



ALSET INTERNATIONAL LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number 200916763W)
(the "**Company**")

MATERIAL DIFFERENCES BETWEEN UNAUDITED AND AUDITED FINANCIAL STATEMENTS OF THE GROUP FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

The Board of Directors (the "**Board**") of Alset International Limited (the "**Company**" and together with its subsidiaries, the "**Group**") refers to the announcement made by the Company on 1 March 2023 in relation to unaudited financial statements of the Group (the "**Unaudited Financial Statements**") for the financial year ended 31 December 2022 ("**FY2022**").

Pursuant to Rule 704(5) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited, the Board would like to announce that subsequent to the release of the Unaudited Financial Statements, certain adjustments were made to the Unaudited Financial Statements following the finalisation of the audit by the Company's external auditor. The material differences between the Unaudited Financial Statements and the audited financial statements for FY2022 (the "**Audited Financial Statements**") arose mainly due to the change in valuation of the investment properties, reversal of impairment on properties for sale, impairment on amount due from related parties and the gain on disposal of subsidiary to its ultimate holding company that is accounted for as transaction with owner.

The details of the material adjustments made to the Unaudited Financial Statements and the material differences between the Unaudited Financial Statements and the Audited Financial Statements are set out below.

Consolidated statement of financial position as of 31 December 2021

	<u>Audited</u> <u>Financial</u> <u>Statements</u> S\$'000	<u>Unaudited</u> <u>Financial</u> <u>Statements</u> S\$'000	<u>Difference</u> <u>between</u> <u>Audited</u> <u>Financial</u> <u>Statement</u> <u>and Unaudited</u> <u>Financial</u> <u>Statement</u> S\$'000	<u>Note</u>
<u>Non-current assets</u>				
Other Investments	236	1,389	(1,153)	A
Investment in associates	2,206	3,007	801	B, C
<u>Current assets</u>				
Trade and other receivables	7,612	8,902	(1,290)	D, N
Properties for sale	40,573	36,709	3,864	H
Other Investments	1,848	-	1,848	A
Derivative asset	439	440	(1)	
			<u>4,421</u>	
<u>Current liabilities</u>				
Trade and other payables	26,263	26,288	(25)	N
Derivative liabilities	1,714	1,597	117	I
Lease Liabilities	825	1,282	(457)	J
<u>Non-current liability</u>				
Lease Liabilities	457	-	457	J
<u>Equity attributable to owners of the Company</u>				
Capital reserves	5,222	2,035	3,187	K
Fair value reserves	(82)	-	(82)	
Foreign currency translation reserve	703	284	419	K, Q
Reserve of disposal group classified as held for sale	(194)	-	(194)	Q
Accumulated losses	(131,028)	(130,066)	(962)	
Non-controlling interests	(687)	(694)	7	
			<u>2,375</u>	

Consolidated statement of comprehensive income for FY2021

	<u>Audited</u> <u>Financial</u> <u>Statements</u> S\$'000	<u>Unaudited</u> <u>Financial</u> <u>Statements</u> S\$'000	<u>Difference</u> <u>between</u> <u>Audited</u> <u>Financial</u> <u>Statement</u> <u>and</u> <u>Unaudited</u> <u>Financial</u> <u>Statement</u> S\$'000	<u>Note</u>
Revenue	2,996	2,970	26	
Other operating income	4,476	458	4,018	H, A
