
ALSET INTERNATIONAL LIMITED

Condensed unaudited financial statements for the six months ended 30 June 2023

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1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

Consolidated Statement of Profit and Loss and Other Comprehensive Income	Note	6 months ended		Increase/ (Decrease)
		6/30/2023 Unaudited	6/30/2022 Unaudited	
		S\$'000	S\$'000	%
Revenue	2.13	24,862	2,489	898.88
Cost of sales		(14,819)	(1,846)	703
Gross profit		10,043	643	1,462
Other items of income				
Other income	2.14	5,422	3,202	69
Finance income		525	358	47
Other items of expenses				
Administrative expenses		(4,406)	(3,976)	11
Finance costs		(9)	(2)	350
Other expenses	2.15	(692)	(14,184)	(95)
Share of results of associates		(85)	(37)	130
Profit / (loss) before tax	2.16	10,798	(13,996)	(177)
Income tax expense		-	(454)	nm
Profit / (loss) from continuing operations, net of tax		10,798	(14,450)	(175)
Discontinued operation				
Loss from discontinued operation, net of tax	2.18	(14)	(1,214)	(99)
Profit / (loss) for the period		10,784	(15,664)	(169)
Attributable to:				
Owners of the Company				
Profit / (loss) from continuing operations, net of tax		10,779	(14,457)	(175)
Loss from discontinued operation, net of tax	2.18	(14)	(1,214)	(99)
		10,765	(15,671)	(169)
Non-controlling interests				
Profit from continuing operations, net of tax		19	7	171
Profit from discontinued operation, net of tax	2.18	-	-	nm
		19	7	171
Profit / (loss) for the period		10,784	(15,664)	(169)
Other comprehensive loss:				
Items that may be reclassified subsequently to profit or loss:				
Foreign currency translation differences		(24)	(128)	(81)
Other comprehensive loss for the year, net of tax		(24)	(128)	(81)
Total comprehensive gain / (loss) for the year		10,760	(15,792)	(168)
Total comprehensive gain / (loss) attributable to:				
Owners of the Company		10,767	(15,768)	(168)
Non-controlling interests		(7)	(24)	(71)
Total comprehensive gain / (loss) for the year		10,760	(15,792)	(168)
Earning / (loss) per share attributable to owners of the Company (cents per share)				
– Basic		0.31	(0.44)	
– Diluted		0.31	(0.44)	
Earning / (loss) per share attributable to owners of the Company – Continuing operations (cents per share)				
– Basic		0.31	(0.41)	
– Diluted		0.31	(0.41)	

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

	Note	Announcements			
		Group		Company	
		6/30/2023	12/31/2022	6/30/2023	12/31/2022
		Unaudited S\$'000	Audited S\$'000	Unaudited S\$'000	Audited S\$'000
Statements of Financial Position					
Non-current assets					
Property, plant and equipment	2.5	1,209	1,294	149	188
Right-of-use assets		1,799	1,466	1,289	788
Other investment		612	236	-	-
Investment in subsidiaries		-	-	200	200
Investment in associates		2,234	2,206	2,997	2,886
		<u>5,854</u>	<u>5,202</u>	<u>4,635</u>	<u>4,062</u>
Current assets					
Trade and other receivables	2.7	32,425	7,612	4,768	2,080
Prepaid operating expenses	2.7	146	145	91	93
Properties under development	2.8	20,370	40,573	-	-
Investment securities	2.9	22,234	13,546	19,029	11,833
Other investment		1,848	1,848	-	-
Derivative assets	2.10	64	439	-	-
Amounts due from subsidiaries	2.7	-	-	35,438	78,252
Bank deposits pledged	2.11	419	415	-	-
Inventories		51	46	-	-
Cash and cash equivalents	2.11	30,201	13,264	26,557	9,024
		<u>107,758</u>	<u>77,888</u>	<u>85,883</u>	<u>101,282</u>
Assets of disposal group classified as held-for-sale	2.6	-	36,719	-	-
Total assets		113,612	119,809	90,518	105,344
Current liabilities					
Trade and other payables	2.12	12,177	26,263	5,432	21,811
Derivative liabilities		-	1,714	-	1,714
Lease Liability		891	825	437	280
		<u>13,068</u>	<u>28,802</u>	<u>5,869</u>	<u>23,805</u>
Liabilities of disposal group classified as held-for-sale	2.6	-	1,493	-	-
		<u>13,068</u>	<u>30,295</u>	<u>5,869</u>	<u>23,805</u>
Net current assets		94,690	49,086	80,014	77,477
Non-current liability					
Lease Liability		727	457	668	321
		<u>727</u>	<u>457</u>	<u>668</u>	<u>321</u>
Total liabilities		13,795	30,752	6,537	24,126
Net assets		99,817	89,057	83,981	81,218
Equity attributable to owners of the Company					
Share capital		213,470	213,470	213,470	213,470
Capital reserve		5,118	5,222	-	-
Merger reserve		1,480	1,480	898	898
Employee share option reserve		173	173	173	173
Fair value reserve		(82)	(82)	-	-
Foreign currency translation reserve		511	703	-	-
Reserve of disposal group classified as held for sale		-	(194)	-	-
Accumulated losses		(120,159)	(131,028)	(130,560)	(133,323)
		<u>100,511</u>	<u>89,744</u>	<u>83,981</u>	<u>81,218</u>
Non-controlling interests		(694)	(687)	-	-
Total equity		99,817	89,057	83,981	81,218
Total equity and liabilities		113,612	119,809	90,518	105,344

1(c) A statement of cash flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial period.

