SINGAPORE eDEVELOPMENT

ANNUAL REPORT 2019

Contents

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

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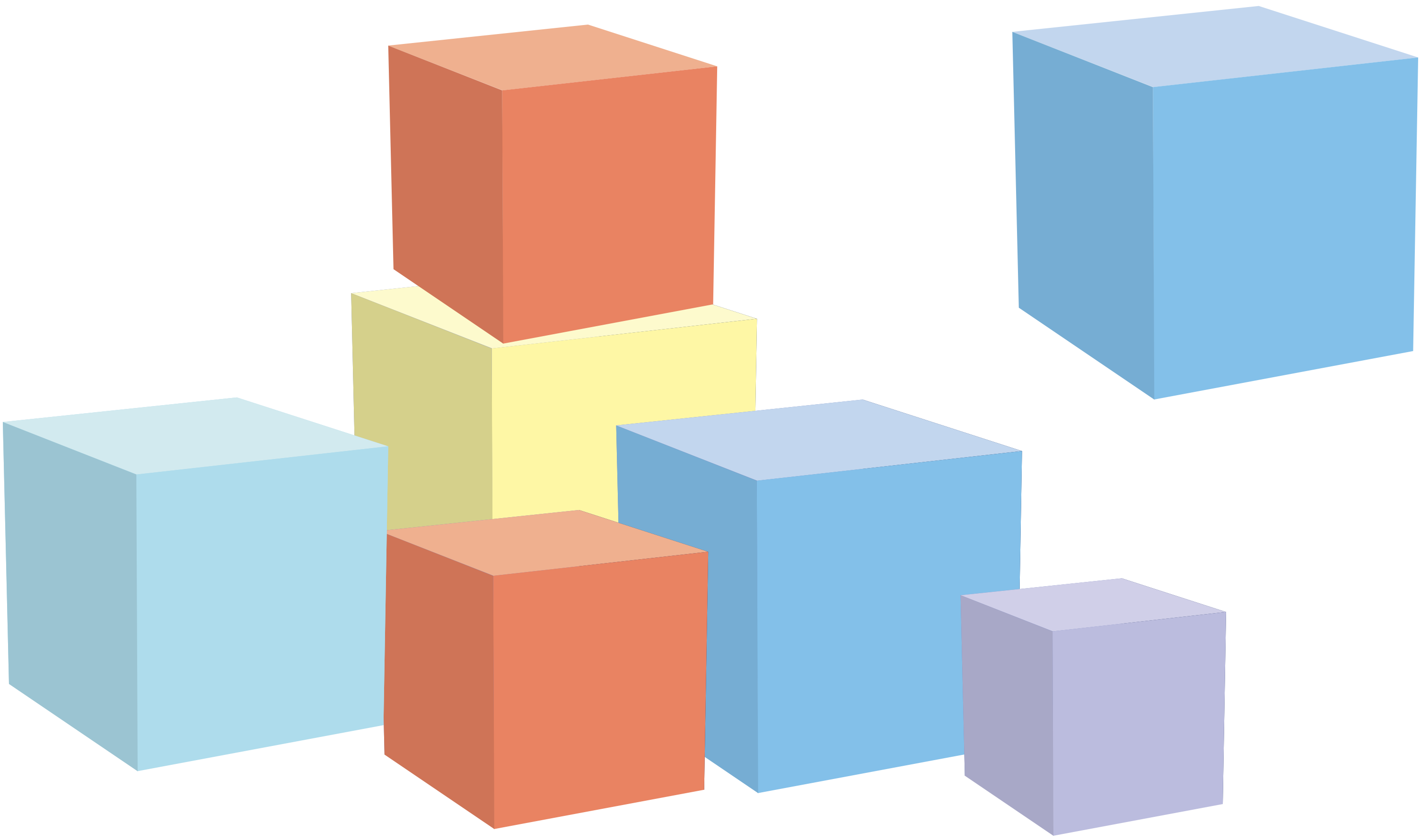
Company Profile

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 shareholders' 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 ("SeD" or the "Group") for the financial year ended 31 December 2019 ("FY2019").

2019 has been a year of focused developments in reinforcing the building blocks of the Group. Our four main core divisions are namely, international property development, information technology, investment activities and biomedical. Navigating the challenges and grasping opportunities through the restructuring phase have not been straightforward. The global economy has not been kind to businesses either. Despite the challenges, we believe that the tough period of reorganisation and corporate recovery are coming to an end and we are ready to move on to the next phase. 2020 will be a year of delivery. Through leveraging on the management's global network and capital restructuring capabilities, we believe we have achieved very promising results that are poised to deliver value to the shareholders of the Company. Now is the time to harness our diverse strengths and bring the Company to the next level.

Despite the challenging economy, we managed to increase our revenue for the year. I am pleased to outline our business and corporate updates.

INTERNATIONAL PROPERTY DEVELOPMENT BUSINESS

As shareholders would be familiar, our international property development division's main assets comprise 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).

Starting the year on a positive note, SeD Maryland entered into the Third Amendment to the Lot Purchase Agreement for Ballenger Run Single-Family Attached Villa with NVR the ("Third Amendment"). Pursuant to the Third Amendment, SeD Maryland agreed to convert the 5.9-acre continuing care retirement community ("CCRC") parcel to 36 lots and sell such lots to NVR. SeD Maryland received the required zoning approval to change the number of such lots from 85 to 121 in July 2019. In connection with these additional 36 lots, pursuant to the Third Amendment to the Lot Purchase Agreement, the deposit paid by NVR has increased by $300,000.

On 13th December 2019, SeD Maryland entered into amendments to the five lot purchase agreements with NVR the ("LPA Amendments"). The LPA Amendments adjusted the agreements to accommodate the most recent market conditions and schedules. On 31st December 2019, SeD Maryland received notification from Frederick County that the plat for the next 200 lots in the Ballenger Run project was recorded.

For the Black Oak project, the sale of 124 lots under the Purchase and Sale Agreement with Houston LD, LLC was completed. In FY2019, Black Oak development work was focused on the fulfilment of post-closing conditions of this sale. On 30 July 2018, the Group was reimbursed US$4,592,079.59 from the Harris County Improvement District 17 ("HC17") for previous expenses incurred by Black Oak LP in the development and installation of infrastructure within the Black Oak project. Out of this amount, US$1,650,000 was placed into a Construction Fund which would be released by HC17 upon completion of certain conditions related to the development of the Black Oak project. As of 31 December 2019, US$1,559,606 was released from the construction fund to the Company.

On 17 October 2019, 150 CCM Black Oak, Ltd., a Texas limited partnership ("150 CCM Black Oak"), entered into an Agreement of Purchase and Sale ("Sale Agreement") with Gehan Homes, Ltd. (the "Purchaser"). However, on 16 December 2019, the due diligence period expired, and the Purchaser has indicated that it has exercised its right to not proceed with the Sale Agreement.

Development continues with both projects whilst we explore opportunities to sell or develop future phases of the project.

CEO Message

In addition, the Group remains focused on improving the cashflow of the projects by sourcing financing, securing further sales contracts, and seeking further infrastructure reimbursements from the relevant improvement district. However, it should be noted that there are global and local factors which are contributing to a heightened level of risk in the housing markets where our property developments are situated. We continue to carefully monitor the situation and make efforts to mitigate these risks.

INVESTMENT BUSINESS

On 18 November 2019, we announced the incorporation of a new subsidiary of the group. The main business of this subsidiary will be in the real estate investment trust ("REIT") sector. We have recruited a highly experienced management team, which successfully launched Global Medical REIT Inc. (NYSE: GMRE) many years back using a similar business model. GMRE is now a New York Stock Exchange listed company with a huge market capitalisation and has recently been added to the MSCI US REIT Index – a free float-adjusted market capitalization weighted index that is comprised of equity REITs. This asset light investment will be highly lucrative, providing scalable and stable income for the group in the coming years. We have exciting plans in the pipeline to accelerate the profitability of this business.

Going forward, we are placing a good amount of emphasis on the REIT sector to provide stable and sustainable sources of income for the Group. This is an area where we have particularly good track records and have the great confidence to propel growth. In tandem with this, we have also incorporated a wholly owned subsidiary, SeD Home Reit, Inc. which will be a REIT to hold gated Single-Family Home ("SFH") communities. This provides an avenue for the homes to be built in Black Oak to be an organic pipeline for the REIT, allowing us to capture more revenue streams from the land that we currently own. In addition, it will concurrently raise more funds to acquire other properties within the United States of America to generate healthy rental returns.

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

BIOMEDICAL BUSINESS

Our biomedical division has started off on a very positive note as well, having announced in January 2019 that Functional Fragrance Formulation ("3F") Antimicrobial Fragrance developed by our U.S. biomedical subsidiary has shown efficacy against tuberculosis. The 3F project was designed to provide a solution for open environment defence strategies to prevent or suppress the transmission of aerosol viral and bacterial particles that cause the spread of influenza, Methicillin-Resistant Staphylococcus Aureus ("MRSA") and tuberculosis in congested areas. The bacteria that causes the tuberculosis disease is spread through the air by infected tuberculosis patients when they cough, sneeze, or otherwise eject infected fluids into the air.

The fragrance was shown to inhibit Mycobacterium tuberculosis ("MTB"), the causative bacterial agent of tuberculosis. These experiments were performed at American Type Culture Collection ("ATCC"), as a custom service, within its High Containment Laboratory under BioSafety Level 3 conditions. Since 1925, ATCC has been a premier global biological materials and information resource and standards organization. The company has a proven expertise in the safe handling and experimentation on dangerous pathogens such as MTB.

On 10 June 2019, we have further announced that Global BioLife contracted U.S. based Snell Scientifics, LLC in Meansville, Georgia to conduct a study on the new mosquito repellent formula and the results of the study showed that it repelled between 82% to 95% of mosquitos for six (6) to eight (8) hours after application.

On 23 July 2019, we have announced the results of clinical trials conducted on Laetose™, a safer affordable alternative to sugar. Laetose carries 30% fewer calories and a glycemic index score of 53 to a score of 100 in glucose. As a result of this medical advancement in the fight against diabetes and obesity, Global BioLife's Director of Scientific Initiatives, Mr Daryl L. Thompson ("Mr Thompson"), was invited to present to health ambassadors from around the world at Harvard Medical School's Global Health Catalyst Summit, an annual event that focuses on initiatives to eliminate global health disparities. At the Summit, Mr Thompson announced the completion of human trials on Laetose™ conducted at one of the foremost laboratories in the world to measure glycemic index. Additional independent testing conducted at Charles River Laboratories showed that Laetose™ halts stimulation of lipopolysaccharide inflammation which leads to Metabolic Endotoxemia, the root of metabolic-driven disease.

These are valuable biomedical technologies and intellectual properties that have received global recognition. Our strategy to elevate our core competencies and move up the value chain was further enhanced and fortified with the latest turn of events.

Having achieved such milestones under our biomedical research and development, we have managed to secure a deal with a New York Exchange Listed entity – Document Security Systems, Inc. ("DSS"). With DSS we will have an additional avenue or platform to help propel the progress of commercialization and monetization of the valuable technologies for the Group. We had on 12 March 2020 entered into a legally binding term sheet with DSS that positions us to be able to continue to capture the growth of such technologies.

Impact BioMedical will be able to gain more traction as a subsidiary of a NYSE listed company. Upon the completion of the share swap transaction, it will enable us to tap on the capital markets to support the growth of Impact BioMedical as it reaches out to a wider pool of institutional investors and partner interests in the biomedical scene, particularly in the United States. US investors are better able to relate to Impact Biomedical's potential as the current team, collaborating laboratories and accreditations received by Impact BioMedical are very much US-centric. This puts SeD in a strategic position to be able to enjoy the benefits from the equity interests in DSS which is expected to go in tandem with the value created in Impact biomedical.

CEO Message

In line with the expansion into bio-medical activities, the Company's network marketing arm which sources and distributes health supplements has generated S$1.9 million revenue in FY2019. 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. A new retail e-commerce site will be launching in the year 2020 to allow us to take orders and deliver products.

The direct sales/network marketing channel will be rolled out in FY2020 to begin distributing iGalen products through the HWH Marketplace website where all iGalen distributors will be able to promote their business of selling iGalen products.

INFORMATION TECHNOLOGY BUSINESS

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

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

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 2019, S$5.68 million has been drawn down and S$1.13 million interest has been accrued. The loan facility is unsecured, bears an interest of 6% interest per annum.

FINANCIAL PERFORMANCE IN FY2019

Revenue recognition from Ballenger Run, Black Oak and from the distribution of dietary and health supplements through network marketing commenced in FY2018. The Group recorded revenue of S$32.3 million in FY2019, compared to S$26.9 million a year ago. The revenue also comprised contributions from the investment business.

The Group incurred a net loss attributable to owners of the Company of S$13.1 million in FY2019 compared to S$7.6 million a year ago. The increase in net loss was mainly due to the write down of properties held for development on the Black Oak project, offset by a decrease in the fair value loss from financial assets.

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

The execution of our strategy for corporate recovery has been challenging. I can understand that some of you may share concerns amidst the economic and market uncertainties. I wish to say that despite the challenges, we have made progress as outlined above. We will continue to keep you updated on our efforts to enhance shareholder value. As the single-largest shareholder and principal promoter of this new growth strategy, I have made a significant personal financial commitment to this strategy. I have more "skin in the game", so to speak, and I am more than committed and determined to make it work.

We believe that there is an opportunity in every crisis and the Group is certainly making the best out of the situation. As a residential real estate developer in United States of America, we have not stopped our construction projects and our sales have not changed from our previous projections. The coronavirus could have a material impact on our business, operations, and sales in the future. However, at this time we are unable to predict the impact that the coronavirus and the related economic decline that occurred will have on long-term real estate markets. As of today, we do not recognize any significant negative impact of the current economic situation on our operations.

APPRECIATION

So many people have sacrificed time and effort during the past year. I want to thank all management and staff as well as directors, partners and service providers in various countries for their commitment. I also want to thank shareholders for their patience and faith as we navigate this critical transformation of SeD.

Mr Chan Heng Fai
Executive Director and Chief Executive Officer
29 May 2020

Financial Review

The Group's revenue has increased by **S$5.4 million** or 20% from **S$26.9 million** for the year ended 31 December 2018 ("FY2018") to **S$32.3 million** in 31 December 2019 ("FY2019").

Revenue and Gross Profit

The Group's revenue has increased by S$5.4 million or 20% from S$26.9 million for the year ended 31 December 2018 ("FY2018") to S$32.3 million in 31 December 2019 ("FY2019") mainly due to contributions of revenue from the property development project located in Frederick County, Maryland USA ("Ballenger Run"), the property development project located in Houston, Texas ("Black Oak") and the revenue from the sale of biomedical products.

Despite the increase in revenue, gross profit decreased by S$1.3 million or 35% from S$3.7 million in FY2018 to S$2.4 million in FY2019 mainly due to the gross loss of S$1.5 million generated from Black Oak project.

Other Income

Other income decreased to S$1.2 million in FY2019 from S$1.5 million in FY2018 mainly due to decrease in unrealised foreign exchange gains of S$0.9 million, offset by the increase in gain on disposal of a subsidiary of S$0.4 million and increase in front foot benefit fees of S$0.2 million.

Expenses

Total operating expenses decreased by S$0.9 million or 11% from S$8.0 million in FY2018 to S$7.1 million in FY2019. This is mainly due to cost savings achieved through the streamlining of our corporate expenditure.

Financial Review

Other expenses increased by S$4.2 million or 89% from S$4.7 million in FY2018 to S$8.9 million in FY2019. In FY2019, other expenses mainly relate to $0.6 million withholding tax expense, $0.4 million unrealised foreign exchange loss, $0.5 million fair value loss of financial assets, $0.1 million goodwill written off, $0.1 million impairment of other receivables and $7.1 million written down of property under development for the Black Oak project based on the latest valuation report.

Finance costs decreased by S$0.1 million or 16% from S$0.8 million in FY2018 to S$0.7 million in FY2019. This is mainly due to the decrease in interest paid to the loan from director.

Bottom Line

Accordingly, the Group incurred a net loss attributable to owners of the Company of S$13.1 million in FY2019 compared to S$7.6 million in FY2018 mainly due to the written down of property under development for the Black Oak project based on the latest valuation report.

Balance Sheet

The Group's non-current assets increased by S$0.2 million from S$0.6 million as at 31 December 2018 to S$0.8 million as at 31 December 2018 mainly due to the increase in right-of-use asset.

The Group's current assets significantly decreased from S$67.2 million as at 31 December 2018 to S$46.6 million as at 31 December 2019. This is due to the decrease in properties under development of S$22.3 million following the disposal of 123 lots from the Ballenger Run Project and 124 dwelling lots from the Black Oak Project. This was partially offset by the increase in cash and cash equivalent.

Total liabilities decreased from S$30.7 million as at 31 December 2018 to S$22.5 million as at 31 December 2019. This is mainly due to reduction in loans and borrowings as a result of a repayment of convertible bonds of $2.0 million and decrease in trade and other payables of $7.0 million. These were partially offset by the increase in lease liability and increase in provision for income tax.

As at 31 December 2019, the Group was in a net current assets position of S$24.8 million as compared to S$36.9 million as at 31 December 2018.

Statement of Cash Flows

Net cash generated from operating activities decreased to $9.3 million in FY2019 compared to S$12.3 million in FY2018 mainly due to a decrease in trade and other payables during the year.

The Group generated S$0.3 million net cash generated from investing activities in FY2019 compared to S$0.1 million net cash used in investing activities in FY2018. This was mainly due to the proceeds from a partial disposal of a subsidiary.

Net cash used in financing activities decreased to S$7.6 million in FY2019 compared to S$12.0 million in FY2018. In FY2019, net cash used in financing activities comprised the cash repayment to a director of S$5.7 million, the repayment of loan of S$2.0 million for the corporate bonds, the cash distribution to non-controlling shareholders relating to the Ballenger Run project of S$1.4 million and the increase in bank pledged deposit of S$0.6 million. These were offset by the proceeds from issuance of ordinary shares of S$2.5 million.

The Group's cash and cash equivalents increased from S$2.1 million as at 31 December 2018 to S$3.9 million as at 31 December 2019.

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 2019.

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 Novmber 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.

Board of Directors

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

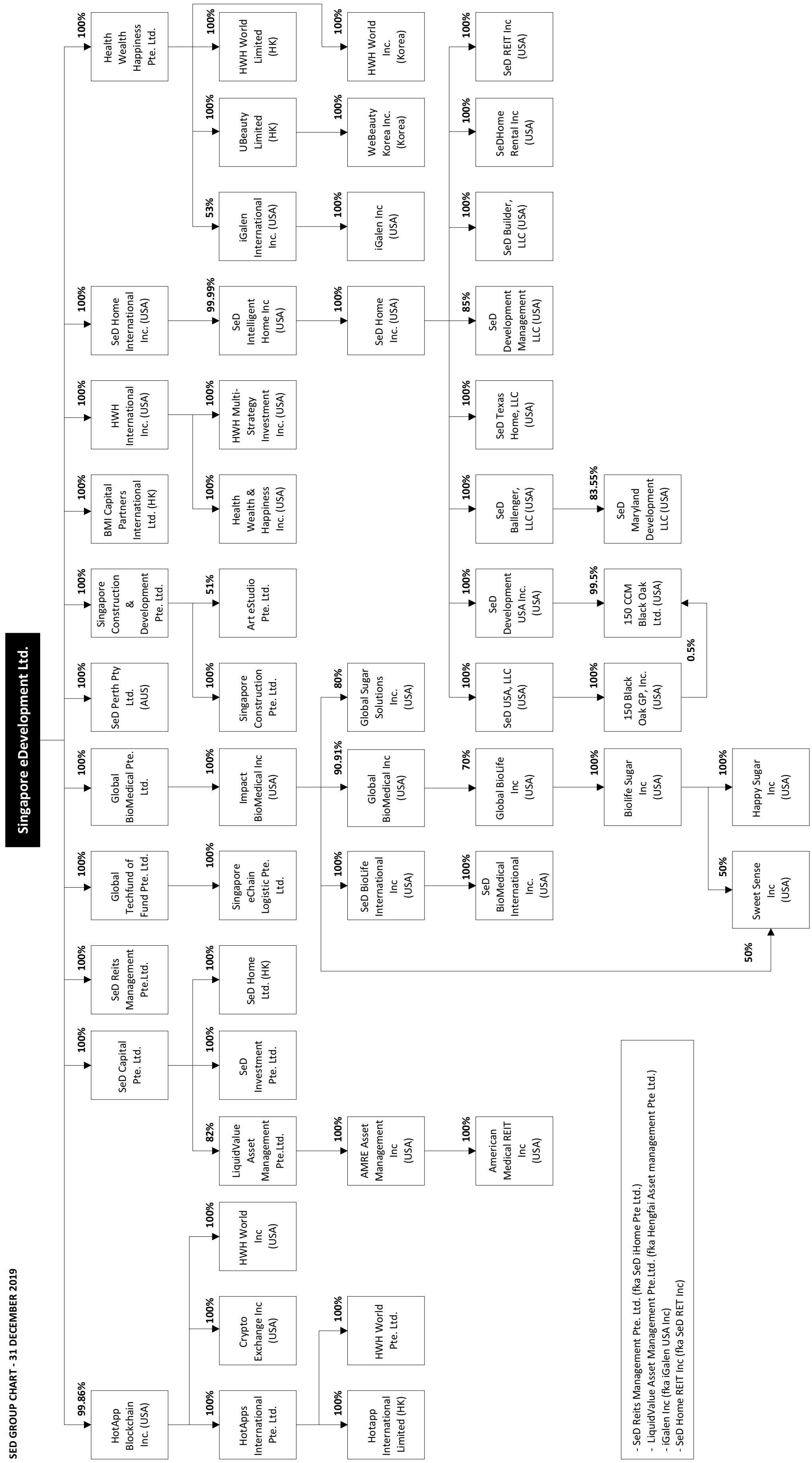
Independent Non-Executive Director

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 was last re-elected to the Board in April 2019.

