February 2017, the Group has, through its wholly owned subsidiary, Health Wealth Happiness Pte. Ltd., acquired a 53% equity interest in each of iGalen International Inc. and iGalen USA LLC. The acquisition of iGalen International Inc. was completed through the subscription of 530,000 shares in the subsidiary for a consideration of US$53. No consideration was made for the acquisition of iGalen USA LLC. iGalen USA LLC is principally engaged in the business of distributing health supplements through network marketing. iGalen International Inc is an investment holding company.

Details of the consideration paid, the assets acquired and liabilities assumed, the non-controlling interest recognised and the effects on the cash flows of the Group, at the acquisition date, are as follows:

Effect on cash flows of the Group

	2017 $'000
Consideration paid	–
Less: Cash and cash equivalents in subsidiary acquired	2
Cash inflow on acquisition	2

Identifiable assets acquired and liabilities assumed

	At fair value $'000
Inventories	50
Other receivables	19
Cash and cash equivalents	2
Trade and other payables	(349)
Total identifiable net liabilities	(278)
Non-controlling interest at fair value	131
Add: Goodwill	147
Consideration	–

Non-controlling interest:

The Group recognised 47% non-controlling interest based on iGalen USA LLC's identifiable net liabilities at its fair value of $278,000 as at acquisition date.

Goodwill arising from the acquisition has been written off and accounted for as other operating expenses (Note 18) in the statement of profit or loss.

6 Investment in subsidiaries (Cont'd)

f. Business combination under common control

SeD Capital Pte. Ltd., a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement on 9 May 2017 to purchase entire shares in Hengfai Asset Management Pte. Ltd. ("HFAM") amounting to 100% of the issued and paid-up share capital of HFAM. The consideration for the acquisition of HFAM is $600,000.

The acquisition of HFAM is accounted for as a common control transaction.

	2017 $'000
Cash and cash equivalents	415
Trade and other receivables	158
Property, plant and equipment	2
Trade and other payables	(124)
Carrying amount of net assets acquired	451
Reserves acquired on pooling of interest under common control arrangement	149
Consideration transferred	600
Consideration transferred consists of:	
- Shareholder's loan	300
- Cash	300
	600
Purchase consideration - cash	(300)
Cash of subsidiary acquired	415
Net cash acquired	115

g. Strike off of entities

The entities that are struck off during 2018 with no resulting gain or loss on disposal are as follows:

- SeD BioMedical International Pte. Ltd.
- SeD BioMedical Inc
- SeD BioMedical Pte. Ltd.
- SeD BioMedical Limited
- SeD BioMedical Sdn Bhd
- BMI Asset Management Pte. Ltd. (f.k.a SeD Global Management Pte. Ltd.)
- SeD Medical Solution Pte. Ltd.
- SeD Health Solution Pte. Ltd.

7 Investment in joint venture

The Group	**31 December 2018 $'000**	31 December 2017 $'000	1 January 2017 $'000
Interest in joint venture	**12**	–	–
	12	–	–

Joint venture

The Group accounts for the investment using the equity method.

The Group	**31 December 2018 $'000**	31 December 2017 $'000	1 January 2017 $'000
Unquoted equity investments	**12**	–	–

Details of the Group's joint venture at the end of the reporting period is as follows:

Name	Country of incorporation/ principal place of business	Ownership interest			Principal activities
		31 December 2018 %	31 December 2017 %	1 January 2017 %	
Sweet Sense Inc	United States of America	**50**	–	–	Development and commercialisation of Laetose (Dormant)

Equity ownership in joint venture is held indirectly by its subsidiary, Biolife Sugar, Inc.

The joint venture is accounted for using the equity method in these financial statements.

The following summarises the carrying amount of interest in and share of loss of the joint venture:

	2018 $'000
The Group's interest in net assets of the joint venture at beginning of year	**–**
Addition in investment	**74**
Share of loss of the joint venture, net of tax	**(62)**
Carrying amount of interest in the joint venture at end of year	**12**

The financials of the joint venture comprise mainly of cash and bank balances.

8 Trade and other receivables

	The Group			The Company		
	31 December 2018 $'000	31 December 2017 $'000	1 January 2017 $'000	**31 December 2018 $'000**	31 December 2017 $'000	1 January 2017 $'000
Trade receivables	**256**	741	108	**–**	–	–
Other receivables	**968**	495	78	**–**	78	19
	1,224	1,236	186	**–**	78	19
Amounts due from subsidiaries (non-trade)	**–**	–	–	**50,003**	59,504	48,769
	1,224	1,236	186	**50,003**	59,582	48,788
Refundable deposits	**168**	348	128	**102**	31	103
	1,392	1,584	314	**50,105**	59,613	48,891

Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 60 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Refundable deposits

Included in refundable deposits are interest bearing cash amount of $78,000 (2017 - $32,000; 1 January 2017 - $78,000) held by a security house as collateral for margin securities trading as well as a deposit placed related to office rental amounting to $88,000 (2017 - $299,000; 1 January 2017 - $50,000).

Amounts due from subsidiaries

Amounts due from subsidiaries are unsecured, repayable on demand and are to be settled in cash. Included in the amounts due from subsidiaries is an amount of $48,524,000 (2017 - $49,728,000; 1 January 2017 - $48,061,000) which bears interest at 5% (2017 - 5%; 1 January 2017 – 18%) per annum and is denominated in USD.

8 Trade and other receivables (Cont'd)

Receivables that are impaired

The Group's trade and other receivables that are impaired at the end of the reporting period and the movement of allowance used to record the impairment are as follows:

The Group	**31 December 2018 $'000**	31 December 2017 $'000	1 January 2017 $'000
Trade and other receivables	**1,392**	17,962	16,799
Less: Allowance for impairment	**–**	(16,378)	(16,485)
	1,392	1,584	314

	2018 $'000	2017 $'000
Movement in allowance accounts:		
At 1 January	**16,378**	16,485
Write off for the year	**(16,378)**	–
Reversal for the year	**–**	(107)
At 31 December	**–**	16,378

The Group has provided an impairment allowance of $16,378,000 and $16,485,000 in relation to trade receivables pertaining to a discontinued operation as at 31 December 2017 and 1 January 2017 respectively.

The trade receivables were written off in 2018 as a result of the debts being deemed irrecoverable.

Impairment in amounts due from subsidiaries

As at the reporting date, the management carried out a review of the recoverable amount of the amounts extended to its subsidiaries to determine if the amount of impairment allowance at year end is adequate. For amounts due from subsidiaries which are repayable on demand, expected credit losses are based on the assumption that repayment of these amounts due from subsidiaries is demanded at the reporting date. Based on management's assessment, the amounts owing from certain subsidiaries could not be repaid if demanded at the reporting date after considering the accessible highly liquid assets of these subsidiaries. Accordingly, management have made an impairment loss of $13,055,000 (2017: $1,112,000; 1 January 2017: $3,000,000) on the amounts due from the subsidiaries.

The Company	**31 December 2018 $'000**	31 December 2017 $'000	1 January 2017 $'000
Other receivables	**102**	109	122
Amount due from subsidiaries (non-trade)	**75,053**	71,499	59,652
Less: Allowance for impairment	**(25,050)**	(11,995)	(10,883)
	50,105	59,613	48,891

	2018 $'000	2017 $'000
Movement in allowance accounts:		
At 1 January	**11,995**	10,883
Charge for the year	**13,055**	1,112
At 31 December	**25,050**	11,995

9 Properties under development

The Group	**31 December 2018 $'000**	31 December 2017 $'000	1 January 2017 $'000
At cost:			
Freehold land	**26,363**	32,738	37,218
Development costs	**29,749**	36,095	32,751
	56,112	68,833	69,969
At net realisable value:			
Freehold land	**471**	511	757
Development costs	**272**	280	372
	743	791	1,129
	56,855	69,624	71,098

As at 31 December 2018, the carrying amount of properties under development held under charge for loan and borrowings (Note 15) is $30,000,000 (2017 - $38,560,000; 1 January 2017 - $71,098,000).

During the current financial year, borrowing costs of $335,000 (2017 - $1,347,888; 1 January 2017 - $4,753,000) arising from borrowings obtained specifically for the properties under development were capitalised under “Development costs”.

A write down on properties under development of $Nil (2017 – reversal of write down of properties under development of $218,000; 1 January 2017 – write down of properties under development of $642,000) upon sale of the property was recognised in “Other operating income” (Note 17) and “Other operating expenses” (Note 18) respectively.

10 Properties for sale

The Group	**31 December 2018 $'000**	31 December 2017 $'000	1 January 2017 $'000
Balance sheet:			
At cost	**186**	182	1,023
At net realisable value	**–**	–	979
	186	182	2,002

	2018 $'000	2017 $'000
Consolidated statement of comprehensive income:		
Recognised as an expense in cost of sales	**–**	1,288

An impairment loss of $Nil (2017 - $Nil; 1 January 2017 -$40,000) representing the write-down of these properties for sale to the net realisable value was recognised in “Other operating expenses” (Note 18) in profit or loss.

11 Investment securities

	The Group			The Company		
	31 December 2018 $'000	31 December 2017 $'000	1 January 2017 $'000	**31 December 2018 $'000**	31 December 2017 $'000	1 January 2017 $'000
Held for trading investments -						
Quoted equity securities (Note 32)	**1,066**	4,995	311	**21**	21	21

12 Derivative assets

	31 December 2018		31 December 2017		1 January 2017	
The Group	**Assets $'000**	**Liabilities $'000**	Assets $'000	Liabilities $'000	Assets $'000	Liabilities $'000
Convertible promissory note (Note 32)	–	–	–	–	763	–
Warrants (Note 32)	–	–	–	–	22	–
Total derivatives	–	–	–	–	785	–

Convertible promissory note

On 18 October 2016, the Company's wholly-owned Hong Kong subsidiary, BMI Capital Partners International Limited ("BMI") was issued an interest-free convertible promissory note with a principal amount of US$500,000 (equivalent to $724,000) by Amarantus Bioscience Holdings Inc. ("Amarantus"), a company listed on the USA OTC market (OTCQX), as consideration for consulting services provided to Amarantus. The fair value of the note as at 31 December 2016 was $763,000, calculated using the binomial model incorporating market observable parameters at the date of valuation. The net fair value gain on the note amounting to $39,000 was recognised in profit or loss. During the year 2017, the note was converted into common stock in Amarantus at a conversion price of US$0.025 per share. Subsequent to the conversion, the investment was designated as held for trading financial assets at fair value through profit or loss.

Warrants

On 29 December 2016, BMI entered into a Common Stock Purchase Warrant agreement with Document Security System, Inc. ("DSS"), a company listed on the New York Stock Exchange, to purchase 200,000 warrants. The warrants shall entitle BMI to subscribe for and purchase up to 200,000 shares of DSS common stock at an exercise price of US$1.00 (equivalent to $1.45) per common stock, at any time on or after 29 December 2016 ("Initial Exercise Date") up till the third year anniversary of the Initial Exercise Date. The fair value of the warrants is calculated using the Black-Scholes model incorporating market observable parameters, and amounted to $22,000 as at the end of 2016. During the financial year ended 2017, BMI exercised its rights under the agreement and acquired 200,000 shares of DSS common stocks for a consideration of US$140,540 (equivalent to $180,000).

13 Cash and short-term deposits

	The Group			The Company		
	31 December 2018 $'000	31 December 2017 $'000	1 January 2017 $'000	**31 December 2018 $'000**	31 December 2017 $'000	1 January 2017 $'000
Cash and cash equivalents	**2,053**	1,708	3,885	**227**	408	1,377
Bank deposits pledged	**5,235**	3,528	3,816	**–**	–	–
Cash and short-term deposits	**7,288**	5,236	7,701	**227**	408	1,377

The bank deposits pledged amounting to US$2.6 million (equivalent of S$3.5 million) relates to deposits pledged as a security for bank facilities (Note 15). The bank deposits pledged amounting to US$1.2 million (equivalent of S$1.6 million) relates to a deposit placed in escrow for the performance of certain works in relation to the Black Oak project in US.