Consolidated Statement of Cash Flow	<u>6/30/2023</u>	<u>6/30/2022</u>
	<u>Unaudited</u>	<u>Unaudited</u>
	S\$'000	S\$'000
Operating activities		
Profit / (loss) before tax	10,784	(15,210)
<u>Adjustments for:-</u>		
Depreciation of property, plant and equipment	107	50
Depreciation of right-of-use assets	451	269
Fair value loss on derivative assets	376	688
Reversal of fair value loss on derivative liabilities	(1,699)	-
Withholding tax expense	316	570
Net fair value (gain) / loss on equity securities at FVTPL	(2,203)	13,972
Unrealised foreign exchange gain	(761)	(2,890)
Finance income	(525)	(358)
Interest expense from loans and borrowings	-	1
Interest expense on lease liability	9	2
Share of results of associates	85	37
Total adjustments	<u>(3,844)</u>	<u>12,341</u>
Operating cash inflows / (outflows) before changes in working capital	6,940	(2,869)
<u>Changes in working capital:-</u>		
Change in trade and other receivables	(6,409)	(914)
Change in prepaid operating expenses	(1)	607
Change in inventories	(5)	12
Change in properties for sales	19,677	(1,976)
Change in trade and other payables	4,422	(7,153)
Cash flows generated from / (used in) operations	24,624	(12,293)
Income tax paid	-	(454)
Net cash flows generated from / (used in) operating activities	24,624	(12,747)

	<u>6/30/2023</u>	<u>6/30/2022</u>
	<u>Unaudited</u>	<u>Unaudited</u>
	<u>S\$'000</u>	<u>S\$'000</u>
Investing activities		
Purchase of property, plant and equipment	(16)	(278)
Investment in other investment	(379)	(683)
Purchase of investment properties	-	(1,842)
Disposal of subsidiary, net of cash disposed	(1,592)	-
Investment in associates	(125)	(2,964)
Interest received	6	7
Proceeds from partial disposal of subsidiaries	-	2
Proceeds from disposal of subsidiaries	1,355	-
Purchases of equity securities	(6,485)	-
Net cash flows used in investing activities	<u>(7,236)</u>	<u>(5,758)</u>
Financing activities		
Principal element of lease payment	(448)	(270)
Repayment of lease interest	(9)	(2)
Repayment of loans and borrowings	-	(220)
Change in bank deposits pledged	-	5,558
Interest Paid	-	(1)
Net cash (used in) / generated from financing activities	<u>(457)</u>	<u>5,065</u>
Net increase / (decrease) in cash and cash equivalents	16,931	(13,440)
Effect of exchange rate changes on cash and cash equivalent	6	(96)
Cash and cash equivalents at beginning of financial period	<u>13,264</u>	<u>49,123</u>
Cash and cash equivalents at end of financial period	<u>30,201</u>	<u>35,587</u>

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

(i) Statements of Changes in Equity

<u>The Group (Unaudited)</u>	Attributable to owners of the Company								Non-controlling interests	Total equity	
	Share capital	Other reserves				Foreign currency translation reserve	Reserve of disposal group classified as held-for-sale	Accum'd losses			Equity attributable to owners of the Company
		Merger reserve	Capital reserve	Fair value reserve	Share option reserve						
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
Balance at 1 January 2023	213,470	1,480	5,222	(82)	173	703	(194)	(131,028)	89,744	(687)	89,057
<i>Profit for the period</i>	-	-	-	-	-	-	-	10,765	10,765	19	10,784
<i>Foreign currency translation</i>	-	-	-	-	-	(192)	194	-	2	(26)	(24)
<i>Total comprehensive income (loss) for the period</i>	-	-	-	-	-	(192)	194	10,765	10,767	(7)	10,760
<i>Disposal of a subsidiary</i>	-	-	(104)	-	-	-	-	104	-	-	-
Balance at 30 June 2023	213,470	1,480	5,118	(82)	173	511	-	(120,159)	100,511	(694)	99,817
Balance at 1 January 2022	213,470	1,480	2,035	-	173	(197)	-	(84,240)	132,721	(674)	132,047
<i>Loss for the period</i>	-	-	-	-	-	-	-	(15,671)	(15,671)	7	(15,664)
<i>Foreign currency translation</i>	-	-	-	-	-	(97)	-	-	(97)	(31)	(128)
<i>Total comprehensive income (loss) for the year</i>	-	-	-	-	-	(97)	-	(15,671)	(15,768)	(24)	(15,792)
<i>Disposal of a subsidiary without loss in control</i>	-	-	(2)	-	-	-	-	-	(2)	-	(2)
Balance at 30 June 2022	213,470	1,480	2,033	-	173	(294)	-	(99,911)	116,951	(698)	116,253

The Company (Unaudited)

	Share capital (Note)	Capital reserve	Share option reserve	Accum'd losses	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 January 2023	213,470	898	173	(133,323)	81,218
<i>Profit for the period, representing total comprehensive income for the period</i>	-	-	-	2,763	2,763
Balance at 30 June 2023	213,470	898	173	(130,560)	83,981
Balance at 1 January 2022	213,470	(1,123)	173	(97,395)	115,125
<i>Loss for the period, representing total comprehensive loss for the period</i>	-	-	-	(5,918)	(5,918)
Balance at 30 June 2022	213,470	(1,123)	173	(103,313)	109,207

2. Condensed interim notes to the financial statements

2.1 Corporate information

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 9 Temasek Boulevard #16-04, Suntec Tower Two, Singapore 038989.

The immediate holding company is HengFai Business Development Pte. Ltd which is incorporated in Singapore. The ultimate holding company is Alset Inc which is incorporated in United State of America.

The principal activity of the Company is that of investment holding. The principal activities of the Company and its subsidiaries (the “Group”) are property development, investment, food and beverage, biomedical and direct sales businesses.

2.2 Basis of preparation

The condensed interim financial statements for the six months ended 30 June 2023 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the consolidated financial statements as at and for the year ended 31 December 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.3.

The condensed interim financial statements are presented in Singapore dollar which is the Company’s functional currency.

2.3 New and amended standards adopted by the Group

The Group has adopted all the new and revised Singapore Financial Reporting Standards (International) (“SFRS(I)”), Interpretations of Financial Reporting Standards (“INT FRS”) and amendments to SFRS(I) that are relevant to its operations and are effective for the financial periods beginning on or after 1 January 2023. The adoption of these new and revised SFRS (I) and INT FRS did not result in significant changes to the Group’s accounting policies and has no material adjustments to the Group’s financial statements for the financial period ended 30 June 2023.

2.4. Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2022.

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

2.5 Property, plant & equipment

The Group purchased additional office & computer equipment totalling S\$0.02 million, and the Group’s property, plant & equipment depreciated by S\$0.1 million during 1H2023.

2.6 Assets and liabilities of disposal group classified as held-for-sale

As announced on 10 December 2022, a stock purchase agreement (the “**Agreement**”) dated 9 December 2022 has been entered into between Alset Inc. (the “**Purchaser**”), the Company and Alset EHome Inc. (the “**Vendor**”), an indirect 99.99%-owned subsidiary of the Company. Pursuant to the terms of the Agreement, the Vendor has agreed to sell to the Purchaser an aggregate of 2,567,358 shares in the share capital of American Home REIT Inc. (the “**Target**”), representing 100% of the total issued and paid-up share capital of the Target for an aggregate consideration of approximately US\$26.25 million (equivalent to approximately S\$35.63 million).