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 Association of Chartered Certified Accountants and an Associate 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**



Introduction

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 for enhancing long-term Shareholders' value and returns.

This report ("**Corporate Governance Report**") describes the Company's corporate governance practices for the financial year ended 31 December 2019 ("**FY2019**"), with specific reference to the principles and provisions of the Code of Corporate Governance 2018 (the "**2018 Code**"), certain guidelines of the Code of Corporate Governance 2012 (the "**2012 Code**"), the rules (the "**Catalist Rules**") of Section B: Rules of Catalist of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and the Practice Guidance issued by the Monetary Authority of Singapore on 6 August 2018 ("**Guide**").

The Company has adhered to the principles, provisions and/or guidelines as set out in the 2018 Code, the 2012 Code and the Catalist Rules, where applicable. Insofar as any principles, guidelines and/or provisions has not been complied with, appropriate explanations have been provided.

(A) Board Matters

Principle 1: The Board's Conduct of Affairs

The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

Principal Duties of the Board

The primary functions of the Board are to protect the interests of Shareholders and enhance long-term Shareholders' value and returns. The Board works with the Management to achieve these and the Management remains accountable to the Board. Provision 1.1

The Directors are aware of their duties at law, which includes acting in good faith, exercising due care, skill and diligence, and discharging their duties and responsibilities at all times as fiduciaries in the best interests of the Company. All Directors must act objectively and exercise independent judgment in making decisions on the recommendations of the Management.

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

(a) provide entrepreneurial leadership, set strategic objectives (which includes appropriate focus on value creation, innovation and sustainability), and ensure that the necessary financial and human resources are in place for the Group to meet its objectives;

(b) establish a sound risk management 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;

(c) constructively challenge the Management and review its performance;

(d) identify key stakeholder groups, recognise that their perceptions affect the Company's reputation and ensure transparency and accountability to key stakeholder groups;

(e) instil an ethical corporate culture and ensure the Company's values and standards (including ethical standards), policies and practices are consistent with the Company's culture;

(f) consider sustainability issues, such as environmental and social factors, as part of its strategic formulation;

(g) approve major investment funding and the annual budget;

(h) approve the nomination of Directors to the Board; and

(i) oversee the business conduct of the company and assume responsibility for corporate governance.

The Board has put in place a code setting out the Company's ethical conduct and standards for Directors and staff to adhere to. The Board has also set appropriate tone-from-the-top and desired organisational culture, and ensured proper accountability within the Company.

The day-to-day management of the Company's businesses and affairs and the implementation of corporate strategies formulated by the Board have been entrusted to the Management which is led by the Executive Chairman and Chief Executive Officer (the "**CEO**") of the Company, Mr Chan Heng Fai.

The Board has implemented policies, structures and mechanisms to ensure the Company's compliance with legislative and regulatory requirements.

The Board has clear policies and procedures for dealing with conflicts of interest. Directors who face a conflict of interest disclose the issues of conflict and recuse themselves from meetings, discussions and decisions involving the issues of conflict.

Induction, Training and Development of Directors

All Directors understand the Company's business and their directorship duties, as set out in Provision 1.1 of this Corporate Governance Report. Provision 1.2

Upon appointment, newly appointed Directors will be provided with formal letters, setting out their appointment and their roles, duties, obligations and responsibilities, and the expectations of the Company. Newly appointed Directors will be given the necessary guidance and orientation (which may include management presentations) to allow the newly appointed Directors to understand the Group's history, core values, business operations, strategic directions and policies, industry specific knowledge, corporate functions and governance practices. If necessary, on-site visits to the Group's premises and places of operation will be arranged to gain a better understanding of the Group's business. The Company will also, where necessary, provide training for first-time Directors in areas such as accounting, legal and industry specific knowledge as appropriate. Catalist Rule 406(3)(a)

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 Nominating Committee is of the view that training is not required because the Director has other relevant experience, the basis of the Nominating Committee's assessment will be disclosed.

The Company has a policy and criteria for Directors' development and provides Directors with opportunities to develop and maintain their skills and knowledge at the Company's expense.

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 ("**ACRA**") 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 (International). The CEO, Mr Chan Heng Fai, also updates the Board at each Board meeting on business and strategic developments pertaining to the Group's business.

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.

The Board and Management of the Company have appropriate experience and expertise to manage the Group's business.

In line with the pre-quotation disclosure requirement, the Company will release a statement via SGXNET or in the prospectus, offering memorandum or introductory document identifying for each Director, whether the person has prior experience as a director of an issuer listed on the SGX-ST, or if he has other relevant experience, and if so, provide details of his directorships and other relevant experience.

Matters Requiring Board Approval

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

Provision 1.3

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

(a) major investment funding;

(b) annual budget;

(c) transactions involving a conflict of interest for a substantial Shareholder or a Director;

(d) material acquisitions and disposal of assets;

(e) corporate or financial restructuring;

(f) issuance of new shares;

(g) proposal and declaration of dividends;

(h) release of the Group's financial results; and

(i) interested person transactions of a material nature.

Board Committees

To assist the Board in the execution of its responsibilities, specialised committees of the Board, namely, the Audit and Risk Management Committee ("**ARMC**"), the Nominating Committee ("**NC**") and the Remuneration Committee ("**RC**") (collectively, the "**Board Committees**") have been established and delegated certain functions. If and when the Board delegates the authority (without abdicating responsibility) to make decisions to a Board Committee, such delegation is disclosed.

Provision 1.4

Catalist Rule 406(3)(e)

The ARMC, the NC and the RC operate within clearly defined written terms of reference and operating procedures, which set out their compositions, authorities and duties. These terms of reference and operating procedures are reviewed on a regular basis.

The names of each Board Committee member, the terms of reference, any delegation of the Board's authority to make decisions and a summary of each Board Committee's activities are set out below in this Corporate Governance Report:

(a) Nominating Committee (Principle 4);
(b) Remuneration Committee (Principle 6); and
(c) Audit and Risk Management Committee (Principle 10).

Board Meetings

The Board meets as often as may be necessary within each financial year, to oversee the business affairs of the Group, and to approve any financial or business objectives and strategies if applicable. The schedule of all regular Board and Board Committees meetings as well as the Annual General Meeting ("**AGM**") for each financial year are planned in advance.

Provision 1.5

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.

At the meetings of the Board and Board Committees, the Directors actively participate and are free to discuss and openly challenge the views presented by the Management and the other Directors. The decision-making process is an objective one.

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.

The number of the Board meetings and Board Committee meetings held in FY2019 and the attendance of the Directors at these meetings for FY2019 are set out below:

			Board Committees					
	Board Meetings		Audit & Risk Management Committee Meetings		Nominating Committee Meetings		Remuneration Committee Meetings	
Name of Director	**Held***	**Attended**	**Held***	**Attended**	**Held***	**Attended**	**Held***	**Attended**
Chan Heng Fai	2	1	N/A	N/A	1	0	N/A	N/A
Chan King Fai	2	2	3	3	1	1	1	1
Tao Yeoh Chi	2	2	N/A	N/A	1	1	N/A	N/A
Wong Tat Keung	2	2	3	3	1	1	1	1
Wong Shui Yeung	2	2	3	3	N/A	N/A	1	1
Lam Lee G.	2	2	N/A	N/A	N/A	N/A	N/A	N/A

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

Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of the Company in order to fulfil their responsibilities and duties to the Company and its Shareholders.

Directors' Access to Information

The Management recognises that the flow of complete, adequate and timely information on an ongoing basis to the Board is essential to the Board's effective and efficient discharge of its duties. As such, the Management provides the Directors with complete, adequate and timely information, including 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 analysis. Provision 1.6

The Management has taken a pro-active approach of informing the Directors on a timely basis of important corporate actions to be taken by the Company and events that will affect the Company, even if such developments may not require the approval of the Board. This enables the Directors to be fully cognisant of the decisions and actions of the Management, to make informed decisions and discharge their duties and responsibilities.

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. In respect of budgets, any material variance between the projections and actual results should also be disclosed and explained. This enables the Directors to request for and obtain further explanations, where necessary, in order to be briefed before the Board or Board Committee meeting.

Directors make all necessary enquiries and request from Management additional information as may be required to make informed decisions and effectively discharge their responsibility as Directors.

The Directors, in furtherance of their duties, are allowed to seek and obtain legal and other independent professional advice, if necessary, at the Company's expense, concerning any aspect of the Group's operations or undertakings in order to fulfil their roles and responsibilities as Directors.

Access to the Management and Company Secretary

The Directors have separate and independent access to the Management and the Company Secretary. Provision 1.7

The appointment and removal of the Company Secretary is a matter for the Board to decide as a whole. The Company Secretary (or his or her representative) administers, attends and prepares minutes of all the Board and Board Committees meetings and assists the Chairman of the Board and/or the Board Committees in ensuring proper procedures at such meetings are followed and reviewed so that the Board and the Board Committees function effectively.

The members of the Board may seek the advice of independent professional advisers, the cost of which will be borne by the Company.

Principle 2: Board Composition and Guidance

The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

Members of the Board of Directors

As at the date of this Corporate Governance Report, the Board comprises one (1) Executive Director, one (1) Non-Executive Director, and four (4) Independent Non-Executive Directors. Details of each Director are set out below as required under Rule 1204(10B) of the Catalist Rules: Catalist Rule 1204 (10B)

Name of Director	Designation	Date of First Appointment	Date of Last Re-Election	ARMC	NC	RC
Chan Heng Fai	Executive Chairman and CEO	31 May 2013	23 April 2019	–	Member	–
Lam Lee G.	Non-Executive Director and Vice Chairman	28 November 2017	30 April 2018	–	–	–
Chan King Fai	Independent Non-Executive Director	2 May 2017	30 April 2018	Member	Member	Member
Tao Yeoh Chi	Lead Independent Non-Executive Director	27 June 2013	30 April 2018	–	Member	–
Wong Shui Yeung	Independent Non-Executive Director	5 June 2017	30 April 2018	Chairman	–	Chairman
Wong Tat Keung	Independent Non-Executive Director	27 January 2017	23 April 2019	Member	Chairman	Member

The Board has at least two (2) Non-Executive Directors who are independent and free of any material business or financial connection with the Company. Catalist Rule 406(3)(c)

Mr Chan Heng Fai, the Company's Executive Chairman and CEO, is not considered independent. Accordingly, the Independent Non-Executive Directors make up a majority of the Board in FY2019. Provision 2.2

Presently, there is a strong and independent element on the Board, capable of exercising objective judgement 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. Provision 2.3

Guideline 2.1 of the 2012 Code[1]

The Independent Non-Executive Directors provide independent judgment on the corporate affairs of the Group as well as diverse and objective perspectives to enable balanced and well-considered decisions to be made. In particular, the Independent Non-Executive Directors constructively challenge and help develop proposals on the Group's strategic and business plans, review the performance of the Management in meeting agreed goals and objectives and monitor the reporting of performance.

Independence of Directors

The NC reviews and determines the independence of each Director annually in accordance with the definitions of independence under the 2018 Code and the Catalist Rules. Provision 2.1

Each Director is required to complete a Director's independence checklist on an annual basis to confirm his/her independence. The Director's independence checklist is drawn up based on the provisions provided in the 2018 Code and the Catalist Rules and requires each Director to assess whether he considers himself independent despite not being involved in any of the relationships identified in the 2018 Code and the Catalist Rules. The NC then reviews the Director's independence checklist to determine whether each Director is independent. Catalist Rule 406(3)(d)

Guideline 2.4 of the 2012 Code[2]

In accordance with Provision 2.1 of the 2018 Code, the NC considers an independent director as one who is independent in conduct, character and judgement, and has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the Company.

In determining Directors' independence, the Board further considered Rules 406(3)(d)(i) and (ii) of the Catalist Rules. Pursuant thereto, the Board considered an Independent Director as one who is not or has not been employed by the Company or any of its related corporations for the current financial year or any of the past three (3) financial years. An Independent Director would also not have an immediate family member who is employed or has been employed by the Company or any of its related corporations in the current financial year or for any of the past three (3) financial years, and whose remuneration is determined by the RC of the Company.

For FY2019, the Independent Non-Executive Directors have declared their independence in accordance with the provisions of the 2018 Code and the Catalist Rules. The Independent Non-Executive Directors have also confirmed that they do not have any relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement in the best interests of the Company.

In addition, none of the current Independent Directors has served on the Board beyond nine (9) years from the date of his first appointment.

1 Rule 406(3)(c) of the Catalist Rules requires independent directors to make up at least one-third of the Board. This rule will come into effect on 1 January 2022. Prior to 1 January 2022, the corresponding Guideline 2.1 of the 2012 Code will continue to apply. Guideline 2.1 of the 2012 Code states that there should be a strong and independent element on the Board, with independent directors making up at least one-third of the Board.

2. Rule 406(3)(d) of the Catalist Rules states that a director is not independent if he has been a director for an aggregate period of more than 9 years (whether before or after listing) and whose continued appointment has an independent director has not been sought and approved in separate resolutions by (A) all shareholders; and (B) all shareholders, excluding shareholders who also serve as the directors or the chief executive officer of the company, and associates of such directors and chief executive officers. Rule 406(3)(d)(iii) of the Catalist Rules will come into effect on 1 January 2022. Guideline 2.4 of the 2012 Code continues to apply prior to 1 January 2022. Guideline 2.4 of the 2012 Code states that the independence of any director who has served on the Board beyond nine years from the date of his first appointment should be subject to particularly rigorous review. In doing so, the Board should also take into account the need for progressive refreshing of the Board. The Board should also explain why any such director should be considered independent.

As a whole, the Board, with the recommendation and concurrence of the NC, has reviewed and determined that the Independent Non-Executive Directors, namely Mr Chan King Fai, Mr Tao Yeoh Chi, Mr Wong Shui Yeung and Mr Wong Tat Keung are independent in accordance with the 2018 Code and the Catalist Rules and are able to exercise independent judgement.

Evaluation of Board Size and Composition

The NC is responsible for examining the size and composition of the Board and Board Committees. Having considered the scope and nature of the Group's business and the requirements of the business in the financial year under review, the NC is of the view that the Board and Board Committees are of an appropriate size, and comprise Directors who have the appropriate balance and mix of expertise, skills, experience and attributes to oversee the Company's business. Provision 2.4

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.

For FY2019, the Board is of the view that the current board size of six (6) Directors is sufficient and adequate for effective decision-making, 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.

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. When the need arises to identify suitable Director nominees, the NC will consider diversity in gender, in addition to skills, experience and knowledge, as a relevant factor in selection and nomination.

Board Diversity Policy

The Board's policy in identifying director nominees is primarily to have an appropriate balance and mix of members with complementary skills, knowledge, experience and core competencies for the Company. The Board also has regard to other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate.

The Company recognises that a diverse Board will enhance the decision-making process by utilising the variety in skills, industry and business experiences, gender and other distinguishing qualities of the members of the Board. As such, the Board will take into consideration the skill sets and experience, including gender diversity, for any future Board appointments. Having said that, gender is but one aspect of diversity and new Directors will continue to be selected based on objective criteria set as part of the process for appointment of new Directors and Board succession planning.

The current Board composition provides a diversity of skills, experience and knowledge to the Company as follows:

Core Competencies	Number of Directors	Proportion of Board
Accounting or finance	3	50%
Legal or corporate governance	2	33.3%
Strategic planning experience	1	16.7%

The NC will review the relevant objectives for promoting and achieving diversity on the Board, the progress made, and make recommendations for approval by the Board. The NC will review this policy from time to time as appropriate and the progress made.

The NC will, in reviewing and assessing the composition of the Board and recommending the appointment of new directors to the Board, consider candidates on merit against the objective criteria set and with due regards for the benefits of diversity on the Board.

To facilitate a more effective check on the Management, the Independent Non-Executive Directors, led by the Lead Independent Director, have on some occasions met without the presence of the Management in FY2019 to review any matters that they wish to raise privately, constructively challenge and help develop proposals on company strategy, review the performance of the Management in meeting agreed goals and objectives and monitor the reporting of performance. After the conclusion of the meeting, the Lead Independent Director provides feedback to the Board as appropriate. Provision 2.5

Principle 3: Chairman and Chief Executive Officer

There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Mr Chan Heng Fai is both the Executive Chairman and the CEO of the Company. Provision 3.1

Although the Executive Chairman and the CEO of the Company are the same person, the Board is able to exercise its power objectively and independently from the Management.

Independent Non-Executive Directors make up more than half the Board. 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.

To ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making, the Company has appointed Mr Tao Yeoh Chi as the Lead Independent Director of the Company.

Responsibilities of the Executive Chairman

The Executive Chairman is responsible for leading the Board and ensuring that the Board acts in the best interests of the Company and its Shareholders. Provision 3.2

The Chairman's responsibilities include:

(a) leading the Board to ensure its effectiveness on all aspects of its role;

(b) 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 follow of the Company's operations;

(c) promoting a culture of openness and debate at the Board;

(d) 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;

(e) 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;

(f) facilitating the effective contribution of all Directors, in particular the Independent Non-Executive Directors;

(g) encouraging appropriate and constructive relations between the Executive Directors and the Independent Non-Executive Directors, as well as ensuring effective communication with Shareholders; and

(h) promoting high standards of corporate governance.

In addition, the Chairman is the face of the Board and ensures effective communication between Shareholders and other stakeholders of the Company. The Chairman ensures appropriate relations within the Board and between the Board and Management.

Responsibilities of the CEO

As the CEO of the Company, Mr Chan Heng Fai 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.

Lead Independent Director

The Board has appointed Mr Tao Yeoh Chi as the Lead Independent Director to provide leadership where the Chairman is conflicted. Provision 3.3

Mr Tao Yeoh Chi is available to Shareholders where they have concerns for which contact through the normal channels of communication with the Executive Chairman and Management are inappropriate or inadequate.

In addition, Mr Tao Yeoh Chi facilitates communication within the Board and between the Board and Shareholders where necessary. Mr Tao Yeoh Chi's roles include providing a channel to Independent Non-Executive Directors for confidential discussions on any concerns and to resolve conflicts of interest as and when necessary.

Principle 4: Board Membership

The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

NC's Key Terms of Reference

The NC is guided by a set of written terms of reference, and its principal responsibilities as set out in its' key terms of reference include the following: Provision 4.1

(a) reviewing and assessing candidates for directorships (including executive directorships) before making recommendations to the Board for the appointment and re-appointment of Directors; Catalist Rule 406(3)(e)

(b) establishing and reviewing the terms of reference for the NC annually;

(c) nominating Directors for re-election in accordance with the Company's Constitution at each AGM;

(d) determining annually, and as and when circumstances require, the independence of Directors;

(e) recommending and reviewing board succession plans for Directors, in particular the appointment and/or replacement of the Chairman and CEO and key management personnel;

(f) reviewing the training and professional development programs for the Board and its Directors;

(g) reviewing and making recommendations to the Board on the appointment and re-appointment of Directors (including alternate directors, if any);

(h) developing and implementing a process and objective criteria for evaluation of the performance of the Board, its Board Committees and Directors; and

(i) 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 NC will, at least once every year, review and thereafter, make recommendations to the Board regarding the Board structure, size, composition and core competencies.

Composition of NC

As at the date of this Corporate Governance Report, the NC comprises of three (3) Independent Non-Executive Directors and one (1) Executive Director: Provision 4.2

Mr Wong Tat Keung (Chairman)	Independent Non-Executive Director
Mr Tao Yeoh Chi (Member)	Lead Independent Non-Executive Director
Mr Chan King Fai (Member)	Independent Non-Executive Director
Mr Chan Heng Fai (Member)	Executive Director

The Lead Independent Director, Mr Tao Yeoh Chi, is a member of the NC.

Re-appointment of Directors

Pursuant to Regulation 89 of the Company's Constitution, at each AGM, 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. Catalist Rules 720(4) & (5)

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

(i) Dr Lam Lee G.; and

(ii) Mr Chan King Fai.

The NC has recommended to the Board that each of Dr Lam Lee G. and Mr Chan King Fai be nominated for re-election at the forthcoming AGM.

Each of Dr Lam Lee G. and Mr Chan King Fai have given their consent to remain in office and will submit themselves for re-election at the forthcoming AGM.

Dr Lam Lee G., upon re-election as a Director of the Company, will remain as the Non-Executive Vice Chairman of the Company. Dr Lam Lee G. does not have any relationships including immediate family relationships between himself and the Directors, the Company and its substantial Shareholders.

Mr Chan King Fai will, upon re-election as a Director of the Company, remain as an Independent Non-Executive Director, a member of the ARMC, NC and the NC and will be considered independent for the purposes of Rule 704(7) of the Catalist Rules. Mr Chan King Fai does not have any relationships including immediate family members between himself and the Directors, the Company and its substantial Shareholders.

Mr Chan King Fai, being a member of the NC who is retiring at the AGM, abstained from voting on the resolution in respect of his re-nomination as a Director of the Company.

Pursuant to Rule 720(5) of the Catalist Rules, additional information on the Directors seeking re-election is set out in the section titled "Additional Information on Directors Seeking Election/Re-Election" in this Annual Report.