Cash and short-term deposits earn interest at floating rates based on daily bank deposit rates. The weighted average effective interest rates for the Group and the Company were 2.4% (2017 - 2.4%; 1 January 2017 – 1.26%) and Nil% (2017 – Nil%; 1 January 2017 – Nil%) respectively.

Cash and short-term deposits denominated in foreign currency are as follows:

	The Group			The Company		
	31 December 2018 $'000	31 December 2017 $'000	1 January 2017 $'000	**31 December 2018 $'000**	31 December 2017 $'000	1 January 2017 $'000
United States dollar	**6,650**	4,755	1,358	**127**	134	71

14 Share capital and other reserves

Share capital The Group and The Company	**31 December 2018** **No. of shares**	31 December 2017 No. of shares	**31 December 2018** **$'000**	31 December 2017 $'000
Issued and fully paid with no par value:				
At 1 January	**1,101,456**	569,862	**102,425**	81,286
Issuance of new ordinary shares pursuant to private placement	–	–	–	–
Issuance of new ordinary shares pursuant to exercise of 2017 warrants	–	158,739	–	6,350
Issuance of new ordinary shares pursuant to conversion of HBD loan (Note15)	–	372,855	–	14,914
Share issuance expense	–	–	–	(125)
At 31 December	**1,101,456**	1,101,456	**102,425**	102,425

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

The Company has an employee share option plan under which options to subscribe for the Company's ordinary shares have been granted to certain directors.

Other reserves

(a) Capital reserve

This represents the "day one" difference on the interest-free loans given by a shareholder. Capital reserve also comprises of the difference between consideration paid or received and the adjustment to non-controlling interest arising from changes in the Group's equity interest in subsidiaries that do not result in a loss of control which are accounted for as transaction with owners.

(b) Merger reserve

This represents the difference between the consideration paid by the Group and the share capital of the investment in Heng Fai Asset Management Pte. Ltd. under a common control arrangement.

(c) Employee share option reserve

Employee share option reserve represents the equity-settled share options granted to employees (Note 23). The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options, and is reduced by the expiry, forfeiture or exercise of the share options.

(d) Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

15 Loans and borrowings

		The Group			The Company		
		31 December 2018	31 December 2017	1 January 2017	**31 December 2018**	31 December 2017	1 January 2017
	Maturity	**$'000**	$'000	$'000	**$'000**	$'000	$'000
Current							
Floating rate USD loan	2019	**19**	10,871	10,453	**–**	–	–
Fixed rate USD loan	2017	**–**	–	8,687	**–**	–	–
Interest-free USD loan	2017	**–**	–	15,202	**–**	–	15,202
Floating rate AUD loan	2019	**216**	234	661	**–**	–	–
Corporate bonds	2019	**1,986**	–	–	**–**	–	–
		2,221	11,105	35,003	**–**	–	15,202
Non-current							
Corporate bonds	2019	**–**	1,884	1,968	**–**	–	–
		–	1,884	1,968	**–**	–	–
Total loans and borrowings (Note 16)		**2,221**	12,989	36,971	**–**	–	15,202

<u>Floating rate USD loan</u>

The Group obtained a US$11.0 million construction loan facility which was secured by a lien over the properties under development (Note 9) and a cash deposit of US$2.6 million (equivalent to $3.5 million) (Note 13) and is repayable in full before 31 December 2019. The revolving facility has a cumulative loan advance limit of US$26.0 million. The interest rate is based on one month LIBOR + 380 basis points adjusted monthly during the loan term until maturity, with a floor interest rate of 4.5% per annum.

As of 31 December 2018, US$14,000 (2017:US$8.1 million; 1 January 2017: US$7.2 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 but limited to the outstanding loan balances. The Group is required to repay an accumulative loan balance of US$4.1 million, US$13.8 million and US$23.0 million by 31 March 2018, 31 December 2018 and 30 June 2019 respectively. The loan was substantially repaid in 2018 using the proceeds from the sale of development properties during the year.

<u>Fixed rate USD loan</u>

This relates to a short-term construction loan from a private equity fund. The lender had disbursed the funds directly to the Group or contractor for the purpose of paying the cost and expense in relation to the properties under development. The loan bears a fixed interest rate of 13% per annum and the Group had obtained a loan extension up till 1 October 2017 with an option to extend for an additional 6 months. The loan had been fully repaid in 2017.

15 Loans and borrowings (Cont'd)

Interest-free USD loan

During the financial year ended 2015, a US$15.0 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 the end of 2015, US$10.5 million (equivalent to $15.2 million) was drawn down to finance a land purchase by a subsidiary. The loan facility is unsecured, repayable upon demand and interest-free. In 2016, this loan was assigned from the subsidiary to the Company with its maturity date extended to 31 December 2017. In 2017, the entire HBD loan of US$10.5 million (equivalent to $14,914,000) was converted into 372,855,000 ordinary shares (Note 14) of the Company at an issue price of $0.04 per share.

Floating rate AUD loan

The loan is secured by a charge over the freehold land classified in properties under development (Note 9) as well as a deposit pledged (Note 13). This loan is denominated in AUD and is guaranteed by one of the directors of SeD Perth Pty Ltd. The interest rate is based on the weighted average interest rates applicable to each of the Business Markets Facility Components which ranges from 6.03% to 6.35% (2017: 5.55% to 6.06%; 1 January 2017: 5.46% to 5.90%) per annum. The loan was renegotiated to be repayable on 31 March 2020. As the loan extension was granted subsequent to the reporting period, the balance has been classified under current liabilities as at 31 December 2018.

Corporate bonds

In November 2016, the Company through a subsidiary incorporated in Hong Kong issued three 8% US$500,000 corporate bonds with a 3-year maturity to external parties. The Group recognised the corporate bonds net of transaction costs amounting to $0.2 million. SeD Home Inc. and Mr Chan Heng Fai agreed to guarantee the principal amount of the corporate bonds for a period of 3 years from the issue date up to US$10.0 million and US$5.0 million respectively.

16 Trade and other payables

	The Group			The Company		
	31 December 2018 $'000	31 December 2017 $'000	1 January 2017 $'000	**31 December 2018 $'000**	31 December 2017 $'000	1 January 2017 $'000
Trade payables	**2,839**	910	813	**27**	59	24
Other payables	**897**	434	160	**–**	25	98
Contract liabilities	**–**	–	724	**–**	–	–
Amount due to a director (non-trade)	**12,565**	9,872	27	**12,068**	9,818	–
Accrued payroll expenses	**292**	241	602	**283**	174	318
Accrued interest expenses	**–**	56	40	**–**	–	–
Withholding tax payable	**3,959**	3,286	2,661	**2,375**	1,750	1,163
Consultancy fee payable	**727**	308	–	**–**	–	–
Royalty payable	**58**	28	–	**–**	–	–
Commission payable	**331**	217	–	**–**	–	–
Accrued professional fees	**179**	371	614	**96**	96	180
Deposit received	**5,290**	7,161	8,542	**–**	–	–
Other accruals	**1,312**	1,261	1,155	**21**	60	–
Trade and other payables	**28,449**	24,145	15,338	**14,870**	11,982	1,783
Loans and borrowings (Note 15)	**2,221**	12,989	36,971	**–**	–	15,202
Deposit received	**(5,290)**	(7,161)	(8,542)	**–**	–	–
Contract liabilities	**–**	–	(724)	**–**	–	–
Total financial liabilities at amortised cost	**25,380**	29,973	43,043	**14,870**	11,982	16,985

Trade and other payables

These amounts are non-interest bearing. Trade and other payables are normally settled on 60 to 90 days' terms.

Withholding tax payable

Withholding tax is payable to the tax authorities in the United States of America ("USA") on USA sourced intercompany interest income from a USA incorporated subsidiary, SeD Home International, Inc.

Contract liabilities

In 2016, deferred revenue relates to consideration received in the form of an interest-free convertible promissory note (Note 12) for consulting services that have yet to be rendered as at 31 December 2016. The note was converted into common stocks in Amarantus and a corresponding recognition of revenue in respect of the consulting services rendered in 2017.

Deposits received

Deposits received is non-refundable and pertains to down payments received from customers and will be offset against sales proceeds.

16 Trade and other payables (Cont'd)

Amount due to a director

With effect from 1 January 2018, the Company and Mr. Chan Heng Fai have agreed to designate the amount due to Mr Chan Heng Fai as interest bearing i.e. 6% per annum for a maximum loan facility of $14 million. As at 31 December 2018, $11.43 million of the loan facility has been drawn down and $0.64 million interest expense has been accrued. The loan is unsecured and repayable on 31 December 2019.

Trade and other payables denominated in foreign currency are as follows:

	The Group			**The Company**		
	31 December 2018 $'000	31 December 2017 $'000	1 January 2017 $'000	**31 December 2018 $'000**	31 December 2017 $'000	1 January 2017 $'000
United States Dollar	**2,811**	1,238	26	**–**	–	–

17 Other operating income

The Group	Note	**2018 $'000**	2017 $'000
Net unrealised foreign exchange gain		**920**	–
Reversal of previous write down on properties under development upon sale	9	**–**	218
Net fair value gain on financial instruments held for trading		**–**	3,901
Reversal of impairment loss on trade and other receivables	8	**–**	107
Others		**575**	57
		1,495	4,283

18 Other operating expenses

The Group	Note	**2018 $'000**	2017 $'000
Net unrealised foreign exchange loss		**–**	3,771
Goodwill written off	6(e)	**–**	147
Withholding tax expenses		**673**	625
Net fair value loss on financial instruments held for trading		**3,979**	–
Others		**15**	9
		4,667	4,552

19 Finance income

The Group	**2018 $'000**	2017 $'000
Interest income	**44**	39

20 Finance costs

The Group	2018 $'000	2017 $'000
Interest expense from loans and borrowings	**804**	165

21 Loss before taxation

The following items have been included in arriving at loss before taxation:

The Group	Note	2018 $'000	2017 $'000
Audit fees:			
- Auditors of the Company		**227**	220
- Other auditors		**88**	90
Depreciation of property, plant and equipment	4	**48**	68
Staff salaries and related costs	22	**2,530**	3,298
Legal and other professional fees		**2,791**	2,919
Consultancy fees paid/payable to a family member of a director		**110**	–
Operating lease expenses		**441**	382
Loss on disposal of property, plant and equipment		**8**	–

22 Staff salaries and related costs

	2018 $'000	2017 $'000
Directors' remuneration		
- salaries and other related costs	**337**	970
- director's fee	**155**	151
- CPF contribution	**12**	43
	504	1,164
Key management personnel (other than directors)		
- salaries and other related costs	**393**	566
- CPF contribution	**21**	23
	414	589
Other than directors and key management personnel		
- salaries and other related costs	**1,300**	1,432
- CPF contribution	**312**	113
	1,612	1,545
	2,530	3,298

23 Employee benefits (including directors)

Share option plans

Singapore eDevelopment Limited Stock Option Scheme (the "Scheme")

The Scheme was approved by the members of the Company at an Extraordinary General Meeting held on 20 November 2013. The Scheme is administered by the Company's Remuneration Committee.