The Vendor undertakes the business of property development and specialises in land development, home building, sales and rental and property management through its subsidiaries. The Target currently owns 112 single-family rental homes.

As at 31 December 2022, the Target and its subsidiaries were classified as a disposal group held-for-sale and as a discontinued operation since the disposal transaction met the held-for-sale classification criteria and the definition of discontinued operations in accordance with SFRS(I) 5 Non-current Assets Held for Sale and Discontinued Operations.

On 13 January, 2023, the Company and the Vendor have completed the disposal of 2,567,358 shares representing 100% of the share capital of the Target to the Purchaser for a consideration of US\$26.25 million.

2.7 Trade and other receivables and prepaid operating expenses

	The Group		The Company	
	1H2023	FY2022	1H2023	FY2022
	\$'000	\$'000	\$'000	\$'000
Trade receivables	23	59	-	-
Other receivables				
– Related parties	20,932	6,100	4,629	2,017
– Third parties	10,927	732	19	-
	31,882	6,891	4,648	2,017
Amounts due from subsidiaries (non-trade)	-	-	35,438	78,252
	31,882	6,891	40,086	80,269
Refundable deposits	543	721	120	63
Trade and other receivables	32,425	7,612	40,206	80,332
Prepaid operating expenses	146	145	91	93
Total	32,571	7,757	40,297	80,425

2.8 Properties under development

The Group’s properties under development in the U.S. refers to Black Oak in Houston, Texas.

Related costs comprised land purchase costs and other costs such as project financing, project management, development, and construction.

Properties under development decreased by S\$20.2 million from S\$40.6 million in FY2022 to S\$20.4 million in 1H2023 mainly due to the sales of properties amounting to S\$23.7 million, partially offset by the capitalisation of additional development and financing costs of S\$3.1 million and translation gain of S\$0.4 million.

2.9 Investment securities

	The Group		The Company	
	1H2023	FY2022	1H2023	FY2022
	\$'000	\$'000	\$'000	\$'000
Quoted equity securities (classified as FVTPL)	22,234	13,546	19,029	11,833
Opening	13,546	24,221	11,833	12,431
Acquisition	6,485	11,295	4,541	12,286
Fair Value Gain / (Loss)	2,203	(32,314)	2,655	(25,008)
Disposal of a subsidiary	-	(1,780)	-	-
Common stocks acquired from disposal of promissory notes	-	12,124	-	12,124
	22,234	13,546	19,029	11,833

2.10 Derivative assets

	1H2023	FY2022	1H2023	FY2022
	\$'000	\$'000	\$'000	\$'000
	Opening	440	1,363	-
Fair Value Loss	(376)	(924)	-	-
	64	439	-	-

Derivative assets represent the exercisable warrants that gives Biohealth Water Inc., a wholly owned subsidiary of the Group, the right to subscribe and purchase common stock in an investee. The warrants do not entitle the holders to any voting rights, dividends or other rights as a stockholder of the investee prior to the exercise thereof.

2.11 Cash and bank deposits

	The Group		The Company	
	1H2023	FY2022	1H2023	FY2022
	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	30,201	13,264	26,557	9,024
Bank deposits pledged	419	415	-	-
	30,620	13,679	26,557	9,024

As a condition to the loan agreement with the Manufacturers and Traders Trust Company ("M&T Bank"), the Company was required to maintain a minimum of US\$2,600,000 in an interest-bearing account maintained by the lender as additional security for the loan. The funds were required to remain as collateral for the loan until the loan was paid off in full and the loan agreement terminated. On March 15, 2022, approximately US\$2,300,000 was released from collateral, leaving approximately US\$300,000 as collateral for the letters of credit facility. The Company also has an escrow account with M&T Bank to deposit a portion of cash proceeds from lot sales. The funds in the escrow account were specifically to be used for the payment of the loan from M&T Bank. The funds were required to remain in the escrow account for the loan payment until the loan agreement terminates. In May 2022 the funds from this escrow account were released and the account closed. As of 30 June 2023 and 31 December 2022, the balance of the bank deposits pledged was US\$309,372 and US\$309,219, respectively.

2.12 Trade and other payables

	The Group		The Company	
	1H2023	FY2022	1H2023	FY2022
	\$'000	\$'000	\$'000	\$'000
<u>Current</u>				
Trade payables	1,139	1,466	4	8
Other payables				
– Third parties	581	453	-	-
Amount due to ultimate holding company	275	16,948	-	16,675
Amount due to intermediate holding company	2,777	241	-	-
Contract liabilities	3	4	-	-
Commission payable	156	200	-	-
Accrued professional fees	73	115	48	96
Withholding tax payable	7,056	6,739	5,269	4,974
Other accruals	117	97	111	58
Total current trade and other payables	12,177	26,263	5,432	21,811

2.13 Revenue

Revenue mainly relates to the sales of properties, rental income, membership fee income, sales of biomedical health and wellness products, food and beverage and service fee income.

The Group	Continued Operations		Discontinued Operations	
	1H2023	1H2022	1H2023	1H2022
	\$'000	\$'000	\$'000	\$'000
Sales of properties	24,346	1,604	-	-
Rental Income	-	-	113	870
Sales of biomedical products	-	55	-	-
Membership fees	3	620	-	-
Food and beverage	513	210	-	-
Service fee income	-	-	-	10
	24,862	2,489	113	880

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.