Selection, Appointment and Re-appointment Process

The NC's process for the selection, appointment and re-appointment of Directors takes into consideration the composition and progressive renewal of the Board, as well as each Director's competencies, commitment and contribution and performance, including his performance as an Independent Director if applicable. Provision 4.3

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

(a) 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;

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

(c) 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

(d) make recommendations to the Board for approval.

In selecting and appointing potential Directors, the NC will seek out and source for a wide range of suitable candidates including persons not directly known to the Directors. In addition, the NC is empowered to engage professional search firms to seek out and source for suitable candidates, at the Company's expense. The NC gives due consideration to all suitable candidates regardless of who identified the candidate. The NC will interview all suitable candidates in frank and detailed meetings, and thereafter review and evaluate the candidates, taking into account the candidate's track record, experience, capabilities and other relevant factors, and make its recommendations to the Board on all candidates nominated for appointment to the Board for approval. New Directors are appointed by way of a Board resolution following which they are subject to re-election at the next AGM.

In nominating Directors for re-appointment, 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, commitments or contributions to the Board.

The NC is of the view that the current Board size is adequate for effective decision-making and meets the current needs of the Company, taking into account the nature and the scope of the Company's operations in respect of FY2019.

The NC reviews and affirms the independence of the Company's Independence Directors annually in accordance with the 2018 Code and Catalist Rules. Provision 4.4

The Independent Non-Executive Directors have confirmed that they do not have any relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement in the best interests of the Company.

Further details are set out in Provision 2.1 of this Corporate Governance Report.

The NC ensures that new directors are aware of their duties and obligations. Further details on the new Directors' induction into the Board, briefing on their duties and the receipt of mandatory training as prescribed by the SGX-ST are set out in Provision 1.2 of this Corporate Governance Report. Provision 4.5

In evaluating the Directors' performance for the financial year, the NC takes into account the attendance of the Directors at Board or Board Committee 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.

The NC was satisfied that in FY2019, all the Directors gave sufficient time and attention to the affairs of the Company, and had adequately carried out their duties as Directors notwithstanding their multiple board representations (where applicable) and other principal commitments.

Multiple Directorships

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 Board and the NC determine annually the number of directorships and principal commitments of each Director in assessing whether he is able to or has been adequately carrying out his duties. All Directors are required to declare their board representations in other companies by completing a declaration form disclosing the required information.

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.

As at the date of this Corporate Governance Report, key information regarding the Directors' profiles, including directorships or chairmanships both present and those held over the preceding five (5) years in other listed companies, and other principal commitments, are set out below:

Name of Director	**Date of appointment of Directorships or Chairmanships in the Company**	**Directorships or Chairmanships in other listed companies and other principle commitments**	
		Present	**Past 5 years**
Chan Heng Fai	Appointed as Non-Executive Director on 31 May 2014 Re-designated as Executive Director on 1 March 2014 Appointed as CEO on 28 April 2014 Appointed as Executive Chairman on 5 June 2017	Document Security Systems, Inc. Holista CollTech Limited OptimumBank Holdings, Inc.	Heng Fai Enterprises Limited RSI International Systems, Inc.
Tao Yeoh Chi	Appointed as Independent Non-Executive Director on 27 June 2013	–	Sapphire Corporation Ltd.
Wong Tat Keung	Appointed as Independent Non-Executive Director on 27 January 2017	Lerthai Group Limited	Heng Fai Enterprises Limited ROMA Group Limited
Chan King Fai	Appointed as Independent Non-Executive Director on 2 May 2017	Fire Rock Holdings Limited	Heng Fai Enterprises Limited
Wong Shui Yeung	Appointed as Independent Non-Executive Director on 5 June 2017	SMI Holdings Group Limited Lerthai Group Limited	–

Name of Director	Date of appointment of Directorships or Chairmanships in the Company	Directorships or Chairmanships in other listed companies and other principle commitments – Present	Directorships or Chairmanships in other listed companies and other principle commitments – Past 5 years
Lam Lee G.	Appointed as Non-Executive Vice Chairman on 28 November 2017	Adamas Finance Asia Limited Aurum Pacific (China) Group Limited AustChina Holdings Limited China LNG Group Limited China Real Estate Group Limited China Shandong Hi-Speed Financial Group Limited CSI Properties Limited Elife Holdings Limited Greenland Hong Kong Holdings Limited Haitong Securities Company Limited Hang Pin Living Technology Company Limited Huarong Investment Stock Corporation Limited JCG Investment Holdings Limited 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 Thomson Medical Group Limited Tianda Pharmaceutical Limited TMC Life Sciences Berhad Top Global Limited Vongroup Limited	Hsin Chong Group Holdings Limited Glorious Sun Enterprises Limited Green Leader Holdings Group Limited Xi'an Haitiantian Holdings Company Limited Rowsley Limited Vietnam Equity Holding Roma Group Limited Imagi International Holdings Limited UDL Holdings Limited Heng Fai Enterprises Limited Mingyuan Medicare Development Company Limited Ruifeng Petroleum Chemical Holdings Ltd

Although Dr. Lam Lee G. holds a significant number of listed company directorships and commitments, the NC and the Board are of the view that Dr. Lam Lee G. is able to diligently discharge his duties as a Director of the Company. The NC and the Board assessed Dr Lam Lee G.'s performance during the period of his directorship with the Company and found that Dr. Lam Lee G. has actively participated in the Board meetings held by the Company and therefore the time Dr Lam Lee G. committed for his duties as a Director is sufficient. The background, experience and qualifications of Dr. Lam Lee G. also indicate that he is able to make the substantial time commitment required to fulfil his responsibilities and duties to the Company and its Shareholders. Accordingly, the NC and the Board have reasonable grounds to be confident that Dr. Lam Lee G. will continue to be able to devote sufficient time and effort to the affairs of the Company as a Non-Executive Director of the Company.

Principle 5: Board Performance

The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

The NC has recommended and 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 Board evaluation considers the Board's composition (balance of skills, experience, independence, knowledge of the Company and diversity), Board practices and conduct, and how the Board as a whole adds value to the Company. Provision 5.1

The NC also recommends for the Board's approval the objective performance criteria and process for the abovementioned evaluation to identify areas for improvement and to implement appropriate action.

The areas of assessment under the Board evaluation process are set out below:

(a) Board's conduct of meetings;

(b) Board's review of corporate strategy and planning;

(c) risk management and internal controls;

(d) whistle-blowing matters;

(e) measuring and monitoring performance;

(f) recruitment and evaluation;

(g) compensation for Board and key executives;

(h) succession planning;

(i) financial reporting; and

(j) 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. If so, the decision to change the areas of assessment would be justified by the Board and the NC.

Evaluation of Board Performance

The NC has reviewed and assessed the effectiveness of the Board based on the objective performance criteria approved by the Board, as detailed above. Provision 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 the 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 Chairman of the NC, Mr Wong Tat Keung, would review 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.

In evaluating each individual Director's performance, the NC assessed whether each Director was willing and able to constructively challenge and contribute effectively to the Board and demonstrate commitment to his role of the Board.

The NC, having assessed the current Board's and Board Committees' overall performance to-date, their roles and responsibilities, is of the view that the performance of the Board as a whole, each Board Committee and each individual Director were satisfactory and have met its performance objectives for FY2019.

No external facilitator was used during the evaluation process in FY2019.

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 Director to the effectiveness of the Board and their relevant Board Committees. The Chairman of the NC, Mr Wong Tat Keung, 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 a Director of the Company.

(B) Remuneration Matters

Principle 6: Procedures for Development Remuneration Policies

The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

RC's Key Terms of Reference

The RC is guided by a set of written terms of reference, and its principal responsibilities as set out in its' key terms of reference include the following: Provision 6.1

(i) reviewing and recommending to the Board a general framework of remuneration which covers all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, benefits-in-kind and specific remuneration packages for each Director as well as for the key Management personnel; and

(ii) reviewing and recommending to the Board the specific remuneration packages and terms of employment (where applicable) for each Director and key Management personnel.

The RC's recommendations in respect of the Directors' remuneration are submitted for endorsement by the Board and the Board is ultimately accountable for all decisions relating to remuneration.

The RC considers all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, benefits-in-kind and specific remuneration packages for each Director as well as for the key Management personnel, to ensure they are fair. Provision 6.3

The RC reviews the Company's obligation arising in the event of termination of key Management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

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

Composition of RC

The RC comprises three (3) Independent Non-Executive Directors: Provision 6.2

Mr Wong Shui Yeung (Chairman)	Independent Non-Executive Director
Mr Wong Tat Keung (Member)	Independent Non-Executive Director
Mr Chan King Fai (Member)	Independent Non-Executive Director

All members of the RC are Independent Non-Executive Directors. The Chairman of the RC, Mr Wong Shui Yeung, is independent.

Remuneration Consultant(s)

No remuneration consultants were engaged by the Company during FY2019. Where necessary, the expenses of any external remuneration consultants engaged for advice on remuneration matters shall be borne by the Company. Provision 6.4

Principle 7: Level and Mix of Remuneration

The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

Policy and criteria for setting remuneration

The Company sets out remuneration packages that are able to attract, retain and motivate Directors and Management without being excessive, thereby promoting the long-term success of the Company and maximising Shareholders' value. The remuneration packages take into account the performance of the Group and the individual Directors. In addition, the Company tailors each Director and key Management personnel's remuneration to his or her specific role and circumstances. Provision 7.1

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.

The annual fixed cash component of Executive Directors and key Management personnel's remuneration 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-à-vis industry performance.

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.

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 Share Option Scheme (as defined herein) or award of performance shares under the Performance 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.

As part of its efforts to link rewards to corporate and individual performance in relation to Management's remuneration, the Group had introduced long-term incentive schemes. The Shareholders had approved the adoption of two long-term incentive schemes, the Singapore eDevelopment Limited Share Option Scheme ("**Share Option Scheme**") and the Singapore eDevelopment Limited Performance Share Plan ("**Performance Share Plan**").

The RC has been given the responsibility to administer both the Share Option Scheme and the Performance Share Plan. 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. Further details on the Share Option Scheme and the Performance Share Plan are set out in Provision 8.3 of this Corporate Governance Report.

The Company currently does not use contractual provisions to allow the Company to reclaim incentive components of remuneration from its Executive Director and key Management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Group. This is because the Executive Director owes a fiduciary duty to the Company and the Company should be able to avail itself to remedies against the Executive Director in the event of such breach of fiduciary duties.

The RC 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. The RC shall also review the feasibility of having the abovementioned contractual provisions in future renewals of service contracts of its Executive Director and key Management personnel.

Remuneration of Executive Director

The Executive Director, Mr Chan Heng Fai, 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.

Remuneration of Non-Executive Directors

Each Non-Executive Director of the Company is paid Directors' fees in accordance with the level of his contribution to the Board, taking into consideration factors such as the effort and time spent by and responsibilities of each Non-Executive Director, as well as the remuneration rates of comparable companies listed on the Catalist board of the SGX-ST. Their remuneration of each Non-Executive Director is subject to shareholders' approval at the AGM. Provision 7.2

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 to provide good stewardship and successfully manage the Company for the long term. Provision 7.3

Principle 8: Disclosure on Remuneration

The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Level and Mix of Remuneration

The RC has adopted a framework for Directors' fees which comprises of a basic fee, additional fees for appointment to and chairing of Board Committees and constructive contributions. Details on the Company's policy and criteria for setting remuneration are set out in Principle 7 of this Corporate Governance Report. Provision 8.1

Details of remuneration and fees paid by the Group to the Directors and key Management personnel in the financial year under review are set out below:

Remuneration Bands & Name of Directors & Key Management Personnel	Total Remuneration (S$'000)	Salary (%)	Variable bonus (%)	Director's Fees (%)	Total (%)
Directors					
Between S$0 to S$250,000					
Chan Heng Fai[(1)]	–	–	–	–	–
Tao Yeoh Chi	20	–	–	100	100
Wong Tat Keung	20	–	–	100	100
Chan King Fai	20	–	–	100	100
Wong Shui Yeung	20	–	–	100	100
Lam Lee G.	20	–	–	100	100
Key Management Personnel					
Between S$0 to S$250,000					
Lui Wai Leung Alan	163	100	–	–	100
Ang Hay Kim	101	100	–	–	100
Wei Rongguo	154	100	–	–	100

(1) Mr Chan Heng Fai did not receive any remuneration from the Company during FY2019.

The aggregate amount of the total remuneration paid to the Directors was S$100,000 in FY2019.

The Group had only three (3) key Management personnel for FY2019. 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$418,000 in FY2019. Other than as disclosed, the Company has no other employee who has the authority and responsibility for planning, directing and controlling the activities of the Company.

Mr Chan Tung Moe, the Consultant engaged by the Company through Pop Motion Consulting Pte. Ltd., is the son of Mr Chan Heng Fai, an Executive director and the CEO of the Company. Mr Chan Tung Moe's remuneration for FY2019 was S$330,000. Provision 8.2

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 FY2019 was S$39,000.

Save as disclosed above, there were no other employees who are immediate family members of the Directors, the CEO or substantial shareholders of the Company whose remuneration exceeded $100,000 in FY2019.

Forms of remuneration and other payments and benefits

Details on the amounts and breakdown of remuneration are set out in Provision 8.1 of this Corporate Governance Report. Provision 8.3

Singapore eDevelopment Limited Share Option Scheme Catalist Rule 1204(16)

The Company implemented its Share Option Scheme on 20 November 2013 as a long-term incentive scheme.

The objectives of the Share Option Scheme are to, *inter alia*: Catalist Rule 851

(a) motivate participants to achieve higher efficiency and productivity and improve the performance of the Group and its businesses;

(b) 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;

(c) align the interests of participants with Shareholders' interests;

(d) 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;

(e) attract potential employees and/or Directors with relevant skills to contribute to the Group; and

(f) give recognition to the contributions made or to be made by participants to the success of the Group.

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

(a) confirmed employees of the Group;

(b) Executive Directors of the Group;

(c) Non-Executive Directors of the Group (including Independent Directors of the Group); and

(d) 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 Share Option Scheme is set out below:

(a) the aggregate number of shares in respect of which share options may be granted on any date under the Share 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 Share 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 twenty per cent. (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);

(b) the aggregate number of shares in respect of which share options may be offered to a participant for subscription in accordance with the Share 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, potential for future development and contribution to the Group of the participant;

(c) 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 fifty per cent. (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 Share Option Scheme at a discount not exceeding the maximum discount as aforesaid;

(d) "**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 SGXST, 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;

(e) 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 Share Option Scheme can be found in the Company's circular dated 28 October 2013.

In FY2019, there were no share options granted under the Share Option Scheme.

Details of the share options to subscribe for ordinary shares in the capital of the Company granted to Directors (if any) since the commencement of the Share Option Scheme ("**Commencement**") to the end of FY2019 are set out below:

Name of Director	Share options granted during financial year under review	Aggregate share options granted since Commencement	Aggregate share options exercised	Aggregate share options forfeited	Aggregate share options outstanding as at end of financial year under review
Chan Heng Fai	–	1,061,333	–	–	1,061,333
Lam Lee G.	–	–	–	–	–
Tao Yeoh Chi	–	–	–	–	–
Wong Tat Keung	–	–	–	–	–
Chan King Fai	–	–	–	–	–
Wong Shui Yeung	–	–	–	–	–

Singapore eDevelopment Limited Performance Share Plan

The Company implemented its Performance Share Plan on 23 October 2014 to complement the Share Option Scheme and to serve as an additional and flexible incentive tool for the Group.

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

(a) give recognition to contributions made or to be made by employees of the group by introducing a variable component to their remuneration package;

(b) motivate participants to achieve higher efficiency of productivity and improve the performance of the Group and its business units;

(c) 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

(d) 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 Performance Share Plan:

(a) employees of the Group;

(b) Executive Directors of the Group; and

(c) Controlling Shareholders and/or their associates who are either employees of the Group or Executive Directors of the Group shall not participate in the Performance 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 Performance Share Plan is set out below:

(a) 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 Performance Share Plan shall not exceed 25% of the total number of shares available under the Performance 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 Performance Share Plan shall not exceed 10% of the total number of shares available under the Performance Share Plan and such other share based incentive schemes of the Company;

(b) 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;

(c) 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;

(d) 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

(e) 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 Performance Share Plan can be found in the Company's circular dated 7 October 2014.

There were no awards of performance shares granted under the Performance Share Plan since the commencement of the Performance Share Plan to the end of FY2019.

There were no termination, retirement or post-employment benefits granted to Directors, the CEO and the top three (3) key management personnel in FY2019.

(C) Accountability and Audit

Principle 9: Risk Management and Internal Controls

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

Internal Control and Risk Management Systems

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 determines the Company's level of risk tolerance and risk policies, and oversees Management in the design, implementation and monitoring of a sound risk management and internal control systems. Provision 9.1

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.

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.

The Board, having considered the various factors, including the aforementioned system of internal controls currently in place and after communicating with Management, delegated the responsibility for risk governance to the ARMC.

The ARMC monitors and assists the Board in determining the nature and extent of the significant risks which the Company is willing to take in achieving its strategic objectives and value creation.

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:

(a) assessment of the Group's key risks by major business units and risk categories;

(b) identification of specific "risk owners" who are responsible for the risks identified;

(c) 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;

(d) 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;

(e) status and changes in plans undertaken by the Management to manage key risks; and

(f) 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.

Assessment of Internal Control and Risk Management Systems

The Board, with the assistance of the ARMC, has undertaken an annual assessment on the adequacy and effectiveness of the Group's internal control and risk management 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 FY2019.

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

(a) 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;

(b) 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;

(c) the extent and frequency of the communication of the results of the monitoring to the ARMC; and

(d) the incidence of significant internal control weaknesses that were identified during FY2019.

In addition, the Board relied on internal audit reports and the management letter prepared by the external auditors to report on any material non-compliance or internal control weakness.

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, the ARMC and the Board, the Board, with the 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 2019.

The system of internal control and risk management 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 control 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.

Audit & Risk Management Committee's Commentary on Key Audit Matters

Carrying Value of Properties Under Development

As at 31 December 2019, the Group has three (3) property development projects and the carrying value of these property development projects is S$34,553,000 which constitutes 73% of the Group's total current assets as at 31 December 2019.

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.

The Board has received assurances from the CEO and CFO (if any) that for the financial year under review, 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 based on the work performed by the internal and external auditors, the Group's risk management and internal controls, addressing financial, operational, compliance and information technology risks, were adequate and effective as at 31 December 2019. Provision 9.2

Based on the internal controls established and maintained by the Group, the audit conducted by the external and internal auditors as well as ongoing Management review, the Board, with the concurrence of the ARMC, are of the opinion that the Group has adequate and effective systems of internal control (including financial, operational, compliance and information technology controls) and risk management systems, taking into account the nature and size of the Group's business and operations. Catalist Rule 719(1) Catalist Rule 1204(10)

During FY2019, the Board and the ARMC have not identified any material weakness in the Company's internal controls.

Principle 10: Audit Committee

The Board has an Audit Committee which discharges its duties objectively.

ARMC's Key Terms of Reference

The ARMC is guided by a set of written terms of reference, and its principal responsibilities as set out in its' key terms of reference include the following: Provision 10.1

(a) establishing and reviewing the terms of reference for the ARMC annually;

(b) recommending to the Board on (i) the proposals to Shareholders on the appointment and removal of external auditors and (ii) the remuneration and terms of engagement of the external auditors;

(c) reviewing with the external auditors the audit plan, the evaluation of the internal accounting controls system, 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;

(d) reviewing with the 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;

(e) reviewing the assurance from the CEO and CFO on the financial records and financial statements;

(f) reviewing the Group's half year and full year financial statements and related notes and announcements relating thereto, 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 Catalist Rules and any other relevant statutory or regulatory requirements, and the external auditors' reports prior to recommending to the Board for approval;

(g) reviewing the internal control procedures and ensuring co-ordination between the external auditors and the Management, reviewing the assistance given by the Management to the external auditors, and discussing problems and concerns (if any) arising from the interim and final audits, and any matters which the external auditors may wish to discuss (in the absence of the Management, where necessary);

(h) reviewing and discussing with the external and 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;

(i) reviewing the 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 internal auditors;

(j) 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;

(k) 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 and any announcements relating to the Group's financial performance;

(l) reviewing with the external and internal auditorsannually the adequacy and effectiveness of the Group's internal controls and risk management systems;

(m) reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on. The Company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns;

(n) considering the appointment or re-appointment of the external and internal auditors and matters relating to the resignation or dismissal of the external and internal auditors;

(o) undertaking such other reviews and projects as may be requested by the Board, and reporting to the Board its findings from time to time on matters arising and requiring the attention of the ARMC;

(p) generally undertaking such other functions and duties as may be required by statute or the Catalist Rules or by such amendments as may be made thereto from time to time;

(q) reviewing 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, to be announced immediately via SGXNet; and

(r) reviewing the interested person transactions falling within the scope of Chapter 9 of the Catalist Rules reported by the Management (if any) and potential conflicts of interest (if any) 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.

Further details of the activities of the ARMC are provided under Principles 9 and 10 of this Corporate Governance Report.

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 2018 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.

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 that are 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 the making of 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 FY2019.

Composition of ARMC

The ARMC comprises of three (3) Independent Non-Executive Directors: Provision 10.2

Mr Wong Shui Yeung (Chairman)	Independent Non-Executive Director
Mr Wong Tat Keung (Member)	Independent Non-Executive Director
Mr Chan King Fai (Member)	Independent Non-Executive Director

All members of the ARMC are Independent Non-Executive Directors. The Chairman of the ARMC, Mr Wong Shui Yeung, is independent.

The majority of the members of the ARMC, including the Chairman of 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.

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.

The members of 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 FY2019, 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.