The members of the Remuneration Committee as at the date of this report are as follows:

Wong Shui Yeung (Chairman)
Wong Tat Keung (Member)
Chan King Fai (Member)

Other information regarding the Scheme is as follows:

- Employees, Executive Directors, and Non-Executive Directors (including the Independent Directors) of the Group. Including those who may be Controlling Shareholders, shall be eligible to participate in the Scheme.
- The subscription price of the option may be set at a price equal to the average of the closing market prices of the Company's share over a period of five (5) consecutive market days immediately prior to the relevant date of grant ("Market Price") or at a discount of up to 50% of Market Price.
- Options granted at Market Price may be exercised in whole or in part after 12 months from the relevant date of grant and options granted at a discount may only be exercised after 24 months from the relevant date of grant.
- All options expire after 5 years, from the date of grant, for Non-Executive Directors (including Independent Directors) and 10 years for Executive Directors and employees of the Company and its subsidiaries.
- Options shall be forfeited if the option holder ceases to be an employee or director of the Company or its subsidiaries.

The Group does not have a past practice of cash settlement for these share options. There has been no cancellation or modification to the Scheme during the current financial year.

Movement of share options during the financial year

The following table illustrates the number ("No.") and weighted average exercise prices ("WAEP") of, and movements in, share options during the year:

	31 December 2018		31 December 2017		1 January 2017	
	No.	**WAEP**	No.	WAEP	No.	WAEP
Outstanding at 1 January	**1,592,000**	**0.12**	2,918,667	0.12	3,714,667	0.12
- Forfeited	**(530,667)**	**0.12**	(1,326,667)	0.12	(796,000)	0.12
Outstanding at 31 December	**1,061,333**	**0.12**	1,592,000	0.12	2,918,667	0.12

The range of exercise price for options outstanding at the end of the year was $0.12 (2017 - $0.12; 1 January 2017 - $0.12). The weighted average remaining contractual life for these options is 5 years (2017 - 4.34 years; 1 January 2017 – 4.09 years)

23 Employee benefits (including directors) (Cont'd)

Fair value of share options granted

The fair value of the share options granted under the Scheme is estimated at the grant date using a Black-Scholes option pricing model, taking into account the terms and conditions upon which the share options were granted.

There have been no share options granted in the current and previous financial year.

24 Income tax

The Group	**2018 $'000**	2017 $'000
Current taxation	**–**	–
Overprovision of prior year tax	**–**	(809)
Income tax expense/(credit)	**–**	(809)

Reconciliation of effective tax rate

The Group	**2018 $'000**	2017 $'000
Loss before taxation	**(8,288)**	(7,199)
Tax at statutory rate of different tax jurisdiction	**(879)**	(2,420)
Tax effect on non-deductible expenses	**860**	1,646
Tax effect on non-taxable income	**(156)**	(866)
Effect of partial tax exemption and tax relief	**(9)**	–
Deferred tax benefits on tax losses not recognised	**688**	1,642
Utilisation of deferred tax assets previously not recognised	**(504)**	(2)
Overprovision of prior year tax	**–**	(809)
	–	(809)

As at 31 December 2018, the Group has unutilised tax losses amounting to approximately $19,214,000 (31 December 2017 – $16,103,000; 1 January 2017 - $9,602,000) that are available for offset against future taxable profits, subject to the agreement of the tax authorities and compliance with the relevant provisions. The deferred tax assets arising from these unutilised tax losses has not been recognised because it is not probable that future taxable profits will be available against which the Group can utilise the tax losses.

Non-deductible expenses relate mainly to losses from those subsidiary entities principally engaged in investment holding activities where such losses cannot be carried forward for utilisation against future taxable profits, subsidiary entities that did not generate any revenue and hence with losses that are not revenue in nature and fair value losses of financial assets at fair value through profit or loss which are capital in nature.

Non-taxable income mainly arises from the fair value gain of financial assets at fair value through profit or loss which are capital in nature.

25 Loss per share

Loss per share computation

The basic and diluted loss per share are calculated by dividing the loss for the year attributable to owners of the Company by the weighted average number of ordinary shares for basic and diluted loss per share computation.

The Group	**2018** **$'000**	2017 $'000
Loss for the year attributable to owners of the Company	**(7,579)**	(5,377)
Weighted average number of ordinary shares for basic/diluted earnings per share computation ('000)	**1,101,456**	974,657
Basic and diluted loss per share (cents per share)	**(0.7)**	(0.6)

There is no dilutive effect from the Scheme outstanding warrants and share options as they are anti-dilutive. Accordingly, the diluted loss per share was equivalent to the basic loss per share.

26 Operating lease commitments (non-cancellable)

The Group has entered into commercial leases relating to the rental of office premises. These leases have tenure of between one and three years with a renewal option. The Group is restricted from subleasing the office premises to third parties without prior written consent of the landlord. Future minimum lease payments under the operating lease at the end of the reporting period are as follows:

The Group	**31 December 2018 $'000**	31 December 2017 $'000	1 January 2017 $'000
Not later than one year	**286**	360	231
Later than one year and not later than five years	**200**	347	424
Later than five years	**–**	–	–
	486	707	655

Minimum lease payments recognised as an expense in profit or loss for the financial year ended 31 December 2018 amounted to $441,000 (2017 - $382,000) (Note 21).

27 Corporate guarantees

The Group and the Company have provided the following guarantees as at the end of the reporting period:

1. Corporate indemnities on performance bonds for various projects of $110,000 (2017 - $150,000; 1 January 2017 - $506,000)

2. As at 31 December 2018, the Group has provided guarantees for principal sum of up to $13,600,000 (2017 - $13,400,000; 1 January 2017 - $14,500,000) in relation to corporate bonds issued by a subsidiary to external parties.

Management is of the opinion that the fair value of the above corporate guarantees is insignificant as the Group has the ability to generate sufficient cash flows from their operation to repay the borrowings.

28 Operating segments

For management purposes, the Group is organised into business units based on their products and services, and has four reportable operating segments as follows:

(a) Property development, which includes actively acting as a developer for property projects and investing in property development projects;

(b) Information technology business which are involved in IT hardware and software research and development, and other businesses providing IT-related services to end-users, service providers and other commercial users via multiple platforms;

(c) Investment business, which includes trading of quoted securities, commodities and other derivatives and financial products; investing in quoted and unquoted securities on various aspects of investments ranging from pre-initial public offer investment, various forms of capital in companies and funds with potential of business growth and trade sale; undertaking business in incubation and angel investment; and provision of corporate strategy and business development advisory services; and

(d) Biomedical business, which includes the development, research, testing, manufacturing, licencing and distribution of biomedical products.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Management reviews the results of the segment using segment gross profit or loss.

28 Operating segments (Cont'd)

	Operating segments								Non-operating segments					
	Property Development		Investment Business		Information Technology Business		Biomedical Business		Corporate and others		Elimination		Total	
	2018	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Revenue and other operating income	**23,298**	10,006	**44**	736	**200**	155	**3,380**	4,111	**–**	–	**–**	–	**26,922**	15,008
Segment result														
Segment profit/(loss) from operation	**2,810**	21	**(2,340)**	2,817	**(650)**	(638)	**(3,115)**	(2,447)	**(4,233)**	(6,826)	**–**	–	**(7,528)**	(7,073)
Finance income	**44**	39	**–**	119	**–**	–	**–**	–	**2,083**	2,082	**(2,083)**	(2,201)	**44**	39
Finance expenses	**–**	–	**(804)**	(165)	**–**	–	**–**	–	**–**	–	**–**	–	**(804)**	(165)
Net Profit/(loss) before tax	**2,854**	60	**(3,144)**	2,771	**(650)**	(638)	**(3,115)**	(2,447)	**(2,150)**	(4,744)	**(2,083)**	(2,201)	**(8,288)**	(7,199)
Income tax credit	**–**	–	**–**	–	**–**	–	**–**	–	**–**	809	**–**	–	**–**	809
Net Profit/(loss) for the year	**2,854**	60	**(3,144)**	2,771	**(650)**	(638)	**(3,115)**	(2,447)	**(2,150)**	(3,935)	**(2,083)**	(2,201)	**(8,288)**	(6,390)
Additions of plant and equipment	**4**	10	**36**	14	**2**	–	**–**	–	**–**	12	**–**	–	**42**	36
Depreciation of plant and equipment	**22**	28	**14**	16	**4**	3	**–**	–	**8**	21	**–**	–	**48**	68
Goodwill written off	**–**	–		–		–		147		–		–	**–**	147
Loss on disposal of property, plant and equipment	**–**	–	**–**	–	**8**	–	**–**	–	**–**	–	**–**	–	**8**	–
Reversal of property under development	**–**	(218)	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	(218)
Net fair value loss/(gain) in investment securities	**–**	–	**3,979**	(3,901)	**–**	–	**–**	–	**–**	–	**–**	–	**3,979**	(3,901)
Unrealised (gain)/loss	**–**	–	**(62)**	217	**59**	159	**(40)**	34	**(877)**	3,361	**–**	–	**(920)**	3,771
Finance income	**(44)**	(39)	**(180)**	(119)	**–**	–	**–**	–	**(2,208)**	(2,082)	**2,388**	2,201	**(44)**	(39)
Finance expense	**–**	–	**161**	165	**–**	–	**–**	–	**643**	–	**–**	–	**804**	165

28 Operating segments (Cont'd)

Other information

	Operating segments				Non-operating segments		
	Property Development $'000	Investment Business $'000	Information Technology Business $'000	Biomedical Business $'000	Corporate and others $'000	Elimination $'000	Total $'000
Consolidated segment assets							
31 December 2018	**70,734**	**4,429**	**246**	**1,285**	**57,977**	**(66,887)**	**67,784**
31 December 2017	80,475	8,304	461	861	67,398	(74,979)	82,520
1 January 2017	77,176	1,265	76	–	4,084	–	82,601
Consolidated segment liabilities							
31 December 2018	**67,268**	**8,389**	**1,874**	**6,964**	**24,725**	**(78,550)**	**30,670**
31 December 2017	78,853	6,651	1,387	3,365	21,664	(74,766)	37,134
1 January 2017	30,680	786	363	–	21,289	–	53,118

Geographical segment

The following table presents revenue and total non-current assets information based on the geographical location of customers and assets:

The Group	Singapore $'000	Australia $'000	People's Republic of China* $'000	United States of America $'000	Total $'000
31 December 2018					
Revenue	**44**	**–**	**200**	**26,678**	**26,922**
Non-current assets	**506**	**–**	**2**	**92**	**600**
31 December 2017					
Revenue	52	444	839	13,673	15,008
Non-current assets	435	–	101	108	644
1 January 2017					
Non-current assets	23	–	133	41	197

* Hong Kong is included in the People's Republic of China

Non-current assets information presented above consist of property, plant and equipment as presented in the consolidated balance sheets.

There are two major customers (2017: one major customer) contributing revenue which is greater than 10% of the total revenue for the current financial year.

29 Related party transactions

During the current financial year, in addition to the related party information disclosed elsewhere in the financial statements, the Group had the following transactions with related parties, on terms agreed between the respective parties:

(a) Personal guarantees by directors (Note 15)

As at 31 December 2018, certain directors of the Group have provided personal guarantees amounting to approximately $7,400,000 (2017 - $7,300,000) to secure external loans and borrowings from financial institutions for the Group.

(b) Compensation of key management personnel (Note 23)

Directors' interests in employee share option plan

During the financial year, 530,667 (2017 - 1,326,667) share options were forfeited due to the expiration of the share options. At the end of the reporting period, the total number of outstanding share options granted by the Company to the directors' amount to 1,061,333 (2017 - 1,592,000).

(c) Amount due to a director (non-trade) (Note 16)

As at 31 December 2018, a director of the Company has provided an advance to the Group amounting to $11,430,000 (2017 - $9,872,000) for general operating activities.

(d) Purchase of subsidiary from a director (Note 6(f))

In the last financial year ended 31 December 2017, SeD Capital Pte. Ltd., a wholly-owned subsidiary of the Group, entered into an agreement with Mr Chan Heng Fai, to acquire 100% of the issued and paid-up share capital of a subsidiary, Hengfai Asset Management Pte. Ltd.

(e) Interest bearing loan from a director (Note 16)

Interest expense of $0.64 million due to Mr Chan Heng Fai was accrued for in 2018 in respect of a principal loan of $11.43 million.