	Continued Operations					Discontinued Operations			
	Property Development		Biomedical		Food and Beverage	Property Investment	Info-Tech Related		
	USA	Australia	South Korea		Singapore	USA	Hong Kong		
	Sales of properties		Sales of biomedical products		Membership fees	Food and Beverage	Rental Income	Service fee income	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
1H2023									
Over time	-	-	-	3	-	3	-	-	-
At a point of time	24,346	-	-	-	513	24,859	113	-	113
	<u>24,346</u>	<u>-</u>	<u>-</u>	<u>3</u>	<u>513</u>	<u>24,862</u>	<u>113</u>	<u>-</u>	<u>113</u>
1H2022									
Over time	-	-	-	620	-	620	-	-	-
At a point of time	737	867	55	-	210	1,869	870	10	880
	<u>737</u>	<u>867</u>	<u>55</u>	<u>620</u>	<u>210</u>	<u>2,489</u>	<u>870</u>	<u>10</u>	<u>880</u>

2.14 Other Income

	Continued Operations		Discontinued Operations	
	6 months ended		6 months ended	
	30/6/2023	30/6/2022	30/6/2023	30/6/2022
	\$'000	\$'000	\$'000	\$'000
Net fair value gain on equity securities at FVTPL	2,203	-	-	-
Foreign exchange gain	761	2,890	-	-
Other operating income	759	312	-	-
Reversal of fair value loss on derivative liabilities	1,699	-	-	-
	<u>5,422</u>	<u>3,202</u>	<u>-</u>	<u>-</u>

2.15 Other Expenses

	Continued Operations		Discontinued Operations	
	6 months ended		6 months ended	
	6/30/2023	6/30/2022	6/30/2023	6/30/2022
	\$'000	\$'000	\$'000	\$'000
Fair value loss on derivative asset	376	688	-	-
Withholding tax	316	570	-	-
Net fair value loss on equity securities at FVTPL	-	12,926	-	1,046
	<u>692</u>	<u>14,184</u>	<u>-</u>	<u>1,046</u>

2.16 Profit / (loss) before tax

Profit / (loss) before tax from operations is arrived at after charging/(crediting) the following:

	Continued Operations		
	6 months ended		
	06/30/2023	06/30/2022	Increase /
	Unaudited	Unaudited	(Decrease)
	S\$'000	S\$'000	%
Profit / (loss) before tax for the period is arrived at:			
After charging/(crediting):			
Depreciation of property, plant and equipment	107	50	114
Depreciation of right-of-use assets	451	269	68
Finance costs	9	2	350
Share of results of associates	85	37	130
Withholding tax expenses	316	570	(45)
Unrealised foreign exchange gain	(761)	(2,937)	(74)
Net fair value (gain) / loss on equity securities at FVTPL	(2,203)	12,926	(117)
Net fair value loss / (gain) on derivative assets	376	688	(45)
Reversal of fair value loss on derivative liabilities	(1,699)	-	nm
Finance income	(525)	(358)	47

	Discontinued Operation		
	6 months ended		
	06/30/2023	06/30/2022	Increase /
	Unaudited	Unaudited	(Decrease)
	S\$'000	S\$'000	%
Profit / (loss) before tax for the period is arrived at:			
After charging/(crediting):			
Depreciation of property, plant and equipment	-	1	(100)
Net fair value loss on investment securities	-	1,046	(100)
Unrealised foreign exchange loss	-	47	(100)

2.17 Operating segments

The following table provides an analysis of the Group's revenue from external customers based on the products and services where revenue is generated:

Sales revenue by products and services

	Continued Operations								Discontinued Operations			
	Operating segments						Non-operating Segments	Elimination	Total	Operating segments		Total
	Property Development	Investment Business	Information Technology Business	Biomedical Business	Food and Beverage	Corporate and others				Property for Rent	Information Technology Business	
1H2023 \$'000	1H2023 \$'000	1H2023 \$'000	1H2023 \$'000	1H2023 \$'000	1H2023 \$'000	1H2023 \$'000	1H2023 \$'000	1H2023 \$'000	1H2023 \$'000	1H2023 \$'000		
Revenue	24,347	-	-	120	395	-	-	24,862	113	-	113	
Segment result												
Segment profit/(loss) from operation	8,905	3,524	-	(371)	(342)	(1,434)	-	10,282	(14)	-	(14)	
Finance income	504	6	-	2	0	12	-	525	-	-	-	
Finance costs	-	(4)	-	(1)	-	(4)	-	(9)	-	-	-	
Profit/(loss) before tax	9,409	3,526	-	(370)	(342)	(1,426)	-	10,798	(14)	-	(14)	
Income tax expense	-	-	-	-	-	-	-	-	-	-	-	
Profit/(loss) for the period	9,409	3,526	-	(370)	(342)	(1,426)	-	10,798	(14)	-	(14)	
Additions of property plant and equipment	5	-	-	-	11	-	-	16	-	-	-	
Depreciation of plant and equipment	2	24	-	19	20	42	-	107	-	-	-	
Depreciation of right-of-use assets	61	49	-	44	105	192	-	451	-	-	-	
Net fair value (gain) / losses on equity securities at FVTPL	-	(1,247)	-	-	-	(956)	-	(2,203)	-	-	-	
Unrealised foreign exchange (gain) / loss	-	(174)	-	61	-	(298)	(350)	(761)	-	-	-	
Reversal of fair value loss on derivative liabilities	-	-	-	-	-	(1,699)	-	(1,699)	-	-	-	
Fair value loss on derivative asset	-	376	-	-	-	-	-	376	-	-	-	

Assets

Segment assets	49,648	7,563	-	2,302	1,108	90,800	(37,809)	113,612
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Liabilities:

Segment liabilities	54,415	21,001	-	2,836	426	16,482	(81,365)	13,795
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	Continued Operations								Discontinued Operations			
	Operating segments						Non-operating Segments	Elimination	Total	Operating segments		Total
	Property Development	Investment Business	Information Technology Business	Biomedical Business	Food and Beverage	Corporate and others				Property for Rent	Information Technology Business	
1H2022 \$'000	1H2022 \$'000	1H2022 \$'000	1H2022 \$'000	1H2022 \$'000	1H2022 \$'000	1H2022 \$'000	1H2022 \$'000	1H2022 \$'000	1H2022 \$'000	1H2022 \$'000		
Revenue	1,604	-	-	675	210	-	-	2,489	870	10	880	
Segment result												
Segment profit/(loss) from operation	(1,013)	(12,304)	-	(272)	(113)	(632)	(17)	(14,351)	43	(1,258)	(1,215)	
Finance income	-	11	-	1	-	1,812	(1,466)	358	-	-	-	
Finance costs	-	-	-	-	-	(2)	-	(2)	-	-	-	
Profit/(loss) before tax	(1,013)	(12,293)	-	(271)	(113)	1,178	(1,483)	(13,995)	43	(1,258)	(1,215)	
Income tax expense	(167)	-	-	(287)	-	-	-	(454)	-	-	-	
Profit/(loss) for the period	(1,180)	(12,293)	-	(558)	(113)	1,178	(1,483)	(14,449)	43	(1,258)	(1,215)	
Additions of property plant and equipment	2	22	-	-	30	219	-	273	-	5	5	
Depreciation of plant and equipment	2	10	-	1	14	23	-	50	-	1	1	
Depreciation of right-of-use assets	80	49	-	-	41	99	-	269	-	-	-	
Net fair value (gain) / losses on equity securities at FVTPL	-	12,874	-	-	-	52	-	12,926	-	1,046	1,046	
Unrealised foreign exchange (gain) / loss	-	(534)	-	158	-	(2,588)	27	(2,937)	-	47	47	
Reversal of fair value loss on derivative liabilities	-	-	-	-	-	-	-	-	-	-	-	
Fair value loss on derivative asset	-	688	-	-	-	-	-	688	-	-	-	