None of the ARMC members are former partners or directors of the Company's existing auditing firm or auditing corporation: (a) within a period of two (2) years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and (b) for as long as they have any financial interest in the auditing firm or auditing corporation. Provision 10.3

Internal Audit

The Company has appointed Asian Alliance Financial Advisory Services Limited as its internal auditor for FY2019. The internal audit team reports directly to the ARMC on audit matters and the CEO of the Company on administrative matters. The head of the internal audit team, Mak Sin Ying, has relevant experience and qualifications in internal audit. The ARMC is satisfied that the internal audit team comprises of suitably qualified and experienced professionals with over four (4) years of relevant internal audit experience. 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.

Provision 10.4

Catalist Rule 719(3)

Catalist Rule 1204(10C)

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.

The ARMC reviews the adequacy and effectiveness of the internal audit function annually and assesses the independence of the internal audit function including the qualifications and experience of the internal audit staff assigned to perform the review. In addition, the ARMC decides on the appointment, termination and remuneration of the head of the internal audit function. In particular, the ARMC reviews the scope and results of the internal audit and ensures that the internal audit function is adequately resourced and has appropriate standing within the Group.

Following the review of the internal audit plan and evaluation of the system of internal controls for FY2019, the ARMC is satisfied that the internal audit is independent, effective, adequately resourced and has the appropriate standing within the Group.

The internal auditor will have unfettered access to all the Group's documents, records, properties and personnel, including the ARMC, and has appropriate standing within the Group. The internal audit function 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.

The ARMC meets annually with the Group's external and internal auditors, in each case without the presence of management, in order to have free and unfiltered access to information that it may require, to discuss the results of their examinations and the evaluation of the Group's system of risk management and internal controls, and to discuss any problems and concerns which they may have. Provision 10.5

External Auditors

Catalist Rule 1204(6)

Before confirming an external auditors' re-appointment, the ARMC will conduct an annual review of the independence of the Company's external auditors and the total fees for non-audit services compared with audit services, and satisfy itself that the nature and volume of any non-audit services will not prejudice the independence and objectivity of the auditors. During the financial year under review, the remuneration paid/payable to the Company's external auditors, Foo Kon Tan LLP, is set out below:

Fees Paid / Payable to Foo Kon Tan LLP		
Service Category	**S$'000**	**% of total**
Audit Fees	227	100
Non-Audit Fees	–	–
Total	227	100

As there were no fees paid to Foo Kon Tan LLP for non-audit services in the financial year under review, the ARMC is of the opinion that the independence and/or objectivity of Foo Kon Tan LLP has not been affected.

The ARMC has recommended to the Board that Foo Kon Tan LLP be nominated for re-appointment as external auditors at the forthcoming AGM of the Company. The audit partner in charge of auditing the Company also has not been in charge of more than five (5) consecutive audits in respect of the Company.

In proposing to shareholders the re-appointment of Foo Kon Tan LLP as external auditors of the Company and in line with the requirements under Rule 712 of the Catalist Rules and after taking into consideration the Audit Quality Indicators (AQI) Disclosure Framework published by the Accounting and Corporate Regulatory Authority ("**ACRA**") in respect of Foo Kon Tan LLP, the Board and the ARMC have considered and are satisfied with the adequacy of the resources and experience of the auditing firm and the audit engagement partner assigned to the audit, the firm's other audit engagements, the size and complexity of the Group being audited, and the number and experience of supervisory and professional staff assigned to the particular audit. Foo Kon Tan LLP has confirmed that it is registered with ACRA. The Company is also in compliance with Rule 715 of the Catalist Rules in relation to the appointment of Foo Kon Tan LLP as the auditors of the Company and its subsidiaries.

In line with the requirement under Rule 715(2) of the Catalist Rules, the Company has engaged a suitable auditing firm for its significant foreign-incorporated subsidiaries. The SeD Intelligent Home Group and HotApp Group, which are listed on the US OTC market, are audited by Rosenberg Rich Baker Berman & Company. Please refer to pages 81 to 83 of the Annual Report for further information on the Group's foreign-incorporated subsidiaries and their respective audit firms.

The Company confirms that it is in compliance with Rule 716 of the Catalist Rules. The Board and the ARMC are satisfied that the appointment of Rosenberg Rich Baker Berman & Company would not compromise the standard and effectiveness of the Company's audit.

(D) Shareholder Rights and Engagement

Principle 11: Shareholder Rights and Conduct of General Meetings

The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Conduct of General Meetings

The Board encourages Shareholders' participation at general meetings and allows 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. Provision 11.1

Provision 11.4

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.

Shareholders can vote in person or appoint not more than two (2) 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 (2) 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.

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.

The Company acknowledges that voting by poll in all its general meeting is integral to the enhancement of corporate governance. All resolutions at the Company's general meetings are put to a vote by poll. The voting of the resolutions at the Company's general meetings are conducted by manual polling. The detailed results of each resolution are announced via SGXNet after the general meetings.

At general meetings of Shareholders, the Company tables separate resolutions on each substantially separate issue. Provision 11.2

"Bundling" of resolutions will be done only where resolutions are interdependent and linked so as to form one significant proposal. Where resolutions are "bundled", the Company explains the reasons and material implications in the notice of meeting.

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 and the Management will be present at the general meetings to allow Shareholders the opportunity to air their views and ask the Directors questions regarding the Company. The external auditors also attend the general meetings to assist the Directors in answering any queries relating to the conduct of the audit and the preparation and content of the auditor's report. Provision 11.3

The Directors' attendance at the general meetings of the Company held in FY2019 are set out in the table below:

Name of Director	Annual General Meeting		Extraordinary General Meeting	
	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended
Chan Heng Fai	1	1	–	–
Lam Lee G.	1	0	–	–
Chan King Fai	1	1	–	–
Tao Yeoh Chi	1	1	–	–
Wong Shui Yeung	1	1	–	–
Wong Tat Keung	1	1	–	–

Minutes of General Meetings

The Company will record minutes of all general meetings. The minutes record substantial and relevant comments and queries from Shareholders relating to the agenda of the general meeting, and responses from the Board and Management. The Company will make available minutes of general meetings to Shareholders upon request in accordance with applicable law. In addition, the Company will publish minutes of general meetings on its corporate website.

Provision 11.5

Dividend Policy

As the Company continued to accumulate losses as at 31 December 2019 and its current priority is to achieve long-term growth for the benefit of its Shareholders, the Company currently does not have a fixed dividend policy. In determining the form, frequency and amount of future dividends, the Board will take into consideration 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.

Provision 11.6

Catalist Rule 704(23)

The Group did not declare any dividend in FY2019 in light of the Group's financial performance.

Principle 12: Engagement with Shareholders

The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

Communication with Shareholders

In line with the continuous disclosure obligations of the Company, pursuant to the Catalist Rules and the Companies Act, the Board is of the view 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.

Provision 12.1

The Board is responsible for presenting to Shareholders a balanced and clear assessment of the Company's performance, position and prospects. The Board has embraced openness and transparency in the conduct of the Company's affairs, whilst preserving the interests of 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.

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.

Price-sensitive information is first publicly released through SGXNet, before the Company meets with any investors or analysts. All Shareholders of the Company will receive the annual report with an accompanying notice of AGM by post. The notice of AGM is also published in the newspaper within the mandatory period.

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.

Shareholders who are present at a general meeting are given adequate time to ask questions relating to the resolutions to be passed at the meeting. Directors and Management and, where necessary, the Company's professional advisers are in attendance at the meeting. Their names and those of the directors present at the general meeting are recorded in the minutes. The minutes of general meetings are posted on the Company's website.

Shareholders, analysts and other stakeholders may provide feedback to the Company's investor relations personnel, Danny Lim, at danny@sed.com.sg.

Investor Relations Policy

The Company has adopted an investor relations policy which allows for an ongoing exchange of views so as to promote regular, effective and fair communication with shareholders. Provision 12.2

While the Company did not engage a dedicated external investor relations team for FY2019, the Board and the CFO have devised and implemented the Company's investor relations policy. Provision 12.3

The Company has appointed an investor relations personnel to focus on facilitating communications with all Shareholders on a regular basis, to attend to their queries or concerns as well as to keep investors and the public informed of the Group's corporate development and financial performance.

Shareholders may reach out to the investor relations personnel, Mr Danny Lim, at danny@sed.com.sg.

In addition, Shareholders may reach out to the Lead Independent Director, Mr Tao Yeoh Chi, at taoyc2012@yahoo.com.sg.

The investor relations personnel will inform the Board upon receipt of the Shareholders' queries to keep the Board informed of the issues raised by Shareholders and will endeavour to respond to the Shareholders' queries as soon as practicable after due discussion with the Board.

Where required, the Executive Directors and the CFO will meet 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 the views and concerns of analysts and investors.

(E) Managing Stakeholder Relationships

Principle 13: Engagement with Stakeholders

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

Stakeholder engagement forms an integral part of the Company's sustainability approach. The Company's stakeholders have an interest in the Company's business and influence the Company's operations, products and services, business approach and strategies. The Company's stakeholders have been identified as its customers, regulators, Shareholders and suppliers. Provision 13.1

The Company proactively engages with its stakeholders on a regular, continuing basis through various channels, such as SGXNet and the Company's website at www.sed.com.sg, and means to gain insights to their expectations and concerns and use these learnings to make informed decisions in shaping the Company's business policies and strategies so as to create sustainable business growth and value for all stakeholders.

The Company's approach to stakeholder engagement and materiality assessment can be found in its Sustainability Report for the financial year under review.	Provision 13.2
The Company maintains a current corporate website, www.sed.com.sg, to communicate and engage with stakeholders.	Provision 13.3

Other Governance Practices

Dealing in Securities

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

The Company, 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.

In compliance with Rule 1204(19) of the Catalist Rules, the Company has in place a policy prohibiting dealings of the Company's securities by the Company, its Directors and officers on short-term considerations. In addition, the Company, its Directors and officers 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.

The Directors and officers are required to report to the Company and the Company Secretary whenever they deal in the Company's shares and the Company will ensure that the necessary announcements are made. The Directors and officers of the Company are also expected to observe insider trading laws at all times even when dealing in securities within the permitted trading period.

Material Contracts

Pursuant to Rule 1204(8) of the Catalist Rules, save as disclosed below, the Company confirms that there are 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 FY2019 or if not then subsisting, entered into since the end of the previous financial year:

(1) 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 2019, S$5,682,934 has been drawn down and S$1,131,483 interest has been accrued. The loan facility is unsecured, and bears an interest of six per cent. (6%) from 1 January 2019. The outstanding loan was repayable on 31 December 2019.

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

Interested Person Transactions ("IPTs")

The Company has established procedures to ensure that all transactions with interested persons (as defined in the Catalist Rules) 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 interested person transactions entered into during FY2019 were as follows:

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (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' mandate pursuant to Rule 920 of the Catalist Rules (excluding transactions less than S$100,000)
Chan Heng Fai(1)	Interest paid for the loan from a Director	S$488,705	–
Chan Tung Moe(2)	Consultancy Agreement with Pop Motion Consulting Pte Ltd.	S$330,000	–

(1) Mr Chan Heng Fai is the Executive Chairman and CEO of the Company. Please refer to the disclosures in relation to "Material Contracts" for further information.

(2) Mr Chan Tung Moe is the son of Mr Chan Heng Fai, Executive Chairman and CEO of the Company. Please refer to the disclosures in relation to "Material Contracts" for further information.

In FY2019, the aggregate value of all IPTs amounted to S$818,705.

Save as disclosed above, the Board confirms that there is no material interested person transaction entered into during the financial year under review which fall under Rule 907 of the Catalist Rules.

There was no subsisting Shareholders' mandate for interested person transactions pursuant to Rule 920 of the Catalist Rules during FY2019.

The Company had also previously disclosed the details of the Company's IPTs for the FY2019 in its full year financial statements dated 27 February 2020.

Non-Sponsor Fees

During FY2019, there were no non-sponsor fees paid to the Company's sponsor, Hong Leong Finance Limited.

Directors' **Statement**

For the financial year ended 31 December 2019

We submit this statement to the members of Singapore eDevelopment Limited (the "Company") together with the audited consolidated financial statements of the Company and its subsidiaries (collectively the "Group") for the financial year ended 31 December 2019 and the statement of financial position of the Company as at 31 December 2019.

In our opinion,

(a) the financial statements are drawn up so as to give a true and fair view of the financial positions of the Group and of the Company as at 31 December 2019 and of the consolidated financial performance, consolidated changes in equity and consolidated 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 of which the object was to enable the directors to acquire benefits through the acquisition of shares in or debentures of the Company or of any other body corporate, other than as disclosed in this statement.

Directors' interest in shares or debentures

According to the Register of Directors' Shareholding 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 1.1.2019	**As at 31.12.2019**	As at 21.1.2020	As at 1.1.2019	**As at 31.12.2019**	As at 21.1.2020
The Ultimate holding company						
HFE Holdings Limited						
Chan Heng Fai	1	**1**	1	–	**–**	–
The Immediate holding company						
HengFai Business Development Pte. Ltd.			Number of Ordinary Shares			
Chan Heng Fai	–	**–**	–	40,000,000	**40,000,000**	40,000,000
The Company						
HengFai Business Development Pte. Ltd.	761,150,294	**761,150,294**	761,150,294	–	**–**	–
Chan Heng Fai	8,894,100	**13,385,400**	13,385,400	761,150,294	**849,295,323**	849,295,323
			2016 Warrants			
HengFai Business Development Pte. Ltd.	359,834,471	**359,834,471**	359,834,471	–	**–**	–
Chan Heng Fai	–	**–**	–	359,834,471	**403,839,653**	403,839,653
			2017 Warrants			
Chan Heng Fai	1,864,275,000	**1,857,425,000**	1,857,425,000	–	**–**	–
			Share option in relation to Singapore eDevelopment Limited Share Option Scheme			
Chan Heng Fai	1,061,333	**1,061,333**	1,061,333	–	**–**	–

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.

By virtue of Section 7 of the Act, Mr Chan Heng Fai is deemed to have interests in all the related corporations.

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.

Share options (Cont'd)

Details of all the share options to subscribe for ordinary shares of the Company pursuant to the Option Scheme as at 31 December 2019 are as follows:

Grant date	Exercise price $	Share options outstanding as at 1 January 2019	Share options granted	Share options forfeited	Share options outstanding as at 31 December 2019	Expiry date
31 December 2013	0.12	1,061,333	–	–	1,061,333	31 December 2023

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**
Total	**–**	**1,061,333**	**–**	**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 market price.

Audit and Risk Management Committee

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

The ARMC carried out its functions in accordance with Section 201B(5) of the Act. In performing those functions, the ARMC:

(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 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 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;

Audit and Risk Management Committee (cont'd)

(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 discusses 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 discusses with the external and 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 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 ARMC;

(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, make announcement immediately via SGXNET.

The ARMC 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 2019. The ARMC has also conducted a review of interested person transactions.

The Company has appointed Asian Alliance Financial Advisory Services Limited as its internal auditor in 2019. The Company also noted that there were no material internal audit findings for the financial year end 31 December 2019.

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 ARMC, 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 2019.

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

Further details regarding the ARMC 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.

Directors' **Statement**

For the financial year ended 31 December 2019

Independent auditor

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

On behalf of the Directors

....
CHAN HENG FAI

....
WONG SHUI YEUNG

Dated: 22 May 2020

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 2019, 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 2019 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.

Net realisable value of properties under development

Risk:

As of 31 December 2019, the properties under development of the Group amounted to $34,553,000 and constitutes 73% of the Group's total assets and are 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, less the estimated costs of completion and the estimated costs necessary to make the sale.

There is an inherent risk that the estimate of net realisable values exceed future selling prices, resulting in a loss when these properties are sold.

Key Audit Matters (Cont'd)

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

Our response:

We reviewed reasonableness of the inputs used by management in assessing the estimated selling prices of properties under development by comparing to contracted sales agreements and external data extracted from valuation reports. The inputs used included recently transacted selling prices of these properties and prices of comparable properties located in the vicinity of these development projects, and management's expectations based on the market and project-specific factors.

We also evaluated the Group's budgeted total development costs, taking into consideration costs incurred to date, estimated costs to completion and any deviation in project cost components which could lead to cost overruns.

We have evaluated the objectivity and independence of the external valuers, and also considered the qualification and competency of the external valuers engaged.

We also evaluated the auditor's expert and ascertained that the auditor's expert has the necessary competence, capabilities and objectivity for our purposes. Through our appointed auditor's expert, we considered the appropriateness of the valuation techniques used by the external valuers for the properties under development, taking into account the profile and type of these properties. We discussed with the external valuers on the results of their work, and compared the key assumptions used in their valuations by reference to internal historical data and available benchmarks and considered whether these assumptions are consistent with the current market environment.

Other Information

Management is responsible for the other information. The other information comprises 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 that 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 true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group'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 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.

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 Chan Ser.

Foo Kon Tan LLP
Public Accountants and
Chartered Accountants

Singapore, 22 May 2020

	Note	The Group 31 December 2019 $'000	The Group 31 December 2018 $'000	The Company 31 December 2019 $'000	The Company 31 December 2018 $'000
ASSETS					
Non-Current Assets					
Property, plant and equipment	4	**108**	143	**1**	6
Right-of-use assets	5	**272**	–	**74**	–
Other investment	6	**450**	445	**–**	–
Investment in subsidiaries	7	**–**	–	**–**	–
Investment in joint venture	8	**–**	12	**–**	–
		830	600	**75**	6
Current Assets					
Trade and other receivables	9	**1,312**	1,392	**40,188**	50,105
Prepaid operating expenses		**143**	126	**34**	15
Properties under development	10	**34,553**	56,855	**–**	–
Properties for sale	11	**–**	186	**–**	–
Investment securities	12	**577**	1,066	**21**	21
Bank deposits pledged	13	**5,862**	5,235	**–**	–
Cash and cash equivalents	13	**3,877**	2,053	**578**	227
Inventory		**300**	271	**–**	–
		46,624	67,184	**40,821**	50,368
Total Assets		**47,454**	67,784	**40,896**	50,374
EQUITY					
Share capital	14	**104,924**	102,425	**104,924**	102,425
Capital reserve	14(a)	**2,034**	1,653	**–**	–
Merger reserve	14(b)	**1,480**	1,480	**–**	–
Employee share option reserve	14(c)	**173**	173	**173**	173
Fair value reserve		**(40)**	(45)	**–**	–
Foreign currency translation reserve	14(d)	**(46)**	10	**–**	–
Accumulated losses		**(83,215)**	(70,121)	**(74,582)**	(67,094)
Equity attributable to owners of the Company		**25,310**	35,575	**30,515**	35,504
Non-controlling interests		**(381)**	1,539	**–**	–
Total Equity		**24,929**	37,114	**30,515**	35,504
LIABILITIES					
Non-Current Liabilities					
Trade and other payables	15	**694**	431	**–**	–
Current Liabilities					
Trade and other payables	15	**20,776**	28,018	**10,307**	14,870
Income tax payable		**566**	–	**–**	–
Lease liabilities	16	**278**	–	**74**	–
Loans and borrowings	17	**211**	2,221	**–**	–
		21,831	30,239	**10,381**	14,870
Total Liabilities		**22,525**	30,670	**10,381**	14,870
Total Equity and Liabilities		**47,454**	67,784	**40,896**	50,374

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 2019

	Note	**Year ended 31 December 2019 $'000**	Year ended 31 December 2018 $'000
Revenue	3	**32,348**	26,922
Cost of sales		**(29,962)**	(23,259)
Gross profit		**2,386**	3,663
Other operating income	18	**1,179**	1,495
Marketing expenses		**(217)**	(286)
Research and development		**(167)**	(623)
Administrative expenses		**(6,717)**	(7,048)
Other operating expenses	19	**(8,859)**	(4,667)
Results from operating activities		**(12,395)**	(7,466)
Finance income	20	**71**	44
Finance costs	21	**(677)**	(804)
Net finance costs		**(606)**	(760)
Share of joint venture's results (net of tax)	8	**(51)**	(62)
Loss before taxation	22	**(13,052)**	(8,288)
Income tax	25	**(588)**	–
Loss for the year, net of tax		**(13,640)**	(8,288)
Other comprehensive (loss)/ income:			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences		**(17)**	29
Items that will not be reclassified subsequently to profit or loss			
Fair value gain/ (loss) of equity instruments at FVOCI		**5**	(45)
Other comprehensive loss for the year, net of nil tax		**(12)**	(16)
Total comprehensive loss for the year		**(13,652)**	(8,304)
Loss for the year attributable to			
- Owners of the Company		**(13,094)**	(7,579)
- Non-controlling interests		**(546)**	(709)
		(13,640)	(8,288)
Total comprehensive loss attributable to:			
- Owners of the Company		**(13,108)**	(7,568)
- Non-controlling interests		**(544)**	(736)
Total comprehensive loss for the year		**(13,652)**	(8,304)
Loss per share attributable to owners of the Company (cents per share)			
- Basic and diluted	26	**(1.2)**	(0.7)

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 2019

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 $'000	Non-controlling interests $'000	Total equity $'000
	← Attributable to equity holders of the Company →									
At 1 January 2019	**102,425**	**1,653**	**1,480**	**173**	**(45)**	**10**	**(70,121)**	**35,575**	**1,539**	**37,114**
Total comprehensive loss for the year										
Loss for the year	–	–	–	–	–	–	(13,094)	(13,094)	(546)	(13,640)
Other comprehensive loss:	–	–	–	–	–	–	–	–	–	–
Fair value gain of equity instruments at FVOCI	–	–	–	–	5	–	–	5	–	5
Foreign currency translation differences, net of tax	–	–	–	–	–	(19)	–	(19)	2	(17)
Total comprehensive loss for the year	–	–	–	–	5	(19)	(13,094)	(13,108)	(544)	(13,652)
Transactions with owners, recognised directly in equity										
Contributions by and distributions to owners										
Issuance of new ordinary shares pursuant to exercise of 2016 warrants (Note 14)	2,499	–	–	–	–	–	–	2,499	–	2,499
Disposal of subsidiaries without change in control	–	381	–	–	–	–	–	381	63	444
Disposal of a subsidiary	–	–	–	–	–	(37)	–	(37)	–	(37)
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	–	(1,439)	(1,439)
Total contributions by and distributions to owners and total transactions with owners	2,499	381	–	–	–	(37)	–	2,843	(1,376)	1,467
At 31 December 2019	**104,924**	**2,034**	**1,480**	**173**	**(40)**	**(46)**	**(83,215)**	**25,310**	**(381)**	**24,929**

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 2019

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 $'000	Non-controlling interests $'000	Total equity $'000
	← Attributable to equity holders of the Company →									
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.