30 Financial risk management

The Company's and the Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise adverse effects from the unpredictability of financial markets on the Company's and the Group's financial performance. The Company and the Group are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks included credit risk, liquidity risk, interest rate risk, foreign currency risk and market price risk. The Board of Directors reviews and agrees policies and procedures for the management of these risks.

There has been no change to the Company's and the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

The Group does not hold or issue derivative financial instruments for trading purposes or to hedge against fluctuations, if any, in interest rates and foreign exchange.

30 Financial risk management (Cont'd)

The carrying amounts of financial assets and financial liabilities at the reporting date are as follows:

The Group	31 December 2018 $'000	31 December 2017 $'000	1 January 2017 $'000
Financial assets at fair value through profit or loss			
Held for trading financial assets – Investment securities (quoted)	**1,066**	4,995	311
Derivative – Convertible promissory notes	**–**	–	763
Warrants	**–**	–	22
	1,066	4,995	1,096
Financial assets at amortised cost			
Trade and other receivables	**1,392**	1,584	314
Cash and short-term deposits	**7,288**	5,236	7,701
	8,680	6,820	8,015
Financial assets at fair value through OCI			
Equity instruments at FVOCI	**445**	–	–
Available-for-sale – financial asset	**–**	490	–
	445	490	–
Financial liabilities at amortised cost			
Trade and other payables*	**23,159**	16,984	6,072
Loans and borrowings	**2,221**	12,989	36,971
	25,380	29,973	43,043

* exclude deposits received and contract labilities

The Company	31 December 2018 $'000	31 December 2017 $'000	1 January 2017 $'000
Financial assets at amortised cost			
Trade and other receivables	**50,105**	59,613	48,891
Cash and short-term deposits	**227**	408	1,377
	50,332	60,021	50,268
Financial liabilities at amortised cost			
Trade and other payables	**14,870**	11,982	1,783
Loans and borrowings	**–**	–	15,202
	14,870	11,982	16,985

30 Financial risk management (Cont'd)

30.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from their floating rate loans and borrowings.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points (bp) in interest rates on variable rate borrowings at the reporting date would have increased/decreased loss before tax and equity by the amounts shown below.

The magnitude represents management's assessment of the likely movement in interest rates under normal economic conditions. This analysis has not taken into account the associated tax effects and assumes that all other variables, in particular foreign currency rates, remain constant and has not taken into account the effects of qualifying borrowing costs allowed for capitalisation as part of properties under development or properties for sale.

The Group	**Loss before tax Increase/(Decrease)**		**Equity (Decrease)/Increase**	
	(100 bp increase) $'000	**(100 bp decrease) $'000**	**(100 bp increase) $'000**	**(100 bp decrease) $'000**
At 31 December 2018				
Floating rate loans and borrowings	**2**	**(2)**	**(2)**	2
At 31 December 2017				
Floating rate loans and borrowings	111	(111)	(111)	111
At 1 January 2017				
Floating rate loans and borrowings	111	(111)	(111)	111

30 Financial risk management (Cont'd)

30.2 Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are denominated in foreign currencies.

The Group is exposed to currency risk on financial assets and financial liabilities that are denominated in a currency other than the respective functional currencies of Group entities. The currency is primarily the United States dollar (USD).

The Group does not use derivative financial instruments to protect against the volatility associated with foreign currency transactions. Exposure to foreign currency risk is monitored on an on-going basis and the Group endeavours to keep the net exposure at an acceptable level.

The Group	USD $'000	Total $'000
At 31 December 2018		
Financial assets		
Cash and cash equivalents	**248**	**248**
Investment securities	**1,066**	**1,066**
	1,314	**1,314**
Financial liabilities		
Trade and other payables*	**–**	**–**
Corporate bonds	**1,986**	**1,986**
	1,986	**1,986**
Net financial liabilities	**(672)**	**(672)**
At 31 December 2017		
Financial assets		
Cash and cash equivalents	210	210
Investment securities	4,995	4,995
	5,205	5,205
Financial liabilities		
Trade and other payables*	210	210
Corporate bonds	1,884	1,884
	2,094	2,094
Net financial assets	3,111	3,111
At 1 January 2017		
Financial assets		
Cash and cash equivalents	1,212	1,212
Investment securities	311	311
Derivative assets	785	785
	2,308	2,308
Financial liabilities		
Trade and other payables*	1,212	1,212
Corporate bonds	1,968	1,968
	3,180	3,180
Net financial liabilities	(872)	(872)

* exclude deposit received and contract liabilities.

30 Financial risk management (Cont'd)

30.2 Currency risk (Cont'd)

The Company	**USD $'000**	**Total $'000**
At 31 December 2018		
Financial assets		
Trade and other receivables	**48,524**	**48,524**
Cash and cash equivalents	**126**	**126**
	48,650	**48,650**
Financial liabilities		
Trade and other payables	**–**	**–**
	–	**–**
Net financial assets	**48,650**	**48,650**
At 31 December 2017		
Financial assets		
Trade and other receivables	55,877	55,877
Cash and cash equivalents	134	134
	56,011	56,011
Financial liabilities		
Trade and other payables	–	–
	–	–
Net financial assets	56,011	56,011
At 1 January 2017		
Financial assets		
Trade and other receivables	48,227	48,227
Cash and cash equivalents	71	71
	48,298	48,298
Financial liabilities		
Trade and other payables	–	–
	–	–
Net financial assets	48,298	48,298

30 Financial risk management (Cont'd)

30.2 Currency risk (Cont'd)

Sensitivity analysis for foreign currency risk

A 5% change in USD against the respective functional currencies of the Group entities at the reporting date would have changed loss before tax and equity by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. This analysis has not taken into account the associated tax effects and assumes that all other variables, in particular interest rates, remain constant.

	31 December 2018		31 December 2017		1 January 2017	
The Group	**Loss before tax**	**Equity**	Loss before tax	Equity	Loss before Tax	Equity
	$'000	**$'000**	$'000	$'000	$'000	$'000
	(Decrease)/Increase		(Decrease)/Increase		(Decrease)/Increase	
USD						
- strengthened 5% (2017 - 5%) against SGD	**34**	**(34)**	(156)	156	44	(44)
The Company						
USD						
- strengthened 5% (2017 - 5%) against SGD	**(2,432)**	**2,432**	(2,801)	2,801	(2,415)	2,415

A weakening of the USD against the respective functional currency of the Group entities at the reporting date would have had the equal but opposite effect on the above currency to the amounts shown above, on the basis that all other variables remain constant.

30.3 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. As part of its overall prudent liquidity management, the Group maintains sufficient level of cash to meet its working capital requirement.

30 Financial risk management (Cont'd)

30.3 Liquidity risk (Cont'd)

The table below analyses the maturity profile of the Company's and the Group's financial liabilities based on contractual undiscounted cash flows:

		← Contractual undiscounted cash flows →			
	Carrying amount $'000	**Total $'000**	**Less than 1 year $'000**	**Between 2 and 5 years $'000**	**Over 5 years $'000**
The Group					
As at 31 December 2018					
Trade and other payables*	**23,159**	**23,845**	**23,845**	**–**	**–**
Loans and borrowings	**2,221**	**2,457**	**2,457**	**–**	**–**
	25,380	**26,302**	**26,302**	**–**	**–**
As at 31 December 2017					
Trade and other payables*	16,984	16,984	16,984	–	–
Loans and borrowings	12,989	14,282	887	13,395	–
	29,973	31,266	17,871	13,395	–
As at 1 January 2017					
Trade and other payables*	6,072	6,072	6,072	–	–
Loans and borrowings	36,971	39,629	36,876	2,753	–
	43,043	45,701	42,948	2,753	–

* exclude deposits received and contract liabilities

		← Contractual undiscounted cash flows →			
	Carrying amount $'000	**Total $'000**	**Less than 1 year $'000**	**Between 2 and 5 years $'000**	**Over 5 years $'000**
The Company					
As at 31 December 2018					
Trade and other payables	**14,870**	**15,556**	**15,556**	**–**	**–**
	14,870	**15,556**	**15,556**	**–**	**–**
As at 31 December 2017					
Trade and other payables	11,982	11,982	11,982	–	–
	11,982	11,982	11,982	–	–
As at 1 January 2017					
Trade and other payables	1,783	1,783	1,783	–	–
Loans and borrowings	15,202	15,202	15,202	–	–
	16,985	16,985	16,985	–	–

30 Financial risk management (Cont'd)

30.3 Liquidity risk (Cont'd)

The table below shows the contractual expiry by maturity of the Group's and the Company's contingent liabilities and commitments. The maximum amount of the financial guarantee contracts are allocated to the earliest period in which the guarantee could be cancelled.

	1 year or less $'000	1 to 5 years $'000	Total $'000
The Group			
31 December 2018			
Financial guarantees (Note 27)	**110**	**13,600**	**13,710**
	110	**13,600**	**13,710**
31 December 2017			
Financial guarantees (Note 27)	150	13,400	13,550
	150	13,400	13,550
1 January 2017			
Financial guarantees (Note 27)	506	14,500	15,006
	506	14,500	15,006

At the reporting date, the Group does not consider it probable that a claim will be made against under the intragroup financial guarantees.

30.4 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the Group to incur a financial loss. The Group's exposure to credit risk arises primarily from trade and other receivables. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

The Group's objective is to seek continual growth while minimising losses incurred due to increased credit risk exposure.

Exposure to credit risk

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

Credit risk concentration profile

The Group determines its concentrations of credit risk by monitoring the country of its trade and other receivables on an ongoing basis.

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Group and Company.

30 Financial risk management (Cont'd)

30.4 Credit risk (Cont'd)

Financial assets that are past due but not impaired

There is no other class of financial assets that is past due but not impaired except for trade and other receivables.

Financial assets that are impaired

Information regarding financial assets that are impaired is disclosed in Note 8. Concentrations of credit risk exist when changes in economic, industry or geographic factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Group and the Company's total credit exposure. The Group determines its concentration of credit risk by monitoring its trade and other receivables on an ongoing basis. The maximum exposure to credit risk is represented by the carrying value of each financial assets at the reporting date.

Cash and cash equivalents

Cash is placed with financial institutions which are regulated and have good credit ratings. Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents is negligible.

The tables below detail the credit quality of the Group's and the Company's financial statements and other items, as well as maximum exposure to credit risk by credit risk rating grades:

The Group	**Internal credit rating**	**12-month/ Lifetime ECL**	**Gross carrying amount $'000**	**Loss allowance $'000**	**Net carrying amount $'000**
At 31 December 2018					
Trade and other receivables	**(1)**	**Lifetime ECL**	**1,392**	**–**	**1,392**

	Internal credit rating	12-month/ Lifetime ECL	Gross carrying amount $'000	Loss allowance $'000	Net carrying Amount $'000
At 31 December 2017					
Trade and other receivables	(1)	Lifetime ECL	17,962	(16,378)	1,584

	Internal credit rating	12-month/ Lifetime ECL	Gross carrying amount $'000	Loss allowance $'000	Net carrying Amount $'000
At 1 January 2017					
Trade and other receivables	(1)	Lifetime ECL	16,799	(16,485)	314

30 Financial risk management (Cont'd)

30.4 Credit risk (Cont'd)

The Company	**Internal credit rating**	**12-month/ Lifetime ECL**	**Gross carrying amount $'000**	**Loss allowance $'000**	**Net carrying Amount $'000**
At 31 December 2018					
Trade and other receivables	**(1)**	**Lifetime ECL**	**102**	**–**	**102**
Amounts due from subsidiaries (non-trade)	**(2)**	**12-month ECL**	**75,053**	**(25,050)**	**50,003**
			75,155	**(25,050)**	**50,105**

	Internal credit rating	12-month/ Lifetime ECL	Gross carrying amount $'000	Loss allowance $'000	Net carrying Amount $'000
At 31 December 2017					
Trade and other receivables	(1)	Lifetime ECL	109	–	109
Amounts due from subsidiaries (non-trade)	(2)	12-month ECL	71,499	(11,995)	59,504
			71,608	(11,995)	59,613

	Internal credit rating	12-month/ Lifetime ECL	Gross carrying Amount $'000	Loss allowance $'000	Net carrying amount $'000
At 1 January 2017					
Trade and other receivables	(1)	Lifetime ECL	122	–	122
Amounts due from subsidiaries (non-trade)	(2)	12-month ECL	59,652	(10,883)	48,769
			59,774	(10,883)	48,891

(1) Trade and other receivables

The Company and the Group applies the SFRS(I) 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for trade and other receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the historical credit loss experiences. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade receivables are written off when there is no reasonable expectation of recovery. Impairment losses on trade receivables are presented as net impairment losses within other operating expenses. Subsequent recoveries of amounts previously written off are credited to other operating income. The closing loss allowances for trade and other receivables as at the reporting date reconcile to the opening loss allowances are disclosed in Note 8.