Assets

Segment assets	78,571	10,610	-	3,960	724	129,468	(82,772)	140,561
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Liabilities:

Segment liabilities	87,948	22,171	-	2,441	500	30,414	(120,584)	22,890
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Geographical information

Revenue and non-current assets information based on the geographical location of the Group's operations are as follows:

	<u>1H2023</u>	<u>1H2022</u>
	\$'000	\$'000
Revenue		
Singapore	513	210
United States of America	24,346	1,604
South Korea	3	675
	<u>24,862</u>	<u>2,489</u>
Non-current assets		
Singapore	4,542	5,165
United States of America	854	41,960
South Korea	16	350
Hong Kong	441	110
	<u>5,854</u>	<u>47,585</u>

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

2.18 Loss from Discontinued Operation

	<u>6 months ended</u>	
	<u>30/6/2023</u>	<u>30/6/2022</u>
	\$'000	\$'000
Revenue	113	880
Cost of sales	(84)	(306)
Administrative expenses	(43)	(742)
Other expenses	-	(1,046)
	<u>(14)</u>	<u>(1,214)</u>
Owners of the Company	(14)	(1,214)
Non-controlling interests	-	-
Loss from Discontinued Operation	<u>(14)</u>	<u>(1,214)</u>

3. Other Information required by listing rules

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

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

	Number of shares	Share Capital (S\$'000)
As at 30 June 2023 (unaudited)	3,492,713,362	213,470
As at 30 June 2022 (unaudited)	3,492,713,362	213,470

Types of Convertibles	Number of Outstanding Convertibles	Number of Shares that may be issued on conversion of all outstanding convertibles
As at 30 June 2023		
Share Options under Company Share Option Scheme	1,061,333	1,061,333
As at 30 June 2022		
Share Options under Company Share Option Scheme	1,061,333	1,061,333

The number of shares after the conversion of all outstanding convertibles is 3,493,774,695.

The Company does not have any treasury shares and subsidiary holdings as at 30 June 2023 and 30 June 2022.

3.2 To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	Number of shares
As at 30 June 2023 (unaudited)	3,492,713,362
As at 31 December 2022 (audited)	3,492,713,362

The Company does not have any treasury shares as at 30 June 2023 and 31 December 2022.

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

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

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

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

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

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

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

Not applicable.

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

The Group has adopted the same accounting policies and methods of computation in the financial statements for the current financial period as those used in the Group's most recently audited financial statements for the financial year ended 31 December 2022 ("FY2022"), except as disclosed in paragraph 7 below.

7. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has adopted all the new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)"), Interpretations of Financial Reporting Standards ("INT FRS") and amendments to SFRS(I) that are relevant to its operations and are effective for the financial periods beginning on or after 1 January 2023. The adoption of these new and revised SFRS (I) and INT FRS did not result in significant changes to the Group's accounting policies and has no material adjustments to the Group's financial statements for the financial period ended 30 June 2023.

8. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

Basic loss per share	6 months ended	
	30 Jun 2023	30 Jun 2022
Profit / (Loss) from continuing operations, net of tax	10,779	(14,457)
Loss from discontinued operation, net of tax	(14)	(1,214)
Profit / (Loss) attributable to the owners of the Company (S\$000)	10,765	(15,671)
Weighted average number of shares ('000)	3,492,713	3,492,713
Basic earnings / (loss) per ordinary share (Singapore cents):		
Continuing Operations	0.31	(0.41)
Discontinued Operations	(0.00)	(0.03)
Total	0.31	(0.44)

Diluted earnings per share	6 months ended	
	30 Jun 2023	30 Jun 2022
Profit / (Loss) from continuing operations, net of tax	10,779	(14,457)
Loss from discontinued operation, net of tax	(14)	(1,214)
Profit / (Loss) attributable to the owners of the Company (S\$000)	10,765	(15,671)
Weighted average number of shares ('000)	3,493,775	3,492,713
Diluted earnings / (loss) per ordinary share (Singapore cents)		
Continuing Operations - Diluted	0.31	(0.41)
Discontinued Operations - Diluted	(0.00)	(0.03)
Total - Diluted	0.31	(0.44)

The basic loss per ordinary share for the period ended 30 June 2023 and 2022 was computed by dividing the loss net of tax attributable to owners of the Company by the weighted average number of ordinary shares.

[†] 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, and for the effects of all dilutive potential ordinary shares, which mainly pertains to share options.

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

	Group		Company	
	06/30/2023 (Unaudited)	12/31/2022 (Audited)	06/30/2023 (Unaudited)	12/31/2022 (Audited)
Net Asset Value (S\$'000)	99,817	89,057	83,981	81,218
No of shares ('000)	3,492,713	3,492,713	3,492,713	3,492,713
Net Asset value per ordinary share (Singapore cents)	2.86	2.55	2.40	2.33

The net asset value per ordinary share as of 30 June 2023 and 31 December 2022 were computed based on the net assets of the Group and the Company as at the end of the respective financial periods and based on 3,492,713,362 and 3,492,713,362 ordinary shares in issue as at the end of the respective financial period.

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

Review of Statement of Comprehensive Income

Six Months ended 30 June 2023 ("1H2023") vs Six Months ended 30 June 2022 ("1H2022")

The Group's operations comprise Property Development, Food and Beverage, Investment, Biomedical and Direct Sales Businesses and there are no significant seasonal or cyclical factors that affected the revenue, costs, and earnings of the group for the current financial period.