Consolidated Statement of **Cash Flows**

For the financial year ended 31 December 2019

	Note	**Year ended 31 December 2019 $'000**	Year ended 31 December 2018 $'000
Cash Flows from Operating Activities			
Loss before taxation		**(13,052)**	(8,288)
Adjustments for:			
Depreciation of property, plant and equipment	4	**37**	48
Depreciation of right-of-use assets	5	**375**	–
Write down of properties under development	10,19	**7,140**	–
Loss on disposal of property, plant and equipment	22	**–**	8
Withholding tax expenses	19	**570**	673
Net fair value losses on investment securities	19	**479**	3,979
Unrealised exchange loss/(gain)	18,19	**446**	(920)
Finance income	20	**(71)**	(44)
Interest expense from loans and borrowings	21	**659**	804
Interest expense on lease liability	21	**18**	–
Excess cash consideration paid over net assets acquired written off	7@	**114**	–
Share of result from joint venture	8	**51**	62
Gain on disposal of a subsidiary	7e	**(396)**	–
Operating results before working capital changes		**(3,630)**	(3,678)
Change in trade and other receivables		**209**	192
Change in prepaid operating expenses		**(17)**	44
Change in inventory		**(29)**	(186)
Change in properties under development		**14,765**	14,945
Change in properties held for sales		**186**	–
Change in trade and other payables		**(2,303)**	938
Cash generated from operations		**9,181**	12,255
Interest received		**71**	44
Net cash generated from operating activities		**9,252**	12,299
Cash Flows from Investing Activities			
Purchase of property, plant and equipment	4	**(5)**	(42)
Investment in joint venture	8	**(48)**	(74)
Proceeds from partial disposal of subsidiaries	7d	**444**	114
Acquisition of a subsidiary without change in control	7f	**–**	(82)
Net cash outflow on disposal of a subsidiary	7e	**(42)**	–
Net cash outflow on acquisition of a subsidiary	7@	**(104)**	–
Net cash generated from/(used in) investing activities		**245**	(84)
Cash Flows from Financing Activities			
Proceeds from issuance of ordinary shares	14	**2,499**	–
Advances from directors (Note A)		**310**	1,946
Repayment to directors (Note A)		**(5,744)**	–
Principal element of lease payment (Note A)		**(369)**	–
Repayment of lease interest (Note A)		**(18)**	–
Repayment of loans and borrowings (Note A)		**(19)**	(11,664)
Repayment of corporate bond (Note A)		**(1,986)**	–
Dividends paid to non-controlling interests		**(1,439)**	–
Increase in bank deposits pledged		**(627)**	(1,707)
Interest paid (Note A)		**(175)**	(550)
Net cash used in financing activities		**(7,568)**	(11,975)
Net changes in cash and cash equivalents		**1,929**	240
Effect of exchange rate changes on cash and cash equivalents		**(105)**	105
Cash and cash equivalents at beginning of year		**2,053**	1,708
Cash and cash equivalents at end of year	**13**	**3,877**	2,053

Reconciliation of liabilities arising from financing activities, excluding equity items

Note A:

	At the beginning of the year	Repayment of loans	Loans and advances	Interest paid	Principal element of lease payments	Adoption of SFRS(I) 16	New leases	Interest expenses	Amortisation of transaction costs	Foreign exchange movement	At the end of the year
		Cash Flow				Non-cash Change					
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
2019											
Loans and borrowings	**235**	**(19)**	**–**	**(5)**	**–**	**–**	**–**	**5**	**–**	**(5)**	**211**
Corporate bond	**1,986**	**(1,986)**	**–**	**(146)**	**–**		**–**	**146**	**65**	**(65)**	**–**
Lease liabilities	**–**	**–**	**–**	**(18)**	**(369)**	**470**	**177**	**18**	**–**	**–**	**278**
Amount due to directors	**12,565**	**(5,744)**	**310**	**(24)**	**–**	**–**	**–**	**513**	**–**	**(45)**	**7,575**
2018											
Loans and borrowings	11,105	(11,664)	–	(388)	–	–	–	335	192	655	235
Corporate bond	1,884	–	–	(162)	–	–	–	162	67	35	1,986
Amount due to directors	9,872	–	1,946	–	–	–	–	642	–	105	12,565

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 2019 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") on 5 July 2010.

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 immediate holding company is HengFai Business Development Pte. Ltd which is incorporated in Singapore. The ultimate holding company is HFE Holdings Limited which is incorporated in Hong Kong.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are disclosed in Note 7.

2(a) Going concern

The financial statements of the Group have been prepared on a going concern basis notwithstanding that the Group has incurred a loss of $13,640,000 (2018 - $8,288,000) and total comprehensive loss of $13,652,000 (2018 - $8,304,000) for the financial year ended 31 December 2019. As at 31 December 2019, the Group's net equity was $24,929,000 (31 December 2018 - $37,114,000) and its current assets also exceeded its current liabilities by $24,793,000 (31 December 2018 - $36,945,000). In addition, the Group has also generated a net cash inflow of $9,252,000 (31 December 2018 – $12,299,000) from its operations for the financial year ended 31 December 2019.

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 earlier entered into a series of lot purchase agreements with a customer in respect of the sale of its sub-division development. Furthermore, the Group had not defaulted any principal and interest repayment on its loans and borrowings and had fully repaid its corporate bonds of US$1.5 million during the year. Included in trade and other payables is a non-trade advance from a director amounting to $6,814,000 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 believe that the use of going concern assumption in the preparation and presentation of the financial statements for the financial year ended 31 December 2019 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.

This is the first set of the Group's financial statements in which SFRS(I) 16 *Leases* has been applied. The related changes are described in Note 2(c).

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) Adoption of new and revised SFRS(I) effective for the current financial year

On 1 January 2019, the Group and the Company have adopted all the new and revised SFRS(I), SFRS(I) interpretations ("SFRS(I) INT") and amendments to SFRS(I), effective for the current financial year that are relevant to them. The adoption of these new and revised SFRS(I) pronouncements does not result in significant changes to the Group's and the Company's accounting policies and has no material effect on the amounts or the disclosures reported for the current or prior reporting periods, except as discussed below:

Reference	**Descriptions**	**Effective date (Annual periods beginning on or after)**
SFRS(I) 16	*Leases*	1 January 2019
SFRS(I) INT 23	*Uncertainty over Income Tax Treatments*	1 January 2019

2(c) Adoption of new and revised SFRS(I) effective for the current financial year (Cont'd)

SFRS(I) 16 Leases

SFRS(I) 16 Leases supersedes SFRS(I) 1-17 Leases, SFRS(I) INT 4 Determining whether an Arrangement contains a Lease, SFRS(I) INT 1-15 Operating Leases - Incentives and SFRS(I) INT 1-27 Evaluating the Substance of Transactions involving the Legal Form of a Lease, and pronounces new or amended requirements with respect to lease accounting. For lessee accounting, SFRS(I) 16 introduces significant changes by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low-value assets when such recognition exemptions are adopted. For lessor accounting, the requirements have remained largely unchanged. The impact of the adoption of SFRS(I) 16 on the Group's consolidated financial statements are discussed below.

The date of initial application of SFRS(I) 16 for the Group is 1 January 2019. The Group has elected the transition to SFRS(I) 16 using the cumulative catch-up approach which requires the Group to recognise lease liabilities at the present value of future lease payment using incremental borrowing rate ("IBR") applicable to the leased assets and to recognise right-of-use asset equal to their lease liabilities at the date of initial application without restatement of comparatives under SFRS(I) 1-17.

(a) Definition of a lease

The new definition of a lease under SFRS(I) 16 mainly relates to the concept of 'control' that determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration, which is in contrast to the concept of 'risks and rewards' under SFRS(I) 1-17. The Group has elected to apply the practical expedient available on transition to SFRS(I) 16 not to reassess whether a contract is, or contains, a lease. Accordingly, the superseded definition of a lease under SFRS(I) 1-17 continues to be applied to those leases entered into, or modified, before 1 January 2019, and the Group applies the new definition of a lease and related guidance set out in SFRS(I) 16 only to those lease contracts entered into, or modified, on or after 1 January 2019. After the transition to SFRS(I) 16, the Group shall reassess whether a contract is, or contains, a lease only if the terms and conditions of the contract are changed.

The new requirements for identifying a lease under SFRS(I) 16 do not change significantly the scope of contracts that will meet the definition of a lease for the Group.

(b) Lessee accounting

Former operating leases

Before the adoption of SFRS(I) 16, the Group's non-cancellable operating lease payments in future reporting periods for use of office premises, were not recognised as liabilities in the consolidated statement of financial position but were disclosed as commitments in the notes to the financial statements, and these lease payments were reported as operating lease expenses in profit or loss over the lease term on a straight-line basis and presented under operating activities in the consolidated statement of cash flows. Under SFRS(I) 16, the Group recognises right-of-use assets and lease liabilities in the consolidated statement of financial position for these outstanding lease payments, reports depreciation of right-of-use assets and interest expense on lease liabilities in profit or loss, and presents these lease payments as principal repayment and interest paid separately under financing activities in the consolidated statement of cash flows.

The Group has elected, as a practical expedient of SFRS(I) 16, not to separate non-lease components from lease components for all classes of underlying assets and instead account for each lease component and any associated non-lease components as a single lease component, except if the non-lease component is an embedded derivative according to SFRS(I) 9.

2(c) Adoption of new and revised SFRS(I) effective for the current financial year (Cont'd)

SFRS(I) 16 Leases (Cont'd)

(b) Lessee accounting (Cont'd)

Former operating leases (Cont'd)

On 1 January 2019, the Group has applied the following SFRS(I) 16 transition provisions under the cumulative catch-up approach for each lease, formerly classified as operating lease under SFRS(I) 1-17:

- recognises a lease liability at the present value of the remaining lease payments using the lessee's incremental borrowing rate for the underlying lease asset;
- recognises a right-of-use asset, on a lease-by-lease basis:
  - for use of office premises, at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payment; and
- applies SFRS(I) 1-36 *Impairment of Assets* to perform an impairment review of the right-of-use assets.

(c) Lessor accounting

SFRS(I) 16 has not changed substantially how the Group as lessor accounts for leases, except when it is the intermediate lessor of sublease. The Group did not lease or sublease any assets as a lessor.

(d) Deferred tax effects on adoption of SFRS(I) 16

In certain jurisdictions that the Group operates in, tax deductions are available only for the lease payments as they are paid, and no tax deduction is allowed for the leased asset depreciation or finance cost. On 1 January 2019, these tax circumstances give rise to temporary differences on initial recognition of both the right-of-use asset and lease liability. However, the deferred tax effects for these temporary differences, either initially or over the lease term, are not recognised due to application of the initial recognition exemption in SFRS(I) 1-12 *Income Taxes*, that explicitly excludes recognising the deferred tax effects arising from initial recognition of an asset or liability in a transaction which, at the time of the transaction, affects neither accounting profit nor taxable profit.

In July 2019, the International Accounting Standards Board ("IASB") decided to propose amendments to International Accounting Standard ("IAS") 12 *Income Taxes* which would narrow the scope of the initial recognition exemption in IAS 12 such that it would no longer apply when an entity recognises equal amount of deferred tax asset and deferred tax liability arising from the initial recognition of a right-of-use asset and a lease liability under IFRS 16 *Leases*. In November 2019, the public comment window had closed for the Exposure Draft on Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Proposed amendments to IAS 12) issued by IASB. If implemented, an entity shall apply these amendments retrospectively. At the date of these financial statements, IASB has not issued these amendments to IAS 12 or any related IFRS pronouncements. Accordingly, no adjustment has been made by the Group in these financial statements in respect of this matter.

(e) Financial impact of initial application of SFRS(I) 16

The weighted average incremental borrowing rate applied to measure the Group's lease liabilities recognised in the consolidated statement of financial position on 1 January 2019 is 4.3%.

A reconciliation of the differences between the Group's operating lease commitments previously disclosed in the financial statements as at 31 December 2018 and its lease liabilities recognised in the consolidated statement of financial position on 1 January 2019 is as follows:

	The Group $'000
Operating lease commitments as of 31 December 2018	**486**
Discounting based on the weighted average incremental borrowing rate	**(16)**
Lease liabilities recognised on 1 January 2019	**470**

2(c) Adoption of new and revised SFRS(I) effective for the current financial year (Cont'd)

SFRS(I) 16 Leases (Cont'd)

(e) Financial impact of initial application of SFRS(I) 16 (Cont'd)

The effects of adoption of SFRS(I) 16 on the Group's consolidated financial statements as at 1 January 2019 are as follows:

	Increase/(Decrease) The Group $'000
Assets	
Right-of-use assets	**470**
Liabilities	
Lease liabilities	**470**

There is no impact to the opening retained earnings as of 1 January 2019.

SFRS(I) INT 23 Uncertainty over Income Tax Treatments

The Group has adopted SFRS(I) INT 23 for the first time in the current year. SFRS(I) INT 23 sets out how to determine the accounting tax position when there is uncertainty over income tax treatments. The Interpretation requires the Group to:

- determine whether uncertain tax positions are assessed separately or as a group; and
- assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings, as follows:
  - if yes, the Group should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings; or
  - if no, the Group should reflect the effect of uncertainty in determining its accounting tax position using either the most likely amount or the expected value method.

There is no material impact to the Group's and the Company's financial statements.

2(d) New and revised SFRS(I) in issue but not yet effective

The following are the new or amended SFRS(I) and SFRS(I) INT issued in 2019 that are not yet effective but may be early adopted for the current financial year:

Reference	Description	Effective date (Annual periods beginning on or after)
Amendments to References to the Conceptual Framework in SFRS(I)		1 January 2020
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

2(d) New and revised SFRS(I) in issue but not yet effective (Cont'd)

Amendments to References to the Conceptual Framework in SFRS(I)

The Conceptual Framework for Financial Reporting is the foundation on which new accounting standards are developed. The revised Conceptual Framework became effective immediately upon its publication in March 2018. The main changes to principles in the Conceptual Framework have implications for how and when assets and liabilities are recognised and derecognised in the financial statements. Some entities may use the Conceptual Framework as a reference for selecting their accounting policies in the absence of specific SFRS(I) requirements. In these cases, the entities should review those policies and apply the new guidance retrospectively.

The Amendments to References to the Conceptual Framework in SFRS(I) are issued together with the revised Conceptual Framework. Some SFRS(I), their accompanying documents and SFRS(I) practice statements contain references to, or quotations from the Conceptual Framework. The Amendments to References to the Conceptual Framework in SFRS(I) Standards sets out amendments to SFRS(I), their accompanying documents and SFRS(I) practice statements to reflect the issue of the revised Conceptual Framework. These amendments, where they actually are updates, are effective for annual periods beginning on or after 1 January 2020, with early application permitted.

Amendments to SFRS(I) 3: Definition of a Business

On 11 March 2019, ASC issued the narrow-scope amendments to SFRS(I) 3 *Business Combination* to improve the definition of a business. The amendments narrowed and clarified the definition of a business.

They also permit a simplified assessment of whether an acquired set of activities and assets is a group of assets rather than a business. The amendments will help companies determine whether an acquisition made is of a business or a group of assets.

The amendments to SFRS(I) 3 should apply for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020, with earlier application permitted.

Amendments to SFRS(I) 1-1 and SFRS(I) 1-8: Definition of Material

The amendments are intended to make the definition of 'material' in SFRS(I) 1-1 easier to understand and are not intended to alter the underlying concept of materiality in SFRS(I). The concept of 'obscuring' material information with immaterial information has been included as part of the new definition. The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of 'material' in SFRS(I) 1-8 has been replaced by a reference to the definition of 'material' in SFRS(I) 1-1. In addition, the other SFRS(I) and the Conceptual Framework, which contain a definition of 'material' or refer to the term 'material', have been updated to ensure consistency.

The amendments to SFRS(I) 1-1 and SFRS(I) 1-8 are required to be applied for annual periods beginning on or after 1 January 2020. The amendments must be applied prospectively, and earlier application is permitted.

In respect of the above amendments to SFRS(I), the Group is currently assessing the impact to its consolidated financial statements.

2(e) 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.

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

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

(i) Significant judgements in applying accounting policies

(a) Carrying amount of properties under development (Note 10)

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 development, the estimated cost to sell and the estimated selling prices. Net realisable value in respect of properties under development is assessed with reference to market price less estimated costs on completion and estimated cost to make the sale.

(b) Impairment of financial assets (Note 9)

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 historical experience, 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 9 to the financial statements.

The Company held non-trade receivables from its subsidiaries that are repayable on demand of $72,007,000 (2018 - $75,053,000) 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 $31,850,000 (2018 - $25,050,000) was provided for at the reporting date.

(c) Income taxes (Note 25)

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.

(d) Determination of operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components. The Group determines and presents operating segments based on information that is provided internally to the Chief Operating Decision Maker ("CODM"). All operating segments' operating results are reviewed regularly by the CODM to make decision about resources to be allocated to the segments and assess its performance, and for which discrete financial information is available.

(ii) Key sources of estimation uncertainty

Estimation of the incremental borrowing rate ("IBR")

For the purpose of calculating the right-of-use asset and lease liability, an entity applies the interest rate implicit in the lease ("IRIIL") and, if the IRIIL is not readily determinable, the entity uses its IBR applicable to the lease asset. The IBR is the rate of interest that the entity would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. For most of the leases whereby the Group is the lessee, the IRIIL is not readily determinable. Therefore, the Group estimates the IBR relevant to each lease asset by using observable inputs (such as market interest rate and asset yield) when available, and then making certain lessee specific adjustments (such as a group entity's credit rating). The carrying amount of the Group's and Company's right-of-use assets and lease liabilities are disclosed in Note 5 and 16, respectively. A reasonable change in the estimated IBR will not result in a significant impact to the Group's and Company's right-of-use assets and lease liabilities.

2(f) 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.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries and investees are attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries or investees to bring their accounting policies in line with the Group's accounting policies.

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 to 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 activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

2(f) 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 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.

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 values 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.

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

Consolidation (Cont'd)

Business combination (Cont'd)

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.

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.

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

Leases (from 1 January 2019)

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of twelve months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

(i) Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate specific to the lessee. The incremental borrowing rate is defined as the rate of interest that the lessee would have to pay to borrow over a similar term and with a similar security the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Group shall recognise those lease payments in profit or loss in the periods that trigger those lease payments.

For all contracts that contain both lease and non-lease components, the Group has elected to not separate lease and non-lease components and account these as one single lease component.

The lease liabilities are presented as a separate line item in the statements of financial position.

The lease liability is subsequently measured at amortised cost, by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (with a corresponding adjustment to the related right-of-use asset or to profit or loss if the carrying amount of the right-of-use asset has already been reduced to nil) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

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

Leases (from 1 January 2019) (Cont'd)

<u>The Group as lessee (Cont'd)</u>

(ii) Right-of-use asset

The right-of-use asset comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Depreciation on right-of-use assets is calculated using the straight-line method to allocate their depreciable amounts over the shorter period of lease term and useful life of the underlying asset, as follows:

Use of office premises: over lease term of 2 years

If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line item in the statements of financial position.

The Group applies SFRS(I) 1-36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

Leases (before 1 January 2019)

<u>The Group as lessee</u>

Operating lease
Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease. Contingent rents are recognised as an expense in profit or loss when incurred.

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 allocate their depreciable amount of the asset 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.

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

Property, plant and equipment and depreciation (Cont'd)

Depreciation is recognised from the date that the property, plant and equipment 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.

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.

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

Financial instruments (Cont'd)

(a) Financial assets (Cont'd)

Initial recognition and measurement (Cont'd)

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.

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 other comprehensive income ("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), bank deposits pledged 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(f) 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 instruments at fair value. On initial recognition of an equity instrument 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 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 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.

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.

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

Financial instruments (Cont'd)

(a) Financial assets (Cont'd)

Derecognition (Cont'd)

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 ("ECLs") associated with its debt instrument assets carried at amortised cost. ECLs 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-month 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 and other 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 60 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.

<u>Credit-impaired financial assets</u>

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

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

Financial instruments (Cont'd)

(a) Financial assets (Cont'd)

Impairment of financial assets (Cont'd)

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery (e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings). Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

(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, loans and borrowings and lease 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 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 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.

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.

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

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.

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.

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.

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.

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

Income taxes (Cont'd)

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 future 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 future 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

Short-term employee benefits

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.

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.

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

Employee benefits (Cont'd)

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;
- (ii) 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;
- (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 Company or to the parent of the Company.

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

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 Group 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 recognised 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 recognised 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 recognised may no longer exist.

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 recognised 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 recognised.