30 Financial risk management (Cont'd)

30.4 Credit risk (Cont'd)

(2) Amounts due from subsidiaries

The use of loans and advances to assist with the subsidiaries' cash flow management is in line with the Group's capital management. In determining the ECL, management has taken into account the finances and business performance of the subsidiaries, and a forward-looking analysis of the financial performance of investments and projects undertaken by these subsidiaries. For the amounts due from subsidiaries which are repayable on demand, expected credit losses are determined based on the availability of accessible and highly liquid assets of the subsidiaries for repayment if they are demanded at the reporting date. There has been significant increase in the credit risk for certain amounts due from subsidiaries. The impairment assessment for ECL is disclosed in Note 8.

The following table provides information about the exposure to credit risk and ECLs for trade and other receivables as at:

The Group

31 December 2018	**Gross carrying amount $'000**	**Impairment loss allowance $'000**	**Net Carrying amount $'000**	**Credit impaired**
Current (not past due)	**–**	–	**–**	
1 – 30 days past due	**298**	–	**298**	No
31 – 60 days past due	**24**	–	**24**	No
Past due over 60 days	**1,070**	–	**1,070**	No
	1,392	**–**	**1,392**	

31 December 2017	**Gross carrying amount** $'000	**Impairment loss allowance** $'000	**Net Carrying amount** $'000	**Credit impaired**
Current (not past due)	–	–	–	
1 – 30 days past due	719	–	719	No
31 – 60 days past due	27	–	27	No
Past due over 60 days	17,216	(16,378)	838	Yes
	17,962	(16,378)	1,584	

1 January 2017	**Gross carrying amount** $'000	**Impairment loss allowance** $'000	**Net Carrying amount** $'000	**Credit impaired**
Current (not past due)	–	–	–	
1 – 30 days past due	70	–	70	No
31 – 60 days past due	–	–	–	No
Past due over 60 days	16,729	(16,485)	244	Yes
	16,799	(16,485)	314	

30 Financial risk management (Cont'd)

30.4 Credit risk (Cont'd)

The Company

31 December 2018	Gross carrying amount $'000	Impairment loss allowance $'000	Net Carrying amount $'000	Credit impaired
Current (not past due)	**–**	**–**	**–**	
1 – 30 days past due	**78**	**–**	**78**	No
31 – 60 days past due	**–**	**–**	**–**	No
Past due over 60 days	**24**	**–**	**24**	No
	102	**–**	**102**	

31 December 2017	Gross carrying amount $'000	Impairment loss allowance $'000	Net Carrying amount $'000	Credit impaired
Current (not past due)	–	–	–	
1 – 30 days past due	–	–	–	No
31 – 60 days past due	–	–	–	No
Past due over 60 days	109	109	109	No
	109	109	109	

1 January 2017	Gross carrying amount $'000	Impairment loss allowance $'000	Net Carrying amount $'000	Credit impaired
Current (not past due)	–	–	–	
1 – 30 days past due	–	–	–	No
31 – 60 days past due	–	–	–	No
Past due over 60 days	122	122	122	No
	122	122	122	

30.5 Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices. The Group is exposed to equity price risk arising from its quoted investment securities (Note 11). The fair value of these financial instruments are quoted from the market.

For investments classified as fair value through profit or loss, a 10% increase in the equity price at the reporting date would have increased profit or loss before tax by $105,000 (2017 - $500,000; 1 January 2017 - $31,000). Similarly, a decrease of 10% in equity price would have an equal but opposite effect.

31 Capital management

The Group's objectives when managing capital are:

(a) To safeguard the Group's ability to continue as a going concern;

(b) To support the Group's stability and growth;

(c) To provide capital for the purpose of strengthening the Group's risk management capability; and

(d) To provide an adequate return to shareholders.

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Group currently do not adopt any formal dividend policy.

Management monitors capital based on net gearing ratio. Net gearing ratio is calculated as net debt divided by total equity. Net debt is calculated as borrowings less cash and cash equivalents.

There were no changes in the Group's approach to capital management during the year.

The Group is not subject to externally imposed capital requirements other than as disclosed.

The Group	**31 December 2018 $'000**	31 December 2017 $'000	1 January 2017 $'000
Loans and borrowings	**(2,221)**	(12,989)	(36,971)
Total debts	**(2,221)**	(12,989)	(36,971)
Cash and cash equivalents	**2,053**	1,708	3,885
Net debt	**(168)**	(11,281)	(33,086)
Total equity	**37,114**	45,386	29,483
Gearing ratio	**0.01**	0.25	1.12

32 Fair value measurement

Definition of fair value

SFRS(I)s define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value hierarchy

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

(a) Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;

(b) Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

(c) Level 3 – Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

32 Fair value measurement (Cont'd)

Fair values of financial instruments

The following table shows the Levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis:

(a) Financial assets and liabilities measured at fair value

The Group	Note	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
31 December 2018					
Financial assets measured at fair value through profit or loss					
Held for trading financial assets					
- Investment securities (quoted)	11	**1,066**	**–**	**–**	**1,066**
Financial assets at FVOCI					
- Other investment	5	**–**	**–**	**445**	**445**
		1,066	**–**	**445**	**1,511**
31 December 2017					
Financial assets measured at fair value through profit or loss					
Held for trading financial assets					
- Investment securities (quoted)	11	4,995	–	–	4,995
Available-for-sale financial assets		–	–	–	–
- Other investment	5	–	–	490	490
		4,995	–	490	5,485
1 January 2017					
Financial assets measured at fair value through profit or loss					
Held for trading – financial assets					
- Investment securities (quoted)	11	311	–	–	311
- Convertible promissory note	12	–	763	–	763
- Warrants	12	–	22	–	22
		311	785	–	1,096

The Company	Note	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
31 December 2018					
Financial assets measured at fair value					
Held for trading financial assets					
- Investment securities (quoted)	11	**21**	**–**	**–**	**21**
31 December 2017					
Financial assets measured at fair value					
Held for trading financial assets					
- Investment securities (quoted)	11	21	–	–	21
1 January 2017					
Financial assets measured at fair value					
Held for trading financial assets					
- Investment securities (quoted)	11	21	–	–	21

32 Fair value measurement (Cont'd)

Fair values of financial instruments (Cont'd)

(a) Financial assets and liabilities measured at fair value (Cont'd)

Level 2 fair value measurements

The following is a description of the valuation techniques and inputs used in the fair value measurement for assets and liabilities that are categorised within Level 2 of the fair value hierarchy:

Derivatives

Convertible promissory note is valued using Binomial model with market observable inputs while warrants are valued using the Black-Scholes model. The models incorporate various inputs including the historical volatility of share price, risk-free rate and dividend yield.

Level 3 fair value measurements

Other investment

Valuation technique	**Significant unobservable inputs**	**Inter-relationship between significant unobservable inputs and fair value measurement**
Net Asset Value ("NAV")	Value of the underlying assets (mainly quoted investments) of the "fund"	The estimated fair value would increase/decrease if NAV was higher/lower

For financial assets at FVOCI (level 3), increasing the significant unobservable input by 5% at the reporting date would have increased equity by $23,000. A 5% decrease in the significant unobservable input would have had the equal but opposite effect on the amounts shown above, on the basis that all other variables remain constant.

The reconciliation of the carrying amounts of financial instruments classified within Level 3 is as follows:

	2018	2017
The Group	**$'000**	$'000
Balance at 1 January	**490**	–
Additions	**–**	490
Fair value changes	**(45)**	–
Balance at 31 December	**445**	490

32 Fair value measurement (Cont'd)

(b) Financial instruments not carried at fair value but for which fair value is disclosed.

The following table shows an analysis of the Group's financial instruments not measured at fair value but for which fair value is disclosed:

The Group	Note	Fair value measurements at the end of reporting period using Fair value (level 3) $'000	Carrying amount $'000
31 December 2018			
Financial liabilities			
Loans and borrowings			
- Corporate bonds (current)	15	**1,986**	**1,986**
		1,986	**1,986**
31 December 2017			
Financial liabilities			
Loans and borrowings			
- Corporate bonds (non-current)	15	1,730	1,884
		1,730	1,884
1 January 2017			
Financial liabilities			
Loans and borrowings			
- Corporate bonds (non-current)	15	1,954	1,968
		1,954	1,968

As at the reporting date, the carrying amount of corporate bond with a maturity of less than one year approximate their fair values because of the short period to maturity.

As at 31 December 2017 and 1 January 2017, the fair value disclosed in the table above are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending borrowing arrangements at the end of the reporting period.

(c) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

Trade and other receivables (Note 8), bank deposits pledged (Note 13), cash and cash equivalents (Note 13), trade and other payables (Note 16) and current loans and borrowings (Note 15).

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values due to their short-term nature.

33 Subsequent events

On 25 October 2018, HotApps International Pte. Ltd. ("HIP") entered into an Equity Purchase Agreement with DSS Asia Limited ("DSS Asia"), pursuant to which HIP agreed to sell to DSS Asia all of the issued and outstanding shares of Guangzhou HotApps Technology Ltd. ("Guangzhou HotApps") for a consideration of $100,000, which would be paid in the form of a two-year, interest-free, unsecured, demand promissory note in the principal amount of $100,000, and that such note would be receivable in full in two years' time. The closing of the Equity Purchase Agreement was subject to certain conditions and these conditions were met and the transaction closed on 14 January 2019.

On 3 July 2018, 150 CCM Black Oak, Ltd. entered into a purchase and sale agreement with Houston LD, LLC in relation to the sale of 124 lots located at the Black Oak project for US$6,175,000. On 18 January 2019, the sale of 124 dwelling lots located at the Black Oak project in Magnolia, Texas was completed. The sale of 124 dwelling lots in the Black Oak project generated a gross profit of US$620,477.

From 1 January 2019 to 31 March 2019, the Group disposed of 0.06% of its interest in HotApp Block Chain Inc, reducing its continuing interest from 99.95% to 99.89%. The proceeds on disposal of $138,500 were received in cash. The effect arising from the above transaction with owners without a loss of control did not have a significant impact to the Group with a change in the Group's effectiveness interest in the subsidiary.