In 1H2023, the Group's revenue of S\$24.9 million and gross profit of S\$10.0 was mainly attributable to:

- The Group's revenue generated from property investment and development increased from S\$1.6 million in 1H2022 to S\$24.3 million in 1H2023 mainly due to sales of 335 lots from the Black Oak project. It generated S\$9.6 million gross profit with the cost of sales of S\$14.7 million in 1H2023.
- The Group's subsidiary in Korea, HWH World Inc., ("HWH") conducts the distribution of products through network marketing. In 1H2023, HWH recorded S\$0.003 million revenue, S\$0.015 million cost of sales and S\$0.012 million gross loss.
- The Group generated S\$0.5 million revenue, \$0.1 million cost of sales, and S\$0.4 million gross profit in 1H2023 under the food and beverage business in Singapore.

The overall cost of sales increase in 1H2023 compared to 1H2022 was in line with the increase in revenue for 1H2023 compared to 1H2022.

Other income increased by S\$2.2 million to S\$5.4 million in 1H2023 from S\$3.2 million in 1H2022 mainly due to the increase in net fair value gain on equity securities at FVTPL from nil to S\$2.2 million in 1H2023. In addition, other operating income increased by S\$0.4 million and there was a reversal of fair value loss on derivative liabilities from nil to S\$1.7 million. The increase in Other Income was offset by the decrease in foreign exchange gain of S\$2.1 million from S\$2.9 million to S\$0.8 million.

Finance income increased by S\$0.1 million from S\$0.4 million in 1H2022 to S\$0.5 million in 1H2023 due to the increase in interest income received from the US\$11.35 million promissory note from Alset Inc pertaining to the disposal of American Home REIT Inc. ("AHR"), offset by the decrease in interest income received from the US\$8.35 million AMRE promissory notes which was disposed to DSS, Inc. ("DSS") in FY2022.

Administrative expenses maintained at S\$4.4 million in both 1H2022 and 1H2023 primarily attributed to the cost control measures implemented in 2023.

Depreciation of property, plant, and equipment increased to S\$0.1 million in 1H2023 from S\$0.06 million in 1H2022 due to the addition of furniture & fittings, office & computer equipment, and renovation.

Depreciation of right-of-use assets of S\$0.5 million mainly attributable to lease obligations classified as right-of-use assets.

Finance costs increased from S\$0.002 in 1H2022 to S\$0.009 million in 1H2023 mainly due to an increase in interest on the lease payment.

Other expenses decreased by S\$13.5 million to S\$0.7 million in 1H2023 from S\$14.2 million in 1H2022 mainly due to the decrease in net fair value losses on equity securities at FVTPL of S\$13.0 million from S\$13.0 million in 1H2022 to nil in 1H2023, and withholding tax of S\$0.3 million from S\$0.6 million in 1H2022 to S\$0.3 million in 1H2023 and a decrease in fair value loss on derivative asset of S\$0.3 million from S\$0.7 million in 1H2022 to S\$0.4 million in 1H2023.

Share of loss of associates of S\$0.09 million in 1H2023 was mainly due to an investment in Ketomei Pte Ltd (“Ketomei”). Ketomei is in the food and beverage business.

There was no income tax expense as at 1H2023 as there were no profits generated from the operations in Korea compared to the income tax expense of S\$0.5 million in 1H2022.

Profit for the period increased by S\$26.4 million to S\$10.8 million in 1H2023 from S\$15.6 million loss in 1H2022 mainly due to an increase in gross profit of S\$9.4 million, increase in other income of S\$2.2 million, decrease in other expenses of S\$13.1 million, decrease in income tax expenses of S\$0.4 million, and decrease in loss from discontinued operation pertaining to AHR of S\$1.2 million and an increase in finance income of S\$0.1 million.

Review of Statement of Financial Position

As at 30 June 2023 vs 31 December 2022

a) Property, plant & equipment

Property, plant & equipment decreased by S\$0.1 million from S\$1.3 million in FY2022 to S\$1.2 million in 1H2023 mainly due to the purchase of the additional office & computer equipment totalling S\$0.02 million in 1H2023, and the Group’s property, plant & equipment depreciated by S\$0.1 million during 1H2023.

b) Right-of-use Assets

The operating lease right-of-use asset of S\$1.8 million is the Group’s right to use assets related to its rental premises. The increase in right-of-use assets of S\$0.3 million from S\$1.5 million in FY2022 was due to the tenancy agreements being signed and renewed with similar rate, partially offset by the depreciation of right-of-use assets in 1H2023.

c) Other investment (Current and non-current)

Other investment increased by S\$0.4 million from S\$2.1 million in FY2022 to S\$2.5 million in 1H2023 mainly due to the S\$0.4 million investment in Sentinel Brokers Co. Inc (“Sentinel”). Sentinel is a stockbroker firm.

d) Investment in associates

Investment in associates of S\$2.2 million in 1H2023 was mainly due to the S\$2.0 million investment in Alset SPAC Group Inc. ("ASGI") and S\$0.2 million investment in Ketomei Pte Ltd in FY2022.

ASGI is the holding company for the Sponsor of Alset Capital Acquisition Corp – a SPAC listed on the Nasdaq – which is principally engaged in effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganisation or similar business combination with one or more businesses.

e) Trade and other receivables and prepaid operating expenses

Trade and other receivables and prepaid operating expenses increased by S\$24.8 million to S\$32.6 million in 1H2023 from S\$7.8 million in FY2022 mainly due to the increase in amounts due from Alset Inc., being note receivable as consideration for the AHR disposal, and its subsidiaries of S\$14.8 million, increase in third parties' receivables of S\$10.2 million, mainly due to the district reimbursement from the Black Oak project, offset by the S\$0.2 million decrease in refundable deposits.

f) Properties under development

The Group's properties under development in the U.S. refer to Black Oak in Houston, Texas.

Related costs comprised land purchase costs and other costs such as project financing, project management, development, and construction.