- 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 recognised as an expense in the profit or loss, a reversal of that impairment loss is recognised as income in the profit or loss.

An impairment loss in respect of goodwill is not reversed, even if it relates to impairment loss recognised 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.

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

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.

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 is recognised on an accrual basis based on the effective interest method.

2(f) 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 warrants and share options.

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.

The Group	**2019 $'000**	2018 $'000
Sales of properties	**30,407**	23,298
Sales of biomedical products	**1,898**	3,380
Management fees	**43**	244
	32,348	26,922

Disaggregation of revenue from contracts with customers

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

The Group	**Over time $'000**	**2019 At a point in time $'000**	**Total revenue $'000**	Over time $'000	2018 At a point in time $'000	Total revenue $'000
United States of America						
Sales of properties	**–**	**30,407**	**30,407**	–	23,298	23,298
Sales of biomedical products	**–**	**1,898**	**1,898**	–	3,380	3,380
	–	**32,305**	**32,305**	–	26,678	26,678
People's Republic of China						
Management fees	**–**	**–**	**–**	200	–	200
Singapore						
Management fees	**43**	**–**	**43**	44	–	44

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 2018	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**
Additions	**–**	**–**	**–**	**5**	**5**
Disposal of subsidiary (Note 7e)	**–**	**(4)**	**–**	**(94)**	**(98)**
Exchange difference on retranslation	**–**	**–**	**–**	**–**	**–**
At 31 December 2019	**124**	**32**	**36**	**151**	**343**
Accumulated depreciation					
At 1 January 2018	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**
Depreciation for the year	**12**	**1**	**12**	**12**	**37**
Disposal of subsidiary (Note 7e)	**–**	**(5)**	**–**	**(90)**	**(95)**
Exchange difference on retranslation	**–**	**–**	**–**	**–**	**–**
At 31 December 2019	**47**	**32**	**14**	**142**	**235**
Net book value					
At 31 December 2019	**77**	**–**	**22**	**9**	**108**
At 31 December 2018	89	–	34	20	143

4 Property, plant and equipment (Cont'd)

The Company

	Furniture and fittings $'000	Office and computer equipment $'000	Total $'000
Cost			
At 1 January 2018, 31 December 2018 and 31 December 2019	**32**	**54**	86
Accumulated depreciation			
At 1 January 2018	30	42	72
Depreciation for the year	1	7	8
At 31 December 2018	**31**	**49**	**80**
Depreciation for the year	**1**	**4**	**5**
At 31 December 2019	**32**	**53**	**85**
Net book value			
At 31 December 2019	**–**	**1**	**1**
At 31 December 2018	1	5	6

5 Right-of-use assets

	The Group Use of office premises $'000	**The Company** Use of office premises $'000
Cost		
Adoption of SFRS(I) 16		
- initial recognition as at 1 January 2019	**470**	**57**
Addition	**177**	**177**
At 31 December 2019	**647**	**234**
Accumulated depreciation		
Adoption of SFRS(I) 16		
- initial recognition as at 1 January 2019	**–**	**–**
Depreciation during the year	**375**	**160**
At 31 December 2019	**375**	**160**
Net book value		
At 31 December 2019	**272**	**74**
At 1 January 2019	**470**	**57**

6 Other investment

The Group	31 December 2019 $'000	31 December 2018 $'000
Equity instruments at FVOCI (Note 34)	**450**	445

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

7 Investment in subsidiaries

The Company	31 December 2019 $'000	31 December 2018 $'000
Unquoted equity shares, at cost	**6,323**	6,329
Allowance for impairment losses	**(6,323)**	(6,329)
	–	–
Movement in allowance accounts:		
At 1 January	**6,329**	6,331
Reversal upon partial disposal of interest in a subsidiary during the year	**(6)**	(2)
At 31 December	**6,323**	6,329

Impairment of subsidiary

As at 31 December 2019, management had performed an impairment test for the investment in HotApp Blockchain Inc., as indicators of impairment exist. Management had previously made an impairment allowance of $6.3 million as of 31 December 2018 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. Accordingly, no reversal of impairment was made for its investment in HotApp Blockchain Inc.

7 Investment in subsidiaries (Cont'd)

a. The investments in subsidiaries held by the Company at 31 December 2019 and 2018 are as follows:

Name	Country of incorporation/ principal place of business	Effective ownership interest 2019 %	2018 %	Principal activities
Singapore Construction & Development Pte. Ltd. [i]	Singapore	**100**	100	Property development
Art eStudio Pte. Ltd. [i]	Singapore	**51**	51	Dormant
Singapore Construction Pte. Ltd. [i]	Singapore	**100**	100	Dormant
Global BioMedical Pte. Ltd. [i]	Singapore	**100**	100	Investment holding
Impact Biomedical Inc [iv,v]	United States of America	**100**	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
Global Sugar Solutions, Inc. [iv,v]	United States of America	***80**	–	Biomedical science
SeD BioMedical International, Inc. [iv,v]	United States of America	**100**	100	Investment holding
Global BioLife, Inc. [iv,vi]	United States of America	**63.64**	63.64	Biomedical science
Biolife Sugar, Inc [iv,v]	United States of America	**63.64**	63.64	Biomedical science
Sweet Sense, Inc [iv,v, 7@]	United States of America	****71.82**	–	Biomedical science
Happy Sugar Inc [iv,v]	United States of America	**63.64**	63.64	Biomedical science
SeD Capital Pte. Ltd. [i]	Singapore	**100**	100	Investment holding
LiquidValue Asset Management Pte. Ltd.[i,7d] (f.k.a. HengFai Asset Management Pte. Ltd.)	Singapore	**82**	100	Portfolio management
SeD Home Limited [iii]	Hong Kong	**100**	100	Property development
SeD Investment Pte. Ltd. [iv,v]	Singapore	**100**	100	Investment holding
AMRE Asset Management, Inc. [iv,v]	United States of America	***82**	–	Real estate investment trusts ("REITS") management
American Medical REIT, Inc. [iv,v]	United States of America	***82**	–	Medical REIT

7 Investment in subsidiaries (Cont'd)

Name	Country of incorporation/ principal place of business	Effective ownership interest 2019 %	2018 %	Principal activities
SeD Reits Management Pte. Ltd. [iv,v] (f.k.a. SeD iHome Pte. Ltd.)	Singapore	**100**	100	Investment holding
Global TechFund of Fund Pte. Ltd. [iv,v]	Singapore	**100**	100	Dormant
Singapore eChain Logistic Pte. Ltd. [iv,v]	Singapore	**100**	100	Dormant
BMI Capital Partners International Limited [iii, vi]	Hong Kong	**100**	100	Investment holding and consulting services
SeD Perth Pty Ltd [iv, vi]	Australia	**100**	100	Property development
SeD Home International, Inc. [iv,vi]	United States of America	**100**	100	Property development
SeD Intelligent Home Inc [ii,vi]	United States of America	**99.99**	99.99	Investment holding
SeD Home, Inc. [ii,vi]	United States of America	**99.99**	99.99	Property development
SeD USA, LLC [ii,vi]	United States of America	**99.99**	99.99	Property development
SeD Development USA Inc. [ii,vi]	United States of America	**99.99**	99.99	Property development
SeD Texas Home, LLC [ii,vi]	United States of America	**99.99**	99.99	Property development
SeD Ballenger, LLC [ii,vi]	United States of America	**99.99**	99.99	Property development
SeD Development Management, LLC [ii,vi]	United States of America	**84.99**	84.99	Property development
SeD Builder, LLC [ii,vi]	United States of America	**99.99**	99.99	Property development
SeD Home Rental Inc. [ii,vi]	United States of America	**99.99**	99.99	Dormant
SeD REIT, Inc. [ii,vi] (f.k.a. SeD Home REIT, Inc.)	United States of America	***99.99**	–	Dormant
150 Black Oak GP, Inc [ii,vi]	United States of America	**99.99**	99.99	Property development
150 CCM Black Oak Ltd [ii,vi]	United States of America	**99.99**	99.99	Property development

7 Investment in subsidiaries (Cont'd)

Name	Country of incorporation/ principal place of business	Effective ownership interest 2019 %	2018 %	Principal activities
SeD Maryland Development, LLC [ii,vi]	United States of America	**83.54**	83.54	Property development
HotApp Blockchain, Inc. [ii,7d]	United States of America	**99.86**	99.95	Investment holding
Crypto Exchange Inc [ii]	United States of America	**99.86**	99.95	Dormant
HotApps International Pte. Ltd. [i]	Singapore	**99.86**	99.95	Dormant
HWH World Inc. [ii]	United States of America	**99.86**	99.95	Dormant
HotApp International Limited [iii]	Hong Kong	**99.86**	99.95	Sale and marketing of mobile application
HWH World Pte. Ltd. [i]	Singapore	**99.86**	99.95	Dormant
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
Health Wealth Happiness Pte. Ltd. [i]	Singapore	**100**	100	Dormant
iGalen International Inc [iv,v]	United States of America	**53**	53	Investment holding
UBeauty Limited [iii]	Hong Kong	***100**	–	Investment holding
HWH World Limited [iii]	Hong Kong	***100**	–	Dormant
HWH World, Inc. [iv,v]	Korea	****100**	–	E-commerce
iGalen Inc. [iv,vi] (f.k.a. iGalen USA LLC)	United States of America	**53**	53	Biomedical science
WeBeauty Korea, Inc. [iv,v]	Korea	****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 acquired during the year

7 Investment in subsidiaries (Cont'd)

@ Acquisition of Sweet Sense Inc.

The carrying amount of the identifiable assets and liabilities of Sweet Sense Inc as at the acquisition date on 8 November 2019 were:

Consideration transferred comprise of:

	$'000
Cash consideration paid	**124**
Carrying amount of previously held equity interest	**9**
Total consideration on acquisition	**133**

	At carrying value $'000
Cash and cash equivalent	**20**
Trade and other payables	**(1)**
Total identifiable net assets	**19**
Excess cash consideration paid	**114**
Total consideration on acquisition	**133**

Revenue and profit contribution

The acquired entity did not generate revenue but incurred net loss of $33,000 to the Group for the period from 8 November 2019 to 31 December 2019. As such, the excess cash consideration paid of $114,000 over the net assets acquired is written off in the year of acquisition.

Effect of the acquisition on cashflow of the Group:

	$'000
Consideration transferred in cash	**(124)**
Cash and cash equivalent of subsidiary acquired	**20**
Net cash outflow on acquisition of subsidiary	**(104)**

b. The following subsidiaries have non-controlling interests (NCI) that are material to the Group.

Name of subsidiary	**Principal places of business/ Country of incorporation**	**Ownership interests held by NCI 2019**	**2018**
SeD Maryland Development LLC	United States of America	**16.46%**	**16.46**%
iGalen Inc. (f.k.a iGalen USA LLC)	United States of America	**47.00%**	**47.00**%
Global BioLife Inc	United States of America	**36.36%**	**36.36**%

7 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 $'000	iGalen Inc. (f.k.a iGalen USA LLC) $'000	Global BioLife Inc $'000	Other individually immaterial subsidiaries $'000	Total $'000
2019					
Revenue	22,483	1,753	–		
Profit/ (loss)	4,332	(1,581)	(845)		
OCI	–	–	–		
Total comprehensive Income/ (loss)	4,332	(1,581)	(845)		
Attributable to NCI:					
- Profit/ (loss)	713	(743)	(307)	(209)	(546)
- OCI	–	–	–	2	2
- **Total comprehensive Income/ (loss)**	713	(743)	(307)	(207)	(544)
Non-current assets	–	–	–		
Current assets	24,845	677	200		
Non-current Liabilities	(4,418)	–	–		
Current liabilities	–	(5,231)	(3,447)		
Net assets/ (liabilities)	20,427	(4,554)	(3,247)		
Net assets/ (liabilities) attributable to NCI	3,362	(2,140)	(1,180)	(423)	(381)
Net cash flows generated from/(used in) Operating activities	3,189	(1,578)	(777)		
Net cash flows generated from/(used in) Investing activities	1,280	1,631	(75)		
Net cash flow (used in)/ generated from financing activities	(8,860)	–	927		
Net changes in cash and cash equivalents	(4,391)	53	75		

7 Investment in subsidiaries (Cont'd)

c. Summarised financial information about subsidiaries with material NCI (Cont'd)

	SeD Maryland Development LLC $'000	iGalen Inc. (f.k.a iGalen USA LLC) $'000	Global BioLife Inc $'000	Other individually immaterial subsidiaries $'000	Total $'000
2018					
Revenue	23,286	3,380	–		
Profit/ (loss)	3,172	(1,595)	(1,547)		
OCI	–	–	–		
Total comprehensive Income/ (loss)	3,172	(1,595)	(1,547)		
Attributable to NCI:					
- Profit/ (loss)	523	(749)	(563)	80	(709)
- OCI	–	–	–	(27)	(27)
- **Total comprehensive Income/ (loss)**	523	(749)	(563)	53	(736)
Non-current assets	–	–	–		
Current assets	31,568	1,193	92		
Non-current Liabilities	–	–	–		
Current liabilities	(6,344)	(4,355)	(2,535)		
Net assets/ (liabilities)	25,224	(3,162)	(2,443)		
Net assets/ (liabilities) attributable to NCI	4,151	(1,486)	(888)	(238)	1,539
Net cash flows generated from/ (used in) Operating activities	2,751	(1,594)	(1,499)		
Net cash flows generated from/(used in) Investing activities	8,738	1,548	(75)		
Net cash flow (used in)/ generated from financing activities	(11,071)	–	1,379		
Net changes in cash and cash equivalents	418	(46)	(195)		

7 Investment in subsidiaries (Cont'd)

d. Change in ownership interest in subsidiaries

HotApp Blockchain, Inc.

During the current financial year, the Group disposed of 0.09% (2018: 0.03%) of its equity interest in HotApp Blockchain, Inc., reducing its equity interest to 99.86% (2018: 99.95%). The proceeds on disposal of $381,000 (2018: $114,000) were received in cash. This is accounted for as a transaction with owners without a loss of control to the Group. As a result of the disposal of the equity interest of 0.09% (2018: 0.03%) in HotApp Blockchain, Inc. the Group accounted for a capital reserve of $381,000 (2018 - $114,000) which represented the difference between consideration received and non-controlling interest adjusted.

SeD Capital Pte. Ltd.

During the year, the Group disposed of 18% of its equity interest in LiquidValue Asset Management Pte. Ltd. ("LVAM"), reducing its equity interest to 82%. The proceeds on disposal of $63,000 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. There is no difference in the consideration received and non-controlling interest adjusted since the disposal was made in proportion to the net asset of LVAM at the date of disposal.

e. Disposal of subsidiary

The Group disposed of a subsidiary, Guangzhou HotApps Technology Ltd. ("Guangzhou HotApps"), on 14 January 2019 to a related party. The effect of the disposal on the cash flow of the Group was:

	$'000
Consideration receivable in the form of promissory note	135
Less: net liabilities disposed of	
Property, plant and equipment	3
Cash and cash equivalent	42
Deposit	6
Trade and other payables	(275)
Net liabilities disposed of	(224)
Realisation of foreign currency translation reserve	37
Gain on disposal of subsidiary	396
Net cash outflow on disposal of subsidiary	(42)

f. 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 2019 and 2018.

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 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
Recognised in capital reserve	249

8 Investment in joint venture

The Group	**31 December 2019 $'000**	31 December 2018 $'000
Interest in joint venture	**–**	12
	–	12

Joint venture

The Group accounts for the investment using the equity method.

The Group	**31 December 2019 $'000**	31 December 2018 $'000
Unquoted equity investments	**–**	12

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

Name	**Ownership interest**		**Principal activities**
	2019	2018	
	%	%	
Sweet Sense Inc	**100**	50	Biomedical science

On 8 November 2019, the Group acquired the remaining 50% equity interest in Sweet Sense Inc for a consideration of $124,000. This acquisition is accounted for as an asset acquisition since the acquired set of activities and assets did not include any input and substantive process. Subsequent to the acquisition, the entity became a subsidiary to the Group.

Equity ownership in joint venture is held indirectly by its subsidiary, Biolife Sugar, Inc, prior to becoming a subsidiary to the Group.

The joint venture was 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:

	2019 $'000	2018 $'000
The Group's interest in net assets of the joint venture at beginning of year	**12**	–
Capital contribution	**48**	74
Share of loss of the joint venture, net of tax	**(51)**	(62)
Step up acquisition to a subsidiary	**(9)**	–
Carrying amount of interest in the joint venture at end of year	**–**	12

In 2018, the financials of the joint venture comprise mainly of cash and bank balances.

9 Trade and other receivables

	The Group		The Company	
	31 December 2019 $'000	31 December 2018 $'000	**31 December 2019 $'000**	31 December 2018 $'000
Trade receivables	**540**	256	**–**	–
Other receivables				
- Promissory note	**135**	–	**–**	–
- Related party	**286**	–	**–**	–
- Third parties	**135**	755	**–**	–
	1,096	1,011	**–**	–
Amounts due from subsidiaries (non-trade)	**–**	–	**40,157**	50,003
	1,096	1,011	**40,157**	50,003
Refundable deposits	**216**	381	**31**	102
	1,312	1,392	**40,188**	50,105

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.

Based on the historical default rates, the Group believes that no impairment allowance is necessary in respect of trade and other receivables past due over 60 days since these receivables are mainly from customers that have a good credit record with the Group.

Other receivable - promissory note

The note receivable arises from the disposal of a subsidiary to a related party (Note 7e) and is unsecured and interest-free.

Other receivables - related party

This relates to payments made on behalf of an entity that is owned and controlled by Mr Chan Heng Fai.

Refundable deposits

Included in refundable deposits are deposit placed with a service provider amounting to $129,000 (2018 - $215,000), deposit related to office rental amounting to $87,000 (2018 - $88,000) as well as interest-bearing cash amount of $Nil (2018 - $78,000) held by a security house as collateral for margin securities trading.

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 $31,202,000 (2018 - $40,667,000) which bears interest at 5% (2018 - 5%) per annum and is denominated in USD.

Impairment in amounts due from subsidiaries

As at the reporting date, 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 $6,800,000 (2018 - $13,055,000) on the amounts due from the subsidiaries.

9 Trade and other receivables (Cont'd)

<u>Impairment in amounts due from subsidiaries (Cont'd)</u>

The Company	31 December 2019 $'000	31 December 2018 $'000
Other receivables	**31**	102
Amount due from subsidiaries (non-trade)	**72,007**	75,053
Less: Allowance for impairment	**(31,850)**	(25,050)
	40,188	50,105
Movement in allowance accounts:		
At 1 January	**25,050**	11,995
Charge for the year	**6,800**	13,055
At 31 December	**31,850**	25,050

Bad debt written off directly in the profit or loss during the financial year ended 31 December 2019 amounted to $99,000 (2018 – $Nil) for the Group.

10 Properties under development

The Group	31 December 2019 $'000	31 December 2018 $'000
At cost:		
Freehold land	**9,269**	26,363
Development costs	**6,417**	29,749
	15,686	56,112
At net realisable value:		
Freehold land	**9,561**	471
Development costs	**16,357**	272
	25,918	743
Less: Allowance for impairment	**(7,051)**	–
	18,867	743
	34,553	56,855

	2019 $'000	2018 $'000
Allowance for impairment		
At 1 January	**–**	–
Impairment losses	**7,140**	–
Foreign exchange difference	**(89)**	–
At 31 December	**7,051**	–

As at 31 December 2019, the carrying amount of properties under development held under charge for loan and borrowings (Note 17) is $16,477,000 (2018 - $30,000,000).

During the current financial year, borrowing costs of $5,000 (2018 - $335,000) arising from borrowings obtained specifically for the properties under development were capitalised.

A write down on properties under development of $7,140,000 to its net realisable value was recognised in "Other operating expenses" (Note 19).

10 Properties under development (Cont'd)

Information on properties under development as at 31 December 2019 is as follows:

Residential

Country	Location	Site Area / Land Size	Tenure	Planned No. of Units	Planned Gross Floor Area / Total Unit Size	% of Completion	Equity Interest	Expected year of Completion
Australia	Mandurah, WA	732 m^2	Freehold	11	1,374 m^2	0%	100%	2021

Subdivision - Residential

Country	Location	Site Area / Land Size	Tenure	Planned No. of Units	Planned Gross Floor Area / Total Unit Size	% of Completion	Equity Interest	Expected year of Completion
USA	Houston, TX	659,638 m^2	Freehold	552	N/A	26.11%	99.99%	2023
USA	Frederick, MD	797,231 m^2	Freehold	689	N/A	57.36%	83.54%	2022

11 Properties for sale

The Group	**31 December 2019 $'000**	31 December 2018 $'000
Balance sheet:		
At cost	**–**	186
Consolidated statement of comprehensive income:		
Recognised as an expense in cost of sales	**175**	–

12 Investment securities

	The Group		The Company	
	31 December 2019 $'000	31 December 2018 $'000	**31 December 2019 $'000**	31 December 2018 $'000
Held for trading investments -				
Quoted equity securities (Note 34)	**577**	1,066	**21**	21

13 Cash and bank deposits

	The Group		The Company	
	31 December 2019 $'000	31 December 2018 $'000	**31 December 2019 $'000**	31 December 2018 $'000
Cash and cash equivalents	**3,877**	2,053	**578**	227
Bank deposits pledged	**5,862**	5,235	**–**	–
Total	**9,739**	7,288	**578**	227

13 Cash and bank deposits (Cont'd)

The bank deposits pledged amounting to US$2,618,000 (equivalent of S$3,525,000) relate to deposits pledged as collateral to secure new banking facilities from Manufacturers and Traders Trust Company ("M&T") (Note 17). In addition, 75% of the sales proceed amounting to US$1,610,000 (equivalent of S$2,168,000) from the sales of lots of Ballenger Run project during the year was also withheld by M&T as security for cumulative loan facilities of US$18.5 million. The bank deposits pledged amounting to US$90,000 (equivalent of S$122,000) relate to deposits placed in escrow for the performance of certain works in relation to the Black Oak project in US.