Properties Under Development

Residential

Country	Location	Land size	Tenure	No. of units	Total unit size	Equity interest	Expected year of completion
Australia	Mandurah, WA	732 m^2	Freehold	11	1,374 m^2	100.0%	On hold

Subdivsion

Country	Location	Land size	Tenure	No. of lots	Total unit size	Equity interest	Expected year of completion
USA	Houston, TX	445,114 m^2	Freehold	512	N/A	99.99%	2020
USA	Frederick, MD	797,231 m^2	Freehold	853	N/A	83.54%	2020

Properties Held for Sales

Country	Current use	Location	Land size	Tenure	No. of units	Total unit size	Equity interest	Expected year of completion
USA	Rental	Houston, TX	193 m^2	Freehold	1	481 m^2	99.99%	Completed

Statistics of **Shareholdings**

As at 29 March 2019

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	72	5.29	2,692	0.00
100 - 1,000	308	22.65	173,448	0.02
1,001 - 10,000	388	28.53	1,888,635	0.17
10,001 - 1,000,000	551	40.51	60,290,634	5.47
1,000,001 AND ABOVE	41	3.02	1,039,101,298	94.34
TOTAL	**1,360**	**100.00**	**1,101,456,707**	**100.00**

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	PHILLIP SECURITIES PTE LTD	790,713,110	71.79
2	TOH SOON HUAT	40,000,000	3.63
3	CITIBANK NOMINEES SINGAPORE PTE LTD	27,270,200	2.48
4	MAYBANK KIM ENG SECURITIES PTE. LTD.	25,649,838	2.33
5	UOB KAY HIAN PRIVATE LIMITED	25,141,256	2.28
6	DOCUMENT SECURITY SYSTEMS, INC.	21,196,552	1.92
7	RAFFLES NOMINEES (PTE) LIMITED	19,348,550	1.76
8	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	16,491,876	1.50
9	TAN FUH GIH	7,997,100	0.73
10	LOH YIH	6,259,270	0.57
11	OCBC SECURITIES PRIVATE LIMITED	4,589,370	0.42
12	TAY YONG SOON JUSTIN (ZHENG YONGSHUN)	3,799,200	0.34
13	MRS CHAU-CHAN SUI YUNG	3,420,000	0.31
14	DBS NOMINEES (PRIVATE) LIMITED	2,835,836	0.26
15	ANG CHEW KHENG	2,716,000	0.25
16	TAN TONG CHEE	2,600,000	0.24
17	RHB SECURITIES SINGAPORE PTE. LTD.	2,096,600	0.19
18	TEY HANG LIANG	2,065,300	0.19
19	TAN CHIN WAH	2,000,000	0.18
20	TAY KIM WHATT	2,000,000	0.18
	TOTAL	**1,008,190,058**	**91.55**

* The Company did not have treasury shares or subsidiary holdings.

PERCENTAGE OF SHAREHOLDING HELD IN THE NAME OF PUBLIC

As at 26 March 2018, approximately 26.20% of the shareholding in the Company was held in the hands of the public (on the basis of information available to the Company). Accordingly, the Company has complied with Rule 723 of the Catalist Rules.

SUBSTANTIAL SHAREHOLDERS
(As recorded in the Register of Substantial Shareholders)

Name of substantial shareholder	Direct interest	%	Deemed interest	%
Heng Fai Business Development Pte. Ltd.	761,150,294	69.10%	–	–
Chan Heng Fai[1]	11,734,000	1.07%	761,150,294	69.10%
Toh Soon Huat	40,000,000	3.63%	–	–

Note:

(1) Heng Fai Businesss Development Pte. Ltd. is wholly-owned by Mr Chan Heng Fai. By virtue of Section 7 of the Companies Act, Cap. 50 of Singapore, Mr Chan Heng Fai is deemed to be interested in the shares which Heng Fai Business Development Pte. Ltd. has an interest in.

Statistics of **Warrantholdings**

As at 29 March 2019

SINGAPORE EDEVELOPMENT LIMITED - (W211020)

DISTRIBUTION OF WARRANTHOLDINGS

SIZE OF WARRANTHOLDINGS	NO. OF WARRANTHOLDERS	%	NO. OF WARRANTS	%
1 - 99	0	0.00	0	0.00
100 - 1,000	0	0.00	0	0.00
1,001 - 10,000	6	9.37	24,250	0.01
10,001 - 1,000,000	46	71.88	10,224,955	1.95
1,000,001 AND ABOVE	12	18.75	513,036,640	98.04
TOTAL	**64**	**100.00**	**523,285,845**	**100.00**

TWENTY LARGEST WARRANTHOLDERS

NO.	NAME OF WARRANTHOLDERS	NO. OF WARRANTS	%
1	HENGFAI BUSINESS DEVELOPMENT PTE. LTD.	359,834,471	68.76
2	DOCUMENT SECURITY SYSTEMS, INC	105,982,759	20.25
3	LOH YIH	16,833,350	3.22
4	PHILLIP SECURITIES PTE LTD	6,956,330	1.33
5	KWOK YING CHOY	5,400,000	1.03
6	TAN HONG HUAT	5,000,000	0.96
7	KHOO HWEE SAN	2,800,000	0.54
8	CITIBANK NOMINEES SINGAPORE PTE LTD	2,605,165	0.50
9	LIM LEE LEE	2,500,000	0.48
10	M JEGIATHESAN S/O MURUGASU	2,500,000	0.48
11	RAFFLES NOMINEES (PTE.) LIMITED	1,324,565	0.25
12	NG THIAN HOO	1,300,000	0.25
13	TEGUH ANDY	1,000,000	0.19
14	ANG HAY KIM	1,000,000	0.19
15	TEO ENG LEE	850,000	0.16
16	SEOW YIN KHOI	738,000	0.14
17	CHEW CHIN WEE (ZHOU JINGWEI)	700,830	0.13
18	LEE KUNFENG DANIEL	700,000	0.13
19	NG KEE CHUAN	500,000	0.10
20	NG WAI YI	500,000	0.10
	TOTAL	**519,025,470**	**99.19**

Exercise Price : S$0.04 for each New Share on the exercise of a Warrant

Exercise Period : Commencing on 24 October 2016 and expiring at 5.00 p.m. on a date falling 60 months after 24 October 2016, excluding such period(s) during which the register of Warrantholders may be closed pursuant to the Deed Poll.

Warrant Agent : Boardroom Corporate & Advisory Services Pte. Ltd
50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623

SINGAPORE EDEVELOPMENT LIMITED - (W220321)

DISTRIBUTION OF WARRANTHOLDINGS

SIZE OF WARRANTHOLDINGS	NO. OF WARRANTHOLDERS	%	NO. OF WARRANTS	%
1 - 99	0	0.00	0	0.00
100 - 1,000	0	0.00	0	0.00
1,001 - 10,000	0	0.00	0	0.00
10,001 - 1,000,000	0	0.00	0	0.00
1,000,001 AND ABOVE	1	100.00	1,864,275,000	100.00
TOTAL	**1**	**100.00**	**1,864,275,000**	**100.00**

TWENTY LARGEST WARRANTHOLDERS

NO.	NAME OF WARRANTHOLDERS	NO. OF WARRANTS	%
1	CHAN HENG FAI AMBROSE	1,864,275,000	100.00
	TOTAL	**1,864,275,000**	**100.00**

Exercise Price : S$0.048 for each New Share on the exercise of a Warrant

Exercise Period : Commencing on 5 April 2017 and expiring at 5.00 p.m. on a date falling 60 months after 5 April 2017, excluding such period(s) during which the register of Warrantholders may be closed pursuant to the Deed Poll.

Warrant Agent : Boardroom Corporate & Advisory Services Pte. Ltd
50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Singapore eDevelopment Limited (the "**Company**") will be held at Suntec Convention Centre, Room 323 3rd Floor, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Tuesday, 23 April 2019 at 10.00 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2018 together with the Auditors' Report thereon. **(Resolution 1)**

2. To approve the payment of Directors' fees of up to S$200,000 and for payment of such Directors' fees half yearly in arrears for the financial year ending 31 December 2019. (2018: S$200,000) **(Resolution 2)**

3. To re-appoint Foo Kon Tan LLP Public Accountants and Chartered Accountants as the Company's Auditors and to authorise the Directors to fix their remuneration. **(Resolution 3)**

4. To re-elect the following Directors retiring pursuant to Regulation 89 of the Company's Constitution:

   Mr Wong Tat Keung *[See Explanatory Note (i)]* **(Resolution 4)**
   Mr Chan Heng Fai *[See Explanatory Note (ii)]* **(Resolution 5)**

5. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

6. **Authority to allot and issue shares in the capital of the Company ("Shares") - Share Issue Mandate**

   "That, pursuant to Section 161 of the Companies Act, Chapter 50. (the "**Act**") and Rule 806 of Section B: Rules of Catalist of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") ("**Catalist Rules**"), authority be and is hereby given to the Directors of the Company to:-

   (a) (i) allot and issue shares in the capital of the Company ("**Shares**") (whether by way of rights, bonus or otherwise); and/or

   (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require new Shares to be allotted and issued, including but not limited to the creation, allotment and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

   (b) notwithstanding that the authority conferred by this Resolution may have ceased to be in force, allot and issue new Shares in pursuance of any Instrument made or granted by the Directors of the Company while this Resolution is in force, provided that:-

(1) the aggregate number of new Shares (including Shares to be allotted and issued in pursuance of the Instruments, made or granted pursuant to this Resolution), to be allotted and issued pursuant to this Resolution does not exceed 100% of the total number of issued Shares excluding treasury shares and subsidiary holdings of the Company (calculated in accordance with sub-paragraph (2) below), of which the aggregate number of new Shares to be allotted and issued other than on a *pro-rata* basis to existing shareholders of the Company (including Shares to be allotted and issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued Shares excluding treasury shares and subsidiary holdings of the Company (calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculations as may be prescribed by the SGX-ST), for the purpose of determining the aggregate number of new Shares that may be allotted and issued under sub-paragraph (1) above, the percentage of the total number of issued Shares excluding treasury shares and subsidiary holdings shall be based on the total number of issued Shares excluding treasury shares and subsidiary holdings of the Company at the time this Resolution is passed after adjusting for:-

(i) new Shares arising from the conversion or exercise of any Instruments or any convertible securities;

(ii) new Shares arising from exercising of share options or vesting of share awards outstanding and/or subsisting at the time of the passing of this Resolution, provided that the share options or share awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

(iii) any subsequent bonus issue, consolidation or sub-division of Shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Company's Constitution for the time being; and

(4) (unless revoked or varied by the Company in general meeting, the authority conferred by this Resolution shall continue in force until the conclusion of the next AGM or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier."
[See Explanatory Note (iii)]. **(Resolution 6)**

7. **Authority to offer and grant share options and issue Shares in accordance with the Singapore eDevelopment Limited Share Option Scheme**

"THAT the Directors of the Company be and are hereby authorised to offer and grant share options in accordance with the Singapore eDevelopment Limited Share Option Scheme adopted on 20 November 2013 (the "**Option Scheme**") and to allot and issue such Shares as may be required to be allotted and issued pursuant to the exercise of the share options under the Option Scheme, provided always that the aggregate number of Shares to be allotted and issued pursuant to the Option Scheme, the Share Plan (as defined in Resolution 8 below) and any other share based incentive schemes of the Company shall not exceed 20% of the total number of issued Shares excluding treasury shares and subsidiary holdings of the Company from time to time."
[See Explanatory Note (iv)] **(Resolution 7)**

8. **Authority to offer and grant share awards and issue Shares in accordance with the Singapore eDevelopment Limited Performance Share Plan**

"THAT the Directors of the Company be and are hereby authorised to offer and grant share awards in accordance with the Singapore eDevelopment Performance Share Plan adopted on 23 October 2014 (the "**Share Plan**") and to allot and issue such Shares as may be required to be allotted and issued under the Share Plan, provided always that the aggregate number of Shares to be allotted and issued pursuant to the Share Plan, the Option Scheme and any other share based incentive schemes of the Company shall not exceed 20% of the total number of issued Shares excluding treasury shares and subsidiary holdings of the Company from time to time."
[See Explanatory Note (v)] **(Resolution 8)**

By Order of the Board

Gn Jong Yuh Gwendolyn
Company Secretary
Singapore, 8 April 2019

Explanatory Notes:

(i) Mr Wong Tat Keung, if re-elected as a Director of the Company, will remain as an Independent Non-Executive Director, Chairman of the Nominating Committee and a member of the Audit and Risk Management Committee and the Remuneration Committee and will be considered independent for the purposes of Rule 704(7) of Section B: Rules of Catalist of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") ("**Catalist Rules**").