Properties under development decreased by S\$20.2 million from S\$40.6 million in FY2022 to S\$20.4 million in 1H2023 mainly due to the sales of properties amounting to S\$23.7 million, partially offset by the capitalisation of additional development and financing costs of S\$3.1 million and translation gain of S\$0.4 million.

g) Investment securities

Investment securities increased by S\$8.7 million to S\$22.2 million in 1H2023 from S\$13.5 million in FY2022 mainly due to the acquisition of investment securities of S\$6.5 million and the fair value gain of S\$2.2 million.

h) Derivative assets

The decrease in derivative assets of S\$0.38 million from S\$0.44 million in FY2022 to S\$0.06 million in 1H2023 was due to the fair value loss on derivative assets amounting to S\$0.38 million.

i) Bank deposits pledged

The bank deposits pledged was S\$0.4 million in both 1H2023 and in FY2022 as there were no withdrawals from the fund held by M&T bank.

j) Inventories

For HY2023, we have kept our inventories of biomedical health and wellness products at a similar level as FY2022, amounting to S\$0.05 million.

k) Assets of disposal group classified as held-for-sale

As at 31 December 2022, AHR and its subsidiaries are classified as a disposal group held-for-sale and as a discontinued operation since the disposal transaction meets the held-for-sale classification criteria and the definition of discontinued operations in accordance with SFRS(I) 5 Non-current Assets Held for Sale and Discontinued Operations.

Assets of disposal group classified as held-for-sale decreased by S\$36.7 million to nil in 1H2023 from S\$36.7 million in FY2022 as the Company and Alset EHome Inc. have completed the disposal of 2,567,358 shares representing 100% of the share capital of AHR to Alset Inc. for a consideration of US\$26.3 million on 13 January 2023.

l) Trade and other payables

Trade and other payables decreased by S\$14.1 million to S\$12.2 million in 1H2023 from S\$26.3 million in FY2022 mainly due to S\$0.3 million decrease in trade payables, and S\$16.7 million decrease in amount due to Alset Inc, mainly pursuant to the disposal of AHR, offset by S\$0.1 million increase in third parties payable, S\$2.5 million increase in amount due to Alset Business Development Pte. Ltd., for working capital purposes which is interest free and S\$0.3 million increase in withholding tax payable.

m) Derivative liabilities

Derivative liabilities decreased by S\$1.7 million from S\$1.7 million in FY2022 to nil in 1H2023 mainly due to the increase in the fair value of the derivative financial instrument.

n) Lease liability (Current and non-current)

The lease liability increased by S\$0.3 million to S\$1.6 million in 1H2023, from S\$1.3 million in FY2022. The increase in lease liability was due to the tenancy agreements being signed and renewed at the similar rate in 1H2023.

o) Liabilities of disposal group classified as held-for-sale

Liabilities of disposal group classified as held-for-sale decreased by S\$1.5 million to nil in 1H2023 from S\$1.5 million in FY2022 mainly due to the Company and Alset EHome Inc. having completed the disposal of 2,567,358 shares representing 100% of the share capital of AHR to Alset Inc. for a consideration of US\$26.3 million on 13 January 2023.

p) Working capital

The increase of S\$45.6 million from S\$49.1 million in FY2022 to S\$94.7 million in 1H2023 in working capital relates to the decrease in the current liabilities of S\$15.7 million, and the increase in current assets of S\$29.9 million. Movements in the current assets and current liabilities have been discussed above.

Review of Consolidated Statement of Cash Flow

Cash and cash equivalents decreased by S\$5.4 million to S\$30.2 million in 1H2023 from S\$35.6 million in 1H2022.

Operating Activities

The Group had a net cash inflow of S\$6.9 million from its operating activities before changes in working capital. This mainly relates to the profit before tax of S\$10.8 million and the adjustments of the non-cash items, including S\$0.1 million depreciation of property, plant and equipment, S\$0.5 million depreciation of right-of-use assets, S\$0.4 million fair value loss on derivative asset, S\$0.3 million withholding tax expense, and S\$0.1 million share of results of associates, offset by S\$1.7 million reversal of fair value loss on derivative liabilities, S\$2.2 million net fair value gain on equity securities at FVTPL, S\$0.8 million unrealised foreign exchange gain, and S\$0.5 million finance income.

The working capital adjustment of S\$17.7 million is mainly due to the S\$19.7 million decrease in properties under development, and S\$4.4 million increase in trade and other payables, offset by S\$6.4 million increase in trade and other receivables, hence resulting in a net cash generated from operations at S\$22.1 million in 1H2023.

Investing Activities

Net cash used in investing activities of S\$7.2 million is mainly due to investment in other investment of S\$0.4 million, decrease in cash and cash equivalents of S\$1.6 million resulting from the disposal of AHR, investment in associates of S\$0.1 million, and purchases of equity securities of S\$6.5 million; offset by the proceeds from disposal of AHR of S\$1.4 million.

Financing Activities

Net cash used in financing activities for 1H2023 amounted to S\$0.4 million due to the principal element of lease liability.

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

Not Applicable

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

Property Development

Construction activities at the Group's three U.S. land subdivision projects, Ballenger Run, Lakes at Black Oak, and Alset Villas continue to progress in various stages of development.

The Group is finalising development activities at Ballenger Run in accordance with the lot purchase agreements between SeD Maryland Development, LLC and NVR Inc ("NVR"). In FY2022, NVR purchased the final remaining 3 lots for a total of approximately US\$0.54 million and the project is now fully sold. In FY2023 the Group focused on the remaining development activities related to coordinating with the municipalities, engineers, and contractors to perform the required construction and easements for infrastructure, storm water management and sidewalks. Upon completion, certain bonds and letters of credit will be released from the company's obligations

The Group continues to canvass the market to select regional and national builders to sell residential lots. During 2H2022, 150 CCM Black Oak Ltd. ("150 CCM Black Oak"), a Texas Limited Partnership and an indirect, majority-owned subsidiary of the group entered into a Contract for Purchase and Sale and Escrow Instructions (the "Agreement with Century") with Century Land Holdings of Texas, LLC, a Colorado limited liability company ("Century"). Pursuant to the terms of the Agreement with Century, Century agreed to purchase approximately 132 single-family detached residential lots at Lakes at Black Oak and the closing was completed on April 13, 2023.

In FY2023, 150 CCM Black Oak Ltd. (the "Seller") entered into a Purchase and Sale Agreement (the "Purchase and Sale Agreement") with Rausch Coleman Homes Houston, LLC, a Texas limited liability company ("Rausch Coleman"). Pursuant to the terms of the Purchase and Sale Agreement, the Seller sold 110 single-family detached residential lots within section 2 of the Lakes at Black Oak. The transaction closed on May 15, 2023.