The bank deposits pledged amounting to AU$50,000 (equivalent of S$47,000) relate to deposits placed with National Australia Bank ("NAB") as a security for bank facilities (Note 17).

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% (2018 - 2.4%) and Nil% (2018 - Nil%) respectively.

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

	The Group		The Company	
	31 December 2019 $'000	31 December 2018 $'000	**31 December 2019 $'000**	31 December 2018 $'000
United States dollar	**8,742**	**6,650**	**85**	**126**

14 Share capital and other reserves

The Group and The Company	**31 December 2019**	31 December 2018	**31 December 2019**	31 December 2018
	No. of shares '000		**$'000**	$'000
Issued and fully paid with no par value:				
At 1 January	**1,101,456**	1,101,456	**102,425**	102,425
Issuance of new ordinary shares pursuant to exercise of 2016 warrants	**62,478**	–	**2,499**	–
At 31 December	**1,163,934**	1,101,456	**104,924**	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 LiquidValue Asset Management Pte. Ltd. (f.k.a. HengFai Asset Management Pte. Ltd.) under a common control arrangement.

14 Share capital and other reserves (Cont'd)

(c) Employee share option reserve

Employee share option reserve represents the equity-settled share options granted to employees (Note 24). 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 Trade and other payables

	The Group		The Company	
	31 December 2019 $'000	31 December 2018 $'000	**31 December 2019 $'000**	31 December 2018 $'000
Non-current				
Amount due to directors (non-trade)	**694**	431	**–**	–
Current				
Trade payables	**2,511**	2,839	**167**	27
Other payables				
- Promissory notes	**552**	–	**–**	–
- Third parties	**911**	897	**–**	–
Amount due to directors (non-trade)	**6,881**	12,134	**6,814**	12,068
Accrued payroll expenses	**300**	292	**295**	283
Consultancy fee payable	**877**	727	**–**	–
Royalty payable	**57**	58	**–**	–
Commission payable	**291**	331	**–**	–
Accrued professional fees	**209**	179	**106**	96
Deposit received	**3,292**	5,290	**–**	–
Withholding tax payable	**4,529**	3,959	**2,899**	2,375
Other accruals	**366**	1,312	**26**	21
Total trade and other payables	**21,470**	28,449	**10,307**	14,870
Loans and borrowings (Note 17)	**211**	2,221	**–**	–
Lease liabilities (Note 16)	**278**	–	**74**	–
Deposit received	**(3,292)**	(5,290)	**–**	–
Withholding tax payable	**(4,529)**	(3,959)	**(2,899)**	(2,375)
Total financial liabilities at amortised cost (Note 32)	**14,138**	21,421	**7,482**	12,495

Trade and other payables

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

Other payables – Promissory Note

The promissory notes payable bear interest at 10% per annum and are repayable within 12 months.

Withholding tax payable

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

15 Trade and other payables (Cont'd)

Deposits received

Deposits received is non-refundable and pertains to deposits received from lot purchase agreements entered with a customer in respect of the sale of its sub-division development.

Amount due to directors

With effect from 1 January 2018, the Company and Mr. Chan Heng Fai had 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 2019, $5.68 million (2018: $11.43 million) of the loan facility has been drawn down and $1.13 million (2018: $0.64 million) interest expense has been accrued. The loan is unsecured and repayable on demand.

The Group also obtained loans from another director of a subsidiary with:

(a) Loan of $426,000 that bears interest of base rate 3.25% plus 1.45% per annum. The loan is repayable over 120 months commencing from May 2018.

(b) Loan of $310,000 that bears an average interest of 4% per annum. The loan is repayable at maturity date on April 2021.

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

	The Group		**The Company**	
	31 December 2019 $'000	31 December 2018 $'000	**31 December 2019 $'000**	31 December 2018 $'000
United States Dollar	**8,793**	11,106	**–**	–

Please refer to Note 32.3 for details of liquidity risk exposure.

16 Lease liabilities

	The Group 2019 S$'000	**The Company 2019 S$'000**
Undiscounted lease payments due:		
- Year 1	**288**	**74**
Less: Future interest cost	**(10)**	**–**
Lease liabilities	**278**	**74**
Presented as:		
- Non-current	**–**	**–**
- Current	**278**	**74**
	278	**74**

Interest expense on lease liabilities of $18,000 is recognised within "finance costs" in profit or loss.

Total cash outflows for all leases during the year amount to S$387,000.

Information about the Group's leases are disclosed in Note 27.

Further information about the financial risk management are disclosed in Note 32.

17 Loans and borrowings

		The Group		The Company	
	Maturity	**31 December 2019 $'000**	31 December 2018 $'000	**31 December 2019 $'000**	31 December 2018 $'000
Current					
Floating rate USD loan	2019	**–**	19	**–**	–
Floating rate AUD loan	2020	**211**	216	**–**	–
Corporate bonds	2019	**–**	1,986	**–**	–
Total loans and borrowings (Note 15)		**211**	2,221	**–**	–

Floating rate USD loan

On April 17, 2019, the Group entered into a development loan agreement with M&T in the principal amount not to exceed at any one time outstanding the sum of US$8,000,000, with a cumulative loan advance amount of US$18,500,000. The line of credit bears interest rate on LIBOR plus 375 basis points. The Group was also provided with a Letter of Credit ("L/C") facility in an aggregate amount of up to US$900,000. The L/C commission will be 1.5% per annum on the face amount of the L/C. The loan is a revolving line of credit. The L/C Facility is not a revolving loan and amounts advanced and repaid may not be re-borrowed. Bank deposits pledged amounting to US$2,618,000 is pledged as collateral to secure the banking facilities and the loan is also secured by a charge over a property owned by the Group. As of 31 December 2019, there is no outstanding loan balance as the Group has yet to draw down from the loan facilities.

Floating rate AUD loan

The loan is secured by a charge over the freehold land classified in properties under development (Note 10) 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 5.294% to 6.515% (2018 - 6.03% to 6.35%) per annum. The loan was renegotiated to be repayable on 31 March 2020.

Corporate bonds

All the three corporate bonds were fully redeemed in 2019. Each of the corporate bonds was previously issued at a principal amount of US$500,000 and bore interest at 8% per annum.

18 Other operating income

The Group	**2019 $'000**	2018 $'000
Net unrealised foreign exchange gain	**–**	920
Gain on disposal of a subsidiary	**396**	–
Others	**783**	575
	1,179	1,495

19 Other operating expenses

The Group	Note	2019 $'000	2018 $'000
Net unrealised foreign exchange loss		**446**	–
Excess cash consideration paid over net assets acquired written off	7@	**114**	–
Withholding tax expenses		**570**	673
Net fair value losses on financial instruments held for trading		**479**	3,979
Write down of properties under development	10	**7,140**	–
Bad debt written off	9	**99**	–
Others		**11**	15
		8,859	4,667

20 Finance income

The Group	2019 $'000	2018 $'000
Interest income	**71**	44

21 Finance costs

The Group	2019 $'000	2018 $'000
Interest expense from loans and borrowings	**659**	804
Interest expense on lease liabilities	**18**	–
	677	804

22 Loss before taxation

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

The Group	Note	2019 $'000	2018 $'000
Audit fees:			
- Auditors of the Company		**227**	220
- Other auditors		**160**	88
Depreciation of property, plant and equipment	4	**37**	48
Depreciation of right-of-use assets	5	**375**	–
Staff salaries and related costs	23	**1,203**	2,530
Legal and other professional fees		**2,441**	2,791
Consultancy fees paid/payable to a family member of a director		**330**	110
Operating lease expenses		**–**	441
Loss on disposal of property, plant and equipment		**–**	8

23 Staff salaries and related costs

The Group	2019 $'000	2018 $'000
Directors' remuneration		
- salaries and other related costs	–	337
- director's fee	100	155
- Contribution to defined contribution plan	–	12
	100	504
Key management personnel (other than directors)		
- salaries and other related costs	396	393
- Contribution to defined contribution plan	22	21
	418	414
Other than directors and key management personnel		
- salaries and other related costs	607	1,300
- Contribution to defined contribution plan	78	312
	685	1,612
	1,203	2,530

24 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 as well as 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.

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

Share option plans (Cont'd)

Singapore eDevelopment Limited Stock Option Scheme (the "Scheme") (Cont'd)

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 2019		31 December 2018	
	No.	**WAEP**	No.	WAEP
Outstanding at 1 January	**1,061,333**	**0.12**	1,592,000	0.12
- Forfeited	**–**	**–**	(530,667)	0.12
Outstanding at 31 December	**1,061,333**	**0.12**	1,061,333	0.12

The range of exercise price for options outstanding at the end of the year was $0.12 (2018 - $0.12). The weighted average remaining contractual life for these options is 4 years (2018 - 5 years).

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.

25 Income tax

	2019	2018
The Group	**$'000**	$'000
Current taxation	**588**	–
Income tax expense	**588**	–

Reconciliation of effective tax rate

	2019	2018
The Group	**$'000**	$'000
Loss before taxation	**(13,052)**	(8,288)
Tax at statutory rate of different tax jurisdiction	**(3,836)**	(879)
Tax effect on non-deductible expenses	**3,197**	860
Tax effect on non-taxable income	**(70)**	(156)
Effect of partial tax exemption and tax relief	**–**	(9)
Deferred tax benefits on tax losses not recognised	**1,297**	688
Utilisation of deferred tax assets previously not recognised	**–**	(504)
	588	–

As at 31 December 2019, the Group has unutilised tax losses and deductible temporary difference amounting to approximately $23,016,000 (2018 - $19,214,000) 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 and deductible temporary differences have 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, withholding tax expenses, impairment loss on property under development and fair value losses of financial assets at fair value through profit or loss which are capital in nature.

26 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	2019 $'000	2018 $'000
Loss for the year attributable to owners of the Company	(13,094)	(7,579)
Weighted average number of ordinary shares for basic/diluted earnings per share computation ('000)	1,103,875	1,101,456
Basic and diluted loss per share (cents per share)	(1.2)	(0.7)

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

27 Leases

The Group as lessee

(i) Office premises

The Group leases several office premises for operation purposes.

Information regarding the Group's right-of-use assets and lease liabilities are disclosed in Note 5 and 16 respectively.

Depreciation charge of right-of-use assets during the year:

The Group	2019 S$'000
Office premises	375

There are no externally imposed covenants on these office lease arrangements.

28 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
Not later than one year	286
Later than one year and not later than five years	200
Later than five years	–
	486

The Group has adopted SFRS(I) 16 on 1 January 2019. These lease payments had been recognised as right-of-use assets and lease liabilities on the statement of financial position as at 1 January 2019.

29 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 $33,000 (2018 - $110,000).

2. As at 31 December 2019, the Group has provided guarantees for principal sum of up to $Nil (2018 - $13,600,000) in relation to corporate bonds issued by a subsidiary to external parties.

In respect of the last financial year ended 31 December 2018, 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 operations to repay the borrowings.

30 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 profit or loss.

30 Operating segments (Cont'd)

	Operating segments								Non-operating Segments					
	Property Development		Investment Business		Information Technology Business		Biomedical Business		Corporate and others		Elimination		Total	
	2019	2018	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Revenue	**30,407**	23,298	**43**	44	**–**	200	**1,898**	3,380	**–**	–	**–**	–	**32,348**	26,922
Segment result														
Segment profit/(loss) from operation	**(11,741)**	1,787	**(1,364)**	(5,837)	**8**	(725)	**(2,787)**	(3,115)	**(9,677)**	(14,185)	**13,115**	14,547	**(12,446)**	(7,528)
Finance income	**57**	44	**86**	180	**–**	–	**–**	–	**1,875**	2,208	**(1,947)**	(2,388)	**71**	44
Finance expenses	**(11)**	–	**(146)**	(161)	**–**	–	**(24)**	–	**(496)**	(643)	**–**	–	**(677)**	(804)
Net (loss)/ profit before tax	**(11,695)**	1,831	**(1,424)**	(5,818)	**8**	(725)	**(2,811)**	(3,115)	**(8,298)**	(12,620)	**11,168**	12,159	**(13,052)**	(8,288)
Income tax	**(588)**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**(588)**	–
Net (loss)/ profit for the year	**(12,283)**	1,831	**(1,424)**	(5,818)	**8**	(725)	**(2,811)**	(3,115)	**(8,298)**	(12,620)	**11,168**	12,159	**(13,640)**	(8,288)
Additions of plant and equipment	**–**	4	**5**	36	**–**	2	**–**	–	**–**	–	**–**	–	**5**	42
Depreciation of plant and equipment	**8**	22	**24**	14	**–**	4	**–**	–	**5**	8	**–**	–	**37**	48
Depreciation of right-of-use assets	**215**	–	**–**	–	**–**	–	**–**	–	**160**	–	**–**	–	**375**	–
Excess cash consideration paid over net assets acquired written off	**–**	–	**–**	–	**–**	–	**114**	–	**–**	–	**–**	–	**114**	–
Loss on disposal of property, plant and equipment	**–**	–	**–**	–	**–**	8	**–**	–	**–**	–	**–**	–	**–**	8
Write down of properties under development	**7,140**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**7,140**	–
Net fair value losses in investment securities	**–**	–	**479**	3,979	**–**	–	**–**	–	**–**	–	**–**	–	**479**	3,979
Unrealised loss/(gain)	**–**	–	**52**	(62)	**(46)**	59	**9**	(40)	**431**	(877)	**–**	–	**446**	(920)
Share of Joint Venture's results	**–**	–	**–**	–	**–**	–	**51**	62	**–**	–	**–**	–	**51**	62
Gain on disposal of subsidiary	**–**	–	**–**	–	**(396)**	–	**–**	–	**–**	–	**–**	–	**(396)**	–

30 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 2019	**44,959**	**2,559**	**210**	**1,393**	**48,532**	**(50,199)**	**47,454**
31 December 2018	70,734	4,429	246	1,285	57,977	(66,887)	67,784
Consolidated segment liabilities							
31 December 2019	**55,202**	**8,510**	**1,923**	**9,869**	**20,378**	**(73,357)**	**22,525**
31 December 2018	67,268	8,389	1,874	6,964	24,725	(78,550)	30,670

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	People's Republic of China* $'000	United States of America $'000	Total $'000
31 December 2019				
Revenue	**43**	**–**	**32,305**	**32,348**
Non-current assets	**642**	**–**	**188**	**830**
31 December 2018				
Revenue	44	200	26,678	26,922
Non-current assets	506	2	92	600

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

Non-current assets information presented above consist of property, plant and equipment, right-of-use assets and other investment as presented in the statement of financial position.

There are two majors customers (2018: two major customers) contributing revenue which is greater than 10% of the total revenue for the current financial year.

31 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 17)

As at 31 December 2019, certain directors of the Group have provided personal guarantees amounting to approximately $599,000 (2018 - $7,400,000) to secure external loans and borrowings from financial institutions for the Group.

(b) Amount due to a director (non-trade) (Note 15)

As at 31 December 2019, a director of the Company has provided advances to the Group amounting to $5,684,000 (2018 - $11,430,000) for general operating activities.

(c) Interest bearing loan from a director (Note 15)

Interest expense of $0.49 million (2018 - $0.64 million) due to Mr Chan Heng Fai was accrued for in 2019 in respect of a principal loan of $5.68 million (2018 - $11.43 million).

(d) LiquidValue Development Pte. Ltd. (“LVD”) (Note 7d)

During the year, the Group disposed of 18% of its equity interest in LVAM to LVD, a wholly owned subsidiary of Mr. Chan Heng Fai, reducing its equity interest to 82%. The proceeds on disposal of $63,000 were received in cash.

(e) DSS Asia Limited (Note 7e)

On 14 January 2019, the Group disposed of a subsidiary, Guangzhou HotApps Technology Ltd., to DSS Asia Limited at a consideration of US$100,000 (equivalent of S$135,000). Mr. Chan Heng Fai is a director and CEO of DSS Asia Limited.

(f) Decentralize Sharing Service Inc (Note 15)

On 13 August 2019, the Group recorded a promissory note payable to Decentralize Sharing Service Inc of US$250,000, bearing interest at 10% per annum. One of the key management personnel of the Company is a controlling shareholder of Decentralize Sharing Service Inc.

32 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.

32 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 2019 $'000	31 December 2018 $'000
Financial assets at fair value through profit or loss		
Held for trading financial assets – Investment securities (quoted)	**577**	1,066
Financial assets at amortised cost		
Trade and other receivables	**1,312**	1,392
Cash and short-term deposits	**9,739**	7,288
	11,051	8,680
Financial assets at fair value through OCI		
Equity instruments at FVOCI	**450**	445
Financial liabilities at amortised cost		
Trade and other payables*	**13,649**	19,200
Loans and borrowings	**211**	2,221
Lease liabilities	**278**	–
	14,138	21,421

* exclude deposits received and withholding tax payable

The Company	31 December 2019 $'000	31 December 2018 $'000
Financial assets at amortised cost		
Trade and other receivables	**40,188**	50,105
Cash and short-term deposits	**578**	227
	40,766	50,332
Financial assets at fair value through profit or loss		
Held for trading financial assets – Investment securities (quoted)	**21**	21
Financial liabilities at amortised cost		
Trade and other payables*	**7,408**	12,495
Lease liabilities	**74**	–
	7,482	12,495

* exclude deposits received and witholding tax payable

32 Financial risk management (Cont'd)

32.1 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.

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 2019				
Floating rate loans and borrowings	**2**	**(2)**	**(2)**	2
At 31 December 2018				
Floating rate loans and borrowings	2	(2)	(2)	2

32.2 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 2019		
Financial assets		
Cash and cash equivalents	**1,269**	**1,269**
Investment securities	**556**	**556**
	1,825	**1,825**
Financial liabilities		
Corporate bonds	**–**	**–**
Net financial assets	**1,825**	**1,825**

32 Financial risk management (Cont'd)

32.2 Currency risk (Cont'd)

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		
Corporate bonds	1,986	1,986
Net financial liabilities	(672)	(672)

The Company	**USD $'000**	**Total $'000**
At 31 December 2019		
Financial assets		
Trade and other receivables	**37,928**	**37,928**
Cash and cash equivalents	**85**	**85**
Net financial assets	**38,013**	**38,013**
At 31 December 2018		
Financial assets		
Trade and other receivables	48,524	48,524
Cash and cash equivalents	127	127
Net financial assets	48,651	48,651

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.

The Group	**31 December 2019**		31 December 2018	
	Loss before tax $'000	**Equity $'000**	Loss before tax $'000	Equity $'000
	(Decrease)/Increase		(Decrease)/Increase	
USD				
- strengthened 5% (2018 - 5%) against SGD	**(91)**	**91**	34	(34)

32 Financial risk management (Cont'd)

32.2 Currency risk (Cont'd)

The Company	**31 December 2019**		31 December 2018	
	Loss before tax	**Equity**	Loss before tax	Equity
	$'000	**$'000**	$'000	$'000
	(Decrease)/Increase		(Decrease)/Increase	
USD				
- strengthened 5% (2018 - 5%) against SGD	**(1,901)**	**1,901**	(2,432)	2,432

A weakening of the USD against the respective functional currencies 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.

32.3 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.

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	**Total**	**Less than 1 year**	**Between 2 and 5 years**	**Over 5 years**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
The Group					
As at 31 December 2019					
Trade and other payables*	**13,649**	**14,142**	**13,372**	**563**	**207**
Loans and borrowings	**211**	**223**	**223**	**–**	**–**
Lease liabilities	**278**	**288**	**288**	**–**	**–**
	14,138	**14,653**	**13,883**	**563**	**207**
As at 31 December 2018					
Trade and other payables*	19,200	19,886	19,886	–	–
Loans and borrowings	2,221	2,457	2,457	–	–
	21,421	22,343	22,343	–	–

32 Financial risk management (Cont'd)

32.3 Liquidity risk (Cont'd)

	Carrying amount $'000	Total $'000	Contractual undiscounted cash flows Less than 1 year $'000	Between 2 and 5 years $'000	Over 5 years $'000
The Company					
As at 31 December 2019					
Trade and other payables*	**7,408**	**7,817**	**7,817**	**–**	**–**
Lease liabilities	**74**	**74**	**74**	**–**	**–**
	7,482	**7,891**	**7,891**	**–**	**–**
As at 31 December 2018					
Trade and other payables*	12,495	13,181	13,181	–	–

* exclude deposits received and withholding tax payable

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 2019			
Financial guarantees (Note 29)	**33**	**–**	**33**
	33	**–**	**33**
31 December 2018			
Financial guarantees (Note 29)	110	13,600	13,710
	110	13,600	13,710

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

32.4 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.

<u>Exposure to credit risk</u>

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 statements of financial position.

32 Financial risk management (Cont'd)

32.4 Credit risk (Cont'd)

Credit risk concentration profile

The Group determines its concentrations of credit risk by monitoring its trade and other receivables on an ongoing basis.

Financial assets that are neither past due nor credit-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.