Mr Wong Tat Keung does not have any relationships including immediate family relationships between himself and the Directors, the Company and its 10% shareholders. Further information on Mr Wong Tat Keung can be found under the sections entitled "Board of Directors", "Corporate Governance Report", and "Additional information on Directors seeking re-election" in the Annual Report 2018.

(ii) Mr Chan Heng Fai, if re-elected as Director, will remain as an Executive Chairman and CEO of the Company. Further information on Mr Chan Heng Fai can be found under the sections entitled "Board of Directors", "Corporate Governance Report", "Directors' Statement", and "Additional information on Directors seeking re-election" in the Annual Report 2018.

(iii) The Ordinary Resolution 6 proposed in item 6 above, if passed, will empower the Directors of the Company from the date of the passing of Ordinary Resolution 6 until the date of the next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier, to allot and issue new Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments. The aggregate number of new Shares (including Shares to be allotted and issued in pursuance of the Instruments made or granted pursuant to Ordinary Resolution 6) to be allotted and issued pursuant to Ordinary Resolution 6 shall not exceed 100% of the total number of issued Shares excluding treasury shares and subsidiary holdings of the Company as at the date of the passing of Ordinary Resolution 6. For the allotment and issue of new Shares other than on a pro-rata basis to existing shareholders of the Company, the aggregate number of new Shares (including Shares to be allotted and issued in pursuance of the Instruments made or granted pursuant to Ordinary Resolution 6) to be allotted and issued pursuant to Ordinary Resolution 6 shall not exceed 50% of the total number of issued Shares excluding treasury shares and subsidiary holdings of the Company as at the date of the passing of Ordinary Resolution 6. This authority will, unless previously revoked or varied by the Company in general meeting, expire at the next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

(iv) The Ordinary Resolution 7 proposed in item 7 above, if passed, will empower the Directors of the Company, to offer and grant share options and to allot and issue such Shares as may be required to be allotted and issued pursuant to the exercise of the share options under the Option Scheme.

(v) The Ordinary Resolution 8 proposed in item 8 above, if passed, will empower the Directors of the Company, to offer and grant share awards and to allot and issue such Shares as may be required to be allotted and issued under the Share Plan.

Notes:

1. Except for a member who is a Relevant Intermediary as defined under Section 181(6) of the Act, a member is entitled to appoint not more than two proxies to attend, speak and vote at the Annual General Meeting. Where a member appoints more than one proxy, the proportion of his concerned shareholding to be represented by each proxy shall be specified in the proxy form.

2. Pursuant to Section 181(1C) of the Act, a member who is a Relevant Intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than two proxies, the number and class of Shares in relation to which each proxy has been appointed shall be specified in the proxy form.

3. A proxy need not be a member of the Company.

4. The proxy form must be deposited at the registered office of the Company at **7 Temasek Boulevard #29-01B, Suntec Tower One, Singapore 038987**, not less than **72 hours** before the time appointed for holding the Annual General Meeting.

5. Where the proxy form is executed by an individual, it must be executed under the hand of the individual or his attorney duly authorised. Where the proxy form is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised.

Additional information on **Directors seeking re-election**

	Mr Chan Heng Fai	**Mr Wong Tat Keung**
	Executive Chairman and Chief Executive Officer	Independent Non-Executive Director
Date of Appointment	31 May 2013	27 January 2017
Date of last re-appointment (if applicable)	30 April 2018	28 April 2017
Name of person	Mr Chan Heng Fai	Mr Wong Tat Keung
Age	75	49
Country of principal residence	Singapore	Hong Kong
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board, having considered the nominating committee's recommendation and undertaken its assessment of Mr. Chan, is satisfied that the reappointment will benefit the Board and the Company.	The Board, having considered the nominating committee's recommendation and taking into account his background of accounting and auditing experience, is satisfied that his reappointment will benefit the Board and the Company.
Whether appointment is executive, and if so, the area of responsibility	Executive. Area of responsibility: Overall strategic business development, operations and decision-making of the Group.	Non-executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Chairman and Chief Executive Officer	NC Chairman
Professional qualifications	N. A.	Certified Public Accountant
Working experience and occupation(s) during the past 10 years	Executive Director, CEO and Executive Chairman of Singapore eDevelopment Limited (SGX listed) from Mar 2014 to present. Managing Chairman and Director of ZH International Holdings Limited (f.k.a. Heng Fai Enterprises Limited) (HKSE listed) from Sep 1992 to Jul 2015. Director, Chairman, Managing Director and Deputy Managing Director of SingHaiyi Group Limited (SGX listed) from Nov 2003 to Sep 2013.	CPA practicing in Aston Wong CPA Ltd since 2010 to present, and Aston Wong & Co from 2006 to 2009.
Shareholding interest in the listed issuer and its subsidiaries	70.17%	0%
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No
Conflict of interest (including any competing business)	Nil	Nil
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes

	Mr Chan Heng Fai	**Mr Wong Tat Keung**
	Executive Chairman and Chief Executive Officer	Independent Non-Executive Director
Other Principal Commitments* including Directorships#		
* "Principal Commitments" has the same meaning as defined in the Code. # These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(9) or Catalist Rule 704(8)		
Past (for the last 5 years)	Please refer to Annex B	ZH International Holdings Limited (f.k.a. Heng Fai Enterprises Limited) AF Partners CPA Limited
Present	Please refer to Annex A	Aston Wong CPA Limited ROMA Group Limited Lerthai Group Limited (f.k.a. LT Commercial Real Estate Limited) Aston Business Advisories Limited
Information Required		
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No

	Mr Chan Heng Fai	**Mr Wong Tat Keung**
	Executive Chairman and Chief Executive Officer	Independent Non-Executive Director
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :—		
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No

	Mr Chan Heng Fai	**Mr Wong Tat Keung**
	Executive Chairman and Chief Executive Officer	Independent Non-Executive Director
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No
Any prior experience as a director of an issuer listed on the Exchange?	Yes	Yes
If yes, please provide details of prior experience.	Director of Document Security Systems Inc (NYSE listed) from Jan 2017 to present. Director of SingHaiyi Group Limited (SGX listed) from Nov 2003 to Sep 2013. Managing Chairman of ZH International Holdings Limited (HKSE listed) from Sep 1992 to Jul 2015. Director of RSI International Systems, Inc. (CSE listed) from Jun 2014 to Feb 2019.	Independent Non-Executive Director of Roma Group Limited from Mar 2016 to present. Independent Non-Executive Director of Lerthai Group Limited (f.k.a. LT Commercial Real Estate Limited) from Nov 2018 to present Independent Non-Executive Director of ZH International Holdings Limited (HKSE listed) from Dec 2009 to Jul 2015. Independent Non-Executive Director of Singhaiyi Group Limited (SGX listed) from Jul 2009 to Jul 2013.
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.	N.A.	N.A.
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	N.A.	N.A.

Additional information on **Directors seeking re-election**

Annex A - Mr Chan Heng Fai's present directorships

S/n	Country	Company Name
1	Australia	Holista CollTech Limited
2	Australia	SeD Perth Pty Ltd
3	Cayman Islands	Global Opportunity Fund
4	Cayman Islands	Global Systematic Multi-Strategy Fund
5	China	Guangzhou Heng Hui Real Estate Consulting Ltd Company
6	China	Guangzhou HotApps Technology Ltd
7	Hong Kong	AIOTech China Limited
8	Hong Kong	Algo TradeLab International Limited
9	Hong Kong	American Asian Cancer Care Limited
10	Hong Kong	American Asian Cancer Center Limited
11	Hong Kong	American Cancer Care Limited
12	Hong Kong	BitcoinFai Limited
13	Hong Kong	BMI Capital Partners International Limited
14	Hong Kong	BMI Capital Partners Japan Limited
15	Hong Kong	BMI Capital Partners Limited
16	Hong Kong	BMI Coinstreet Digital Limited
17	Hong Kong	BMI Realtors Limited
18	Hong Kong	BMI Underwriters Limited
19	Hong Kong	Business Mobile Intelligence Limited
20	Hong Kong	CHF Enterprises Limited
21	Hong Kong	Cloud Communication Limited
22	Hong Kong	CloudCom Global Limited
23	Hong Kong	CloudView Hong Kong Limited
24	Hong Kong	CoinStreet Holdings Limited
25	Hong Kong	Cyber Construction China Limited
26	Hong Kong	Dominick & Dickerman International Limited
27	Hong Kong	DSS Asia Limited
28	Hong Kong	Elepreneurs Asia Limited
29	Hong Kong	First Victory Development Limited
30	Hong Kong	Global eHealth Limited
31	Hong Kong	Health Wealth & Happiness Limited
32	Hong Kong	Heng Fai Enterprises Limited
33	Hong Kong	Heng Fai Holdings Limited
34	Hong Kong	Hengfeng Finance Limited
35	Hong Kong	HFE Holdings Limited
36	Hong Kong	HotApp International Limited

S/n	Country	Company Name
37	Hong Kong	iGalen International Limited
38	Hong Kong	International Infection Control Limited
39	Hong Kong	International Real Estate Transaction Limited
40	Hong Kong	LiquidValue Development Limited (f.k.a. Tianjin Pioneer Science & Technology Development Limited)
41	Hong Kong	Pioneer Science & Technology Development Limited (f.k.a. Neuro Pharma Limited)
42	Hong Kong	SeD BioMedical Limited
43	Hong Kong	SeD Home Limited
44	Hong Kong	SingBuilder Logistics Limited
45	Hong Kong	Tang (HK) Investments Limited
46	Hong Kong	True Partner Holding Limited
47	Hong Kong	True Partner International Limited
48	Hong Kong	Xpress Group International Limited
49	Singapore	Amarantus Bioscience Pte. Ltd.
50	Singapore	Art eStudio Pte. Ltd.
51	Singapore	BMI Capital Partners Pte Ltd
52	Singapore	CloudTel International Pte. Ltd. (f.k.a. BobChain H Pte. Ltd.)
53	Singapore	CloudTel Pte Ltd
54	Singapore	CoinStreet Partners Pte. Ltd.
55	Singapore	Data Secure Solution Pte. Ltd.
56	Singapore	DSS Cyber Security Pte. Ltd.
57	Singapore	Elepreneurs Asia Pte. Ltd. (Global 185 Investment Pte. Ltd.)
58	Singapore	Galen Life Pte Ltd
59	Singapore	Global BioMedical Pte. Ltd. (f.k.a. Singapore BioMedical Pte. Ltd.)
60	Singapore	Global eMall Pte. Ltd.
61	Singapore	Global TechFund of Fund Pte. Ltd.
62	Singapore	Health Wealth Happiness Pte. Ltd.
63	Singapore	Heng Fai Enterprises Pte. Ltd.
64	Singapore	Hengfai Business Development Pte Ltd
65	Singapore	Hengfai International Pte. Ltd. (f.k.a. SingBiz Development Pte Ltd)
66	Singapore	Hengfai SME Development Pte Ltd
67	Singapore	HFE World Pte. Ltd. (f.k.a. HWH World Pte. Ltd.)
68	Singapore	HotApps International Pte Ltd
69	Singapore	HWH World Pte. Ltd. (f.k.a. Crypto Exchange Pte. Ltd.)
70	Singapore	Liquiditi Pte. Ltd.
71	Singapore	LiquidValue Asset Management Pte. Ltd. (f.k.a. Hengfai Asset Management Pte. Ltd.)