In FY2023, 150 CCM Black Oak Ltd. (the "Seller") entered into a Purchase and Sale Agreement (the "Purchase and Sale Agreement") with Davidson Homes, LLC, an Alabama limited liability company ("Davidson"). Pursuant to the terms of the Purchase and Sale Agreement, the Seller agreed to sell 189 single-family detached residential lots developed within section 2 of the Lakes at Black Oak project. The sale of the first 94 lots closed on May 30, 2023. The sale of remaining lots is estimated to close on or before December 31, 2023.

The Group is currently negotiating with other builders to sell additional residential lots at Lakes at Black Oak.

Lot development and construction activity at Lakes at Black Oak continues in the remaining sections to deliver lots in accordance with the Century, Rausch Coleman and Davidson Agreements. The Group intends to continue further develop lots for additional future lot sales and may hire builders to build build-to-rent homes to sell to potential investors.

Alset Villas is another land development project located in close proximity to Lakes at Black Oak. This project is currently in the final engineering and design phase to achieve final record plat.

The COVID-19 pandemic's far-reaching impact on the global economy had potentially negative affects to various aspects of our business, including demand for real estate. Now that the COVID-19 pandemic has subsided in the markets we operate in, we do not anticipate that this will have a material impact on the timing of the completion of our remaining work at Ballenger Run, Lakes at Black Oak and Alset Villas or the ongoing operations.

Biomedical (including Direct Sales) & Food and Beverage Business

HWH International Inc. (“HWH”) plans to continue its purpose-driven business model to help home-based individuals create lasting wealth in the new GIG economy. HWH has developed new pathways to help individuals achieve health, wealth and happiness. The company operates a mostly membership-driven business model with the goal of expanding its membership base while providing exclusive access to discounted products and services.

To date, the company has since expanded and stabilised its café outlets to establish a strong presence to serve as launch platforms for upcoming activities. The HapiCafe brand now exists across 5 stores across Asia (Singapore, Taiwan (Republic of China), Guangdong (China), Hong Kong and South Korea)(through affiliate companies, with the main corporate store under HWH International Inc., in Singapore).

The team is also actively seeking OEM candidates to produce meals and conducting market research on South Korea’s meal preparation subscription and keto diet scene. These will be considered valuable offerings to the members and is in alignment with our mission of providing healthy food and beverages.

Separately, the team has also been working and developing content and backend for the HapiWealth educational platform and schedule to have a soft launch program, allowing members to sign up and access wealth-building educational materials.

With reference to the announcement on 12 September 2022 and 7 November 2022 and the circular to shareholders dated 21 October 2022, HWH is now still in the late stages of completing the De-SPAC process with Alset Capital Acquisition Corp (“ACAC”) (Nasdaq: ACAX). As the consideration sum of US\$125 million is to be satisfied by way of an allotment and issue of shares in the share capital of ACAC, the net proceeds from the disposal shall be utilised by the Company to subscribe for the aforementioned shares in the share capital of ACAC.

Subsequent to the EGM held in November 2022, ACAC had obtained its shareholders’ approval for the disposal. As at the date of this announcement, the disposal has yet to close as certain conditions precedent remain outstanding. In particular, the necessary clearance from the National Association of Securities Dealers Automatic Quotation System is still pending. The Company will make further announcements to update shareholders on the disposal.

Investment Business

The Company has invested in listed companies shares and the company will continue to explore potential investments for FY2023.

13. Disclosure of acquisition (including incorporations) and sale of shares under Catalist Rule 706A

In compliance with Singapore Exchange Limited's Catalist Rule 706(A), Acquisitions and Realisations, the Company will make a separate announcement on 14 August 2023 titled "UPDATES ON SUBSIDIARIES OF THE GROUP" for the incorporation of Hapi Cafe Sdn. Bhd.. There were no acquisitions or disposals pursuant to Catalist Rule 706A for HY2023. Shareholders can refer to the aforementioned announcement on SGXNet for more details.

14. Dividend

If a decision regarding dividend has been made:-

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

None.

(b) (i) Amount per share cents

Not applicable.

(b) (ii) Previous corresponding period cents

Not applicable.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable.

15. If no dividend has been declared/recommended, a statement to that effect

Although the Company has achieved a net profit for the period, we have decided to reinvest the profit back into the business to fuel future growth and development. As a result, there will be no dividend declared or recommended for the financial period ended 30 June 2023.

16. Update on the use of proceeds

Proceeds from 2017 Warrants Issue

	Amount of Net Proceeds			
	Percentage allocation (%)	In accordance with percentage allocation (\$'000)	Utilised (\$'000)	Unutilised (\$'000)
General Working Capital	100	88,004	(87,075)	929
	<u>100</u>	<u>88,004</u>	<u>(87,075)</u>	<u>929</u>

An aggregate amount of S\$87.1 million had been used in the General Working Capital of the Group, and details of principal disbursements are set out below:

	The Group (\$'000)
Professional Fee	1,007
Payroll	4,406
Director Fees	261
Director Remuneration	12,072
Rental, office expenditure and other operating expenses	3,394
Investment in F&B Business	700
Repayment of Director's Loan	7,277
Repayment of amount due to intermediate holding company	2,421
Investment in marketable securities	32,065
Investment in other investments	404
Investment in an investment fund	4,067
Investment in promissory notes	11,590
Investment in investment properties	4,681
Investment in Black Oak project	2,730
	<u>87,075</u>

The use of proceeds has been used in accordance with the stated use.

17. Interested Person Transactions (unaudited) – 1H2023

The Group has not obtained a general mandate for IPTs.

The Group did not have other interested person transactions exceeding the S\$100,000 threshold.

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

The Board has confirmed that to the best of its knowledge, nothing has come to its attention which may render the unaudited interim financial results of the Group comprising the statements of financial position (Group and Company), consolidated statement of profit and loss and other comprehensive income, statements of changes in equity (Group and Company) and consolidated statement of cash flows, the accompanying notes, and other information stated in this announcement for the financial period ended 30 June 2023 to be false or misleading in any material respect.

19. Undertaking confirmation pursuant to Rule 720(1)

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

BY ORDER OF THE BOARD

Chan Tung Moe and Chan Heng Fai Ambrose
Executive Director and Co-Chief Executive Officer
14 August 2023

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

The contact person for the Sponsor is Ms. Vera Leong, Vice President, Hong Leong Finance Limited, at 16 Raffles Quay, #01-05 Hong Leong Building, Singapore 048581, telephone (+65) 6415 9881.