Financial assets that are past due but not credit-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 credit-impaired

Information regarding financial assets that are impaired is disclosed in Note 9. 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's 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 instruments, as well as maximum exposure to credit risk by credit risk rating grades:

The Group	**12-month/ Lifetime ECL**	**Gross carrying amount $'000**	**Loss allowance $'000**	**Net carrying amount $'000**
At 31 December 2019				
Trade and other receivables	**Lifetime ECL**	**1,312**	**–**	**1,312**
	12-month/ Lifetime ECL	Gross carrying amount $'000	Loss allowance $'000	Net carrying amount $'000
At 31 December 2018				
Trade and other receivables	Lifetime ECL	1,392	–	1,392

32 Financial risk management (Cont'd)

32.4 Credit risk (Cont'd)

The Company	**12-month/ Lifetime ECL**	**Gross carrying amount $'000**	**Loss allowance $'000**	**Net carrying amount $'000**
At 31 December 2019				
Trade and other receivables	**Lifetime ECL**	**31**	**–**	**31**
Amounts due from subsidiaries (non-trade)	**12-month ECL**	**72,007**	**(31,850)**	**40,157**
		72,038	**(31,850)**	**40,188**

	12-month/ Lifetime ECL	Gross carrying amount $'000	Loss allowance $'000	Net carrying amount $'000
At 31 December 2018				
Trade and other receivables	Lifetime ECL	102	–	102
Amounts due from subsidiaries (non-trade)	12-month ECL	75,053	(25,050)	50,003
		75,155	(25,050)	50,105

(1) Trade and other receivables

The Company and the Group apply SFRS(I) 9 simplified approach to measure the 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 impairment losses within other operating expenses. Subsequent recoveries of amounts previously written off are credited to other operating income.

(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 9.

32 Financial risk management (Cont'd)

32.4 Credit risk (Cont'd)

The following table provides information about the exposure to credit risk and ECLs for trade and other receivables as at:

The Group	**Gross carrying amount $'000**	**Impairment loss allowance $'000**	**Net carrying amount $'000**	**Credit impaired**
At 31 December 2019				
Current (not past due)	**–**	**–**	**–**	
1 – 30 days past due	**889**	**–**	**889**	No
31 – 60 days past due	**1**	**–**	**1**	No
Past due over 60 days	**422**	**–**	**422**	No
	1,312	**–**	**1,312**	
At 31 December 2018				
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	

The Company	**Gross carrying amount $'000**	**Impairment loss allowance $'000**	**Net carrying amount $'000**	**Credit impaired**
At 31 December 2019				
Current (not past due)	**–**	**–**	**–**	
1 – 30 days past due	**–**	**–**	**–**	
31 – 60 days past due	**–**	**–**	**–**	
Past due over 60 days	**31**	**–**	**31**	No
	31	**–**	**31**	

The Company	**Gross carrying amount $'000**	**Impairment loss allowance $'000**	**Net carrying amount $'000**	**Credit impaired**
At 31 December 2018				
Current (not past due)	–	–	–	
1 – 30 days past due	78	–	78	No
31 – 60 days past due	–	–	–	
Past due over 60 days	24	–	24	No
	102	–	102	

32.5 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 12). The fair value of these financial instruments is 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 decreased loss before tax by $58,000 (2018 - $107,000). Similarly, a decrease of 10% in equity price would have an equal but opposite effect.

33 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 does 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 2019 $'000**	31 December 2018 $'000
Lease liabilities	**(278)**	–
Loans and borrowings	**(211)**	(2,221)
Total debts	**(489)**	(2,221)
Cash and cash equivalents	**3,877**	2,053
Net debt	**#**	(168)
Total equity	**24,929**	37,114
Gearing ratio	**#**	0.01

Not applicable since it is in a net cash position.

34 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).

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 2019					
Financial assets measured at fair value through profit or loss					
Held for trading financial assets					
- Investment securities (quoted)	12	**577**	**–**	**–**	**577**
Financial assets at FVOCI					
- Other investment	6	**–**	**–**	**450**	**450**
		577	**–**	**450**	**1,027**
31 December 2018					
Financial assets measured at fair value through profit or loss					
Held for trading financial assets					
- Investment securities (quoted)	12	1,066	–	–	1,066
Financial assets at FVOCI					
- Other investment	6	–	–	445	445
		1,066	–	445	1,511

34 Fair value measurement (Cont'd)

Fair values of financial instruments (Cont'd)

(a) Financial assets and liabilities measured at fair value (Cont'd)

The Company	Note	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
31 December 2019					
Financial assets measured at fair value through profit or loss					
Held for trading financial assets					
- Investment securities (quoted)	12	**21**	**–**	**–**	**21**
31 December 2018					
Financial assets measured at fair value through profit or loss					
Held for trading financial assets					
- Investment securities (quoted)	12	21	–	–	21

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 of the fund entity	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 (2018 - $22,000). 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:

The Group	**2019 $'000**	2018 $'000
Balance at 1 January	**445**	490
Fair value changes	**5**	(45)
Balance at 31 December	**450**	445

(b) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value.

This comprised trade and other receivables (Note 9), bank deposits pledged (Note 13), cash and cash equivalents (Note 13), loans and borrowings (Note 17), trade and other payables (Note 15) and lease liabilities (Note 16).

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values due to their short-term nature.

The carrying amounts of the non-current amount due to directors (non-trade) reflect their corresponding fair values since the contracted interest rates continue to approximate the prevailing interest rates as at the reporting date.

35 Comparative figures

Certain reclassifications have been made to the prior year's financial statements to enhance comparability with the current year's financial statements to present the amount due to directors as current and non-current liabilities in the statement of financial position. The effects are as follows:

The Group	(As previously reported) 31 December 2018 $'000	Adjustments $'000	(As reclassified) 31 December 2018 $'000
Liabilities			
Non-current liabilities			
Trade and other payables	–	431	431
Liabilities			
Current liabilities			
Trade and other payables	28,449	(431)	28,018

This reclassification is not considered to be material to the financial statement as a whole, and does not affect the opening balance sheet of the earliest comparative period i.e 1 January 2018. Hence no third balance sheet is presented.

36 Subsequent events

(i) American Medical REIT, Inc. ("AMRI")), a wholly-owned subsidiary of the Company, had on 3 March 2020, issued 800,000 promissory notes which in aggregate amount to US$800,000 (the "Promissory Notes") to Document Security Systems, Inc. ("DSS"), a NYSE listed company. The Promissory Notes shall accrue interest at a rate of 8% per annum which shall be payable on the day immediately preceding the first and second anniversary of the date of issuance of the Promissory Notes. AMRI has granted DSS an option (the "Option") to subscribe for an additional 800,000 promissory notes (the "Additional Promissory Notes"). DSS may exercise the Option during a period commencing on the date of issuance of the Promissory Notes and ending on the date the principal amount of the Promissory Notes, together with all accrued interest, has been repaid in full by AMRI. The Additional Promissory Notes shall have the same terms and conditions as the Promissory Notes, except that the Additional Promissory Notes shall not entitle DSS to a similar option to subscribe for additional promissory notes.

(ii) A share exchange agreement dated 21 April 2020 had been entered into between the Company, Global BioMedical Pte. Ltd. ("Global BioMedical"), a wholly-owned direct subsidiary of the Company, DSS and DSS BioHealth Security, Inc. ("DSS BioHealth") in relation to, inter alia:

(a) the disposal of the entire ordinary shares in the share capital of Impact BioMedical, Inc. held by Global BioMedical (the "Sale Shares") to DSS BioHealth. Impact BioMedical, Inc is a wholly-owned direct subsidiary of Global BioMedical;

(b) the consideration to be paid by DSS for the Sale Shares is US$50,000,000, comprising of:

- US$3,132,000 by way of an allotment and issue of new ordinary shares in the share capital of DSS to Global BioMedical, and
- US$46,868,000 by way of an allotment and issue of perpetual convertible bonds to Global BioMedical.

The gain on disposal after completion of the disposal of the Sale Shares to DSS BioHealth is expected to be approximately S$73.63 million (equivalent to approximately US$52.55 million).

The share exchange agreement was fully executed by the aforesaid parties on 27 April 2020.

36 Subsequent events (cont'd)

(iii) The Company has granted 42,778,600 share awards to eligible participants under the Singapore eDevelopment Limited Performance Share Plan. The 42,778,600 share awards granted under the Singapore eDevelopment Limited Performance Share Plan comprise 35,278,600 share awards granted to Directors of the Company and 7,500,000 share awards granted to employees of the Group. 7,500,000 new ordinary shares in the capital of the Company has been allotted and issued to employees of the Group without any cash consideration on 11 May 2020 under the Company's Performance Share Plan. The share awards granted to employees of the Group under the Performance Share Plan has vested on the same date.

(iv) 6,500,000 new ordinary shares in the capital of the Company has been allotted and issued on 11 May 2020 pursuant to the exercise of unlisted warrants issued on 22 March 2017 at an exercise price of $0.048 per share.

(v) An outbreak of COVID-19 (Coronavirus Disease 2019) had been reported in China on 31 December 2019. The World Health Organisation declared the COVID-19 outbreak as a pandemic on 11 March 2020. The Singapore Government announced on 3 April 2020, the closure of most workplace premises from 7 April to 4 May 2020. On 21 April 2020, the Singapore Government further announced tighter measures to the Circuit Breaker period, to further reduce the transmission of COVID-19. The Circuit Breaker period was extended by another 4 weeks until 1 June 2020 (inclusive).

At the date of these financial statements, it has spread to various regions around the world, including United States of America, Europe, Middle East, Asia and Australia. The Group operates in various regions affected by the outbreak. While the full impact to the Group cannot be quantified reliably, the Group's performance subsequent to the balance sheet date is likely to be negatively impacted as a result of regional and global travel restrictions, quarantine and/or illness of employees, loss of customers, supply chain disruptions, and other forms of interruptions to business.

Properties of **the Group**

As at 31 December 2019

Properties Under Development

Residential

Country	Location	Site Area / Land Size	Tenure	Planned No. of Units	Planned Gross Floor Area / Total Unit Size	% of Completion	Equity Interest	Expected year of Completion
Australia	Mandurah, WA	732 m^2	Freehold	11	1,374 m^2	0%	100%	2021

Subdivision - Residential

Country	Location	Site Area / Land Size	Tenure	Planned No. of Units	Planned Gross Floor Area / Total Unit Size	% of Completion	Equity Interest	Expected year of Completion
USA	Houston, TX	659,638 m^2	Freehold	552	N/A	26.11%	99.99%	2023
USA	Frederick, MD	797,231 m^2	Freehold	689	N/A	57.36%	83.54%	2022

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	78	5.22	2,992	0.00
100 - 1,000	312	20.90	171,428	0.01
1,001 - 10,000	372	24.92	1,823,305	0.16
10,001 - 1,000,000	689	46.15	84,420,004	7.17
1,000,001 AND ABOVE	42	2.81	1,091,516,555	92.66
TOTAL	**1,493**	**100.00**	**1,177,934,284**	**100.00**

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	PHILLIP SECURITIES PTE LTD	806,058,090	68.43
2	DOCUMENT SECURITY SYSTEMS, INC.	83,174,129	7.06
3	OCBC SECURITIES PRIVATE LIMITED	25,938,170	2.20
4	MAYBANK KIM ENG SECURITIES PTE. LTD.	24,447,884	2.08
5	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	23,681,440	2.01
6	RAFFLES NOMINEES (PTE.) LIMITED	21,190,850	1.80
7	UOB KAY HIAN PRIVATE LIMITED	17,069,356	1.45
8	CITIBANK NOMINEES SINGAPORE PTE LTD	11,141,100	0.95
9	ANG HAY KIM	8,740,000	0.74
10	LIM & TAN SECURITIES PTE LTD	6,334,000	0.54
11	TEO CHOR KOK	5,978,750	0.51
12	DBS NOMINEES (PRIVATE) LIMITED	4,873,236	0.41
13	TAY YONG SOON JUSTIN (ZHENG YONGSHUN)	3,779,700	0.32
14	MRS CHAU-CHAN SUI YUNG	3,420,000	0.29
15	LOW TOK SEN CHRISTOPHER (LIU DUXIN)	2,800,000	0.24
16	TAY KIM WHATT	2,700,000	0.23
17	LEE WEE NGAM	2,300,000	0.20
18	TEY HANG LIANG	2,065,300	0.18
19	CHEAN SOCK HOON	2,000,000	0.17
20	TAN CHIN WAH	2,000,000	0.17
	TOTAL	**1,059,692,005**	**89.98**

* The Company did not have treaasury shares or subsidiary holdings.

Statistics of **Shareholdings**

As at 22 May 2020

PERCENTAGE OF SHAREHOLDING HELD IN THE NAME OF PUBLIC

As at 22 May 2020, approximately 25.69% 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	64.62%	–	–
Liquidvalue Development Pte. Ltd.	6,535,500	0.55%		
Document Security Systems, Inc.	83,174,129	7.06%		
Chan Heng Fai[(1)]	14,135,400	1.20%	850,859,923	72.23%

Note:

(1) Heng Fai Businesss Development Pte. Ltd. and Liquidvalue Development Pte. Ltd. are wholly-owned by Mr Chan Heng Fai. Mr Chan Heng Fai and his associates are entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares in Document Security Systems, Inc. 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., Liquidvalue Development Pte. Ltd. and Document Security Systems, Inc. have an interest in.

SINGAPORE EDEVELOPMENT LIMITED - UNLISTED WARRANTS (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	9,724,955	2.11
1,000,001 AND ABOVE	12	18.75	451,059,063	97.88
TOTAL	**64**	**100.00**	**460,808,268**	**100.00**

TWENTY LARGEST WARRANTHOLDERS

NO.	NAME OF WARRANTHOLDERS	NO. OF WARRANTS	%
1	HENGFAI BUSINESS DEVELOPMENT PTE. LTD.	359,834,471	78.09
2	DOCUMENT SECURITY SYSTEMS, INC	44,005,182	9.55
3	LOH YIH	16,833,350	3.65
4	PHILLIP SECURITIES PTE LTD	6,956,330	1.51
5	KWOK YING CHOY	5,400,000	1.17
6	TAN HONG HUAT	5,000,000	1.09
7	KHOO HWEE SAN	2,800,000	0.61
8	CITIBANK NOMINEES SINGAPORE PTE LTD	2,605,165	0.57
9	LIM LEE LEE	2,500,000	0.54
10	M JEGIATHESAN S/O MURUGASU	2,500,000	0.54
11	RAFFLES NOMINEES (PTE.) LIMITED	1,324,565	0.29
12	NG THIAN HOO	1,300,000	0.28
13	ANG HAY KIM	1,000,000	0.22
14	TEO ENG LEE	850,000	0.18
15	SEOW YIN KHOI	738,000	0.16
16	CHEW CHIN WEE (ZHOU JINGWEI)	700,830	0.15
17	LEE KUNFENG DANIEL	700,000	0.15
18	NG KEE CHUAN	500,000	0.11
19	NG WAI YI	500,000	0.11
20	TEGUH ANDY	500,000	0.11
	TOTAL	**456,547,893**	**99.08**

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

Statistics of **Warrantholdings**

As at 22 May 2020

SINGAPORE EDEVELOPMENT LIMITED - UNLISTED WARRANTS (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	5	50.00	3,250,000	0.17
1,000,001 AND ABOVE	5	50.00	1,854,525,000	99.83
TOTAL	**10**	**100.00**	**1,857,775,000**	**100.00**

WARRANTHOLDERS

NO.	NAME OF WARRANTHOLDERS	NO. OF WARRANTS	%
1	CHAN HENG FAI AMBROSE	1,840,925,000	99.09
2	CHAN NGAR FUN	10,000,000	0.54
3	ANG HAY KIM	1,200,000	0.06
4	LUI WAI LEUNG ALAN	1,200,000	0.06
5	LIM SHENG HON DANNY	1,200,000	0.06
6	LAU YIN SHAN	1,000,000	0.05
7	DAVID ONGKO WIJOYO	750,000	0.04
8	AU YEUNG YUK YEE	500,000	0.03
9	VOO SOON LAN	500,000	0.03
10	WONG ANDRE	500,000	0.03
	TOTAL	**1,857,775,000**	**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

Additional information on **Directors seeking re-election**

The information required under Catalist Rule 720(5) and Appendix 7F of the SGX-ST Listing Manual in respect of Directors seeking re-election at the Annual General Meeting on 29 April 2020 is set out below.

	Name of Directors	
Details	Chan King Fai	Lam Lee G.
Date of first appointment	2 May 2017	28 November 2017
Date of last re-appointment (if applicable)	30 April 2018	30 April 2018
Age	49	61
Country of principal residence	Hong Kong	Hong Kong
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors has approved the re-election of Mr Chan King Fai as an Independent Non-Executive Director of the Company. The Board of Directors has considered the recommendation of the Nominating Committee and is of the view that Mr Chan King Fai has the requisite experience, qualifications and capabilities as required by the Board as a Director.	The Board of Directors has approved the re-election or Dr Lam Lee G. as a Non-Executive Director and Vice Chairman of the Company. The Board of Directors has considered the recommendation of the Nominating Committee and is of the view that Dr Lam Lee G. has the requisite experience, qualifications and capabilities as required by the Board as a Director.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Non-Executive Director Member of ARMC, NC and RC	Non-Executive Director and Vice Chairman
Professional qualifications	Master's in Business Administration from the University of Warwick (United Kingdom) Master's in Accountancy from the Chinese University of Hong Kong (Hong Kong) Member of the Association of Chartered Certified Accountants Associate Member of the Hong Kong Institute of Certified Public Accountants Associate Member of the Taxation Institute of Hong Kong Associate Member of the Hong Kong Institute of Chartered Secretaries Associate Member of the Institute of Chartered Secretaries and Administrators Certified Tax Adviser in Hong Kong	Bachelor of Science in Science and Mathematics, Master's in System Science and Master's in Business Administration from the University of Ottawa (Canada) Post-graduate diploma in Public Administration from Carleton University (Canada) Post-graduate Diploma in English and Hong Kong Law and Bachelor of Laws (Hons) from Manchester Metropolitan University (United Kingdom) Master's in Law from the University of Wolverhampton (United Kingdom) PCLL in law from the City University of Hong Kong (Hong Kong) Certificate in Professional Accountancy from the Chinese University of Hong Kong SCS (Hong Kong) Master's in Public Administration and PhD from the University of Hong Kong (Hong Kong) Solicitor of the High Court of Hong Kong Honorary Fellow of CPA Australia Fellow of CMA Australia Fellow of the Hong Kong Institute of Arbitrators

Additional information on **Directors seeking re-election**

	Name of Directors	
Details	Chan King Fai	Lam Lee G.
		Accredited Mediator of the Centre for Effective Dispute Resolution (CEDR) Fellow of the Hong Kong Institute of Directors Honorary Fellow of the Hong Kong Institute of Facility Management Honorary Fellow of the University of Hong Kong School of Professional and Continuing Education
Working experience and occupation(s) during the past 10 years	Lau Chan and Company, CPA (October 1999 to Current) • Partner	Macquarie Infrastructure and Real Assets (Hong Kong) Limited (May 2017 to Current) • Non-Executive Chairman – Hong Kong and ASEAN region • Chief Adviser – Macquarie Infrastructure and Real Assets Asia Macquarie Infrastructure and Real Assets (Hong Kong) Limited (May 2015 to April 2017) • Chairman – ASEAN region • Senior Adviser - Asia Macquarie Capital (Hong Kong) Limited (May 2007 to March 2015) • Chairman – Indochina, Myanmar and Thailand • Senior Adviser - Asia
Shareholding interest in the listed issuer and its subsidiaries	No	No
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	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes

Additional information on **Directors seeking re-election**

	Name of Directors	
Details	Chan King Fai	Lam Lee G.
Other Principal Commitments Including Directorships	**<u>Past (for the last 5 years)</u>** Heng Fai Enterprises Limited **<u>Present</u>** Fire Rock Holdings Limited	**<u>Past (for the last 5 years)</u>** Xi'an Haitiantian Holdings Company Limited Rowsley Limited Vietnam Equity Holding Roma Group Limited Imagi International Holdings Limited Hsin Chong Group Holdings Limited Glorious Sun Enterprises Limited Green Leader Holdings Limited UDL Holdings Limited Heng Fai Enterprises Limited Mingyuan Medicare Development Company Limited Ruifeng Petroleum Chemical Holdings Ltd **<u>Present</u>** Adamas Finance Asia Limited Aurum Pacific (China) Group Limited AustChina Holdings Limited China LNG Group Limited China Real Estate Group Limited China Shandong Hi-Speed Financial Group Limited CSI Properties Limited Elife Holdings Limited Greenland Hong Kong Holdings Limited Haitong Securities Company Limited

Additional information on **Directors seeking re-election**

		Name of Directors	
Details		Chan King Fai	Lam Lee G.
			Hang Pin Living Technology Company Limited (formerly known as Hua Long Jin Kong Company Limited) Huarong Investment Stock Corporation Limited JCG Investment Holdings Limited 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 Pharmaceutical Limited Thomson Medical Group Limited TMC Life Sciences Berhad Top Global Limited Vongroup Limited
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

Additional information on **Directors seeking re-election**

		Name of Directors	
Details		Chan King Fai	Lam Lee G.
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

Additional information on **Directors seeking re-election**

		Name of Directors	
Details		Chan King Fai	Lam Lee G.
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

Additional information on **Directors seeking re-election**

		Name of Directors	
Details		Chan King Fai	Lam Lee G.
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
	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

Additional information on **Directors seeking re-election**

		Name of Directors	
Details		Chan King Fai	Lam Lee G.
	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?		N/A. This is a re-election of a Director.	N/A. This is a re-election of a Director.
If yes, please provide details of prior experience.		N/A. This is a re-election of a Director.	N/A. This is a re-election of a Director.
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

Corporate Information

DIRECTORS

Chan Heng Fai
Chan King Fai
Lam Lee G.
Tao Yeoh Chi
Wong Shui Yeung
Wong Tat Keung

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