S/n	Country	Company Name
72	Singapore	LiquidValue Development Pte. Ltd.
73	Singapore	SeD Capital Pte. Ltd.
74	Singapore	SeD iHome Pte. Ltd. (f.k.a. BobChain Home Pte. Ltd.)
75	Singapore	SeD Investment Pte. Ltd. (f.k.a. SingLife Regenerate Pte. Ltd.)
76	Singapore	Singapore Construction & Development Pte. Ltd.
77	Singapore	Singapore Construction Pte Ltd
78	Singapore	Singapore eChainLogistic Pte. Ltd. (f.k.a. CloudTV Pte. Ltd.)
79	Singapore	Singapore eDevelopment Limited
80	Singapore	STO Global X Pte. Ltd. (f.k.a. CoinStreet Partners Investment Pte. Ltd.)
81	Singapore	True Partner Singapore Holding Pte. Ltd.
82	Singapore	Zeo Capital International Pte. Ltd.
83	Singapore	Zeo Capital Pte. Ltd.
84	USA	150 Black Oak GP, Inc.
85	USA	American Pacific Bancorp, Inc. (Delaware)
86	USA	American Pacific Bancorp, Inc. (Texas)
87	USA	Best BioLife Inc
88	USA	Best Natural Food Inc
89	USA	BioLife Sugar, Inc
90	USA	Bitcoin Exchange Inc
91	USA	Crypto Exchange Inc
92	USA	Document Security Systems, Inc.
93	USA	DSS International Inc
94	USA	Elepreneurs International Inc
95	USA	eVision Enterprises Limited
96	USA	Global BioLife Inc
97	USA	Global BioMedical Inc
98	USA	Global Cancer Care Inc
99	USA	Global Health Solution Inc
100	USA	Global REITs Management Inc
101	USA	Happy Sugar Inc
102	USA	Health, Wealth & Happiness Inc
103	USA	Hengfai International Inc
104	USA	HF Enterprises Inc (Delaware)
105	USA	HF Enterprises Inc (Nevada)
106	USA	HotApp Blockchain Inc (f.k.a. HotApp International, Inc.)
107	USA	HWH International Inc
108	USA	HWH Multi-Strategy Investment Inc

S/n	Country	Company Name
109	USA	HWH World Inc.
110	USA	iGalen International Inc
111	USA	Immunomix Pharma, Inc.
112	USA	Impact BioMedical Inc
113	USA	International Infection Control, Inc.
114	USA	LiteFood Inc.
115	USA	Mosquito ControTech, Inc.
116	USA	Neuro Pharma, Inc.
117	USA	SeD Acquisition Corp (Delaware)
118	USA	SeD Acquisition Corp (Nevada)
119	USA	SeD BioLife International Inc
120	USA	SeD BioMedical Inc
121	USA	SeD Biomedical International Inc.
122	USA	SeD Biomedical USA, Inc.
123	USA	SeD Development USA, Inc.
124	USA	SeD Home Capital Inc
125	USA	SeD Home International, Inc.
126	USA	SeD Home Philly Inc
127	USA	SeD Home REIT Inc
128	USA	SeD Home, Inc.
129	USA	SeD Intelligent Home Inc (f.k.a. HomeOwnUSA Inc)
130	USA	SeDHome Rental Inc
131	USA	Sweet Sense Inc.
132	USA	Vivacitas Oncology Inc
133	USA	Vpay eVisionTech Inc
134	USA	WePay Inc

Annex B - Mr Chan Heng Fai's past (for the last 5 years) directorships

S/n	Country	Company Name
1	Australia	AIOTech Australia Pty Ltd
2	Australia	Australia Masters of Real Estate Pty Ltd
3	Australia	CloudTelco Pty Ltd
4	Australia	CloudView Australia Pty Ltd
5	Australia	HotApp International Pty Ltd
6	Australia	International Real Estate Exchange Pty Ltd
7	Australia	Sentosa of Perty Pty Ltd
8	British Virgin Islands	eCredit Income Growth, Inc.
9	British Virgin Islands	Santander International Company Limited
10	British Virgin Islands	Sure World Capital Limited
11	BVI	Heng Fai Global Limited
12	Canada	Heng Fung Capital (Canada), Inc.
13	Canada	RSI International Sytems, Inc.
14	Cayman Islands	Global Property Development Fund
15	Cayman Islands	Global Systematic Multi-Strategy Offshore Fund
16	Hong Kong	BitcoinH Foundation Limited
17	Hong Kong	BitcoinH Limited
18	Hong Kong	BitcoinSeD Limited
19	Hong Kong	DSS BlockChain Limited
20	Hong Kong	eVision Enterprises Limited
21	Hong Kong	MORE REAL ESTATE CHINA LIMITED
22	Hong Kong	Sansui Resorts Limited
23	Hong Kong	SLP-MORE Limited
24	Hong Kong	75 Wall Street Limited
25	Hong Kong	Heng Fai Development International Limited
26	Hong Kong	Kinetic Algo International Limited
27	Hong Kong	More Property Limited
28	Hong Kong	Xpress Group Limited
29	Hong Kong	ZH International Holdings Ltd (f.k.a. Heng Fai Enterprises Limited)
30	Malaysia	SeD BioMedical Sdn Bhd
31	Singapore	Advance Cancer Diagnostics & Treatment Pte. Ltd.
32	Singapore	American Asian Cancer Center Pte Ltd
33	Singapore	BMI Asset Management Pte. Ltd. (f.k.a. SeD Global Management Pte. Ltd.)
34	Singapore	China Credit Singapore Pte Ltd
35	Singapore	DSS AuthentiChain Pte. Ltd. (f.k.a. American Cancer Care Pte. Ltd.)

S/n	Country	Company Name
36	Singapore	Expats Residences Pte Ltd
37	Singapore	Global eHealth Pte. Ltd.
38	Singapore	Global Infection Control Pte. Ltd.
39	Singapore	Hengfai Holdings Pte. Ltd.
40	Singapore	HF Enterprises Pte. Ltd.
41	Singapore	Hygieia Biomed Pte. Ltd.
42	Singapore	Ideal Realty Pte. Ltd. (f.k.a. CloudCasino International Pte Ltd)
43	Singapore	Immunomix Pharma Pte. Ltd.
44	Singapore	Inter Asia Management Pte Ltd
45	Singapore	International Real Estate Exchange Pte Ltd
46	Singapore	JB Medical Pte. Ltd.
47	Singapore	Jinghua Holding Pte. Ltd.
48	Singapore	Kinetic Algo International Pte Ltd
49	Singapore	LiquidValue Asset Management Pte. Ltd. (f.k.a. Hengfai Asset Management Pte. Ltd.)
50	Singapore	More Property Pte Ltd
51	Singapore	SeD BioMedical International Pte. Ltd.
52	Singapore	SeD BioMedical Pte. Ltd.
53	Singapore	SeD Global Development Pte. Ltd.
54	Singapore	SeD Health Solution Pte. Ltd.
55	Singapore	SeD Medical Solution Pte. Ltd.
56	Singapore	Singapore Asian Reits Pte Ltd
57	Singapore	SingReits International Pte Ltd
58	Singapore	Singxpress Investments Pte Ltd
59	USA	Global Xpress Travel USA, Inc.
60	USA	OnlineCredit USA, Inc.

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SINGAPORE EDEVELOPMENT LIMITED

(Company Registration Number: 200916763W)
(Incorporated in Singapore with limited liability)

PROXY FORM

(Please see notes overleaf before completing this Proxy Form)

*I/We, ____ (Name)

of ____ (Address)

being a member/members* of **SINGAPORE EDEVELOPMENT LIMITED** (the "**Company**"), hereby appoint:

Name	**NRIC/Passport No.**	**Proportion of Shareholding**	
		No. of Shares	**%**
Address			

and/or* (delete as appropriate)

Name	**NRIC/Passport No.**	**Proportion of Shareholding**	
		No. of Shares	**%**
Address			

or failing him/her, the Chairman of the Annual General Meeting of the Company ("**AGM**") as my/our* proxy/proxies* to attend and vote for me/us* on my/our* behalf at the AGM to be held at Suntec Convention Centre, Room 323 3rd Floor, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Tuesday, 23 April 2019 at 10.00 a.m. and at any adjournment thereof.

I/We* direct my/our* proxy/proxies* to vote for or against the Resolutions proposed at the AGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the proxy/proxies* will vote or abstain from voting at his/her* discretion. The Resolutions proposed at the AGM as indicated hereunder will be put to vote at the AGM by way of poll.

(Please indicate your vote "For" or "Against" with a tick [√] within the box provided.)

No.	Resolutions relating to:	For	Against
1.	Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2018		
2.	Approval of Directors' fees of up to S$200,000 and for payment of such Directors' fees half yearly in arrears for the financial year ending 31 December 2019		
3.	Re-appointment of Foo Kon Tan LLP Public Accountants and Chartered Accountants as Auditors of the Company and to authorise the Directors to fix their remuneration		
4.	Re-election of Mr Wong Tat Keung as Director of the Company		
5.	Re-election of Mr Chan Heng Fai as Director of the Company		
6.	Authority to allot and issue shares in the capital of the Company and/or instruments pursuant to Section 161 of the Companies Act, Chapter 50		
7.	Authority to offer and grant share options and issue shares in accordance with the Singapore eDevelopment Limited Share Option Scheme		
8.	Authority to offer and grant share awards and issue shares in accordance with the Singapore eDevelopment Limited Performance Share Plan		

Dated this ____________ day of ________________ 2019

Total Number of Shares Held

____
Signature of Shareholder(s)
or, Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ NOTES OVERLEAF.

NOTES:

1. Please insert the total number of shares in the capital of the Company ("**Shares**") held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the proxy form shall be deemed to relate to all the Shares held by you.

2. Except for a member who is a Relevant Intermediary as defined under Section 181(6) of the Companies Act, Chapter 50 (the "**Act**"), a member is entitled to appoint not more than two proxies to attend, speak and vote at the Annual General Meeting of the Company ("**AGM**"). Where a member appoints more than one proxy, the proportion of his concerned shareholding to be represented by each proxy shall be specified in the proxy form.

3. Pursuant to Section 181(1C) of the Act, a member who is a Relevant Intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than two proxies, the number and class of Shares in relation to which each proxy has been appointed shall be specified in the proxy form.

4. A proxy need not be a member of the Company.

5. The instrument appointing a proxy or proxies must be deposited at registered office of the Company at **7 Temasek Boulevard #29-01B, Suntec Tower One, Singapore 038987**, not less than **72 hours** before the time set for the AGM.

6. Where the proxy form is executed by an individual, it must be executed under the hand of the individual or his attorney duly authorised. Where the proxy form is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised.

7. Where the proxy form is executed under the hand of an attorney duly authorised, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the proxy form, failing which the proxy form may be treated as invalid.

8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Act.

GENERAL:

The Company shall be entitled to reject a proxy form which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the proxy form. In addition, in the case of Shares entered in the Depository Register, the Company may reject a proxy form if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

A Depositor shall not be regarded as a member of the Company entitled to attend the AGM and to speak and vote thereat unless his name appears on the Depository Register 72 hours before the time appointed for holding the AGM.

PERSONAL DATA PRIVACY:

By submitting a proxy form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any AGM laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Corporate Information

DIRECTORS
Chan Heng Fai
Chan King Fai
Lam Lee G.
Tao Yeoh Chi
Wong Shui Yeung
Wong Tat Keung

COMPANY SECRETARY
Gn Jong Yuh Gwendolyn
(LLB Hons)
1 Robinson Road
#18-00 Aia Tower
Singapore 048542

SHARE REGISTRAR
Boardroom Corporate & Advisory
Services Pte Ltd
50 Raffles Place #32-01
Singapore Land Tower
Singapore 048623

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Fax: +65 6333 9164
Email: Contact@Sed.com.sg

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Singapore 048621
Partner In Charge: Robin Chin Sin Beng
(Since Financial Year Ended
31 December 2017)

SPONSOR
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#01-05 Hong Leong Building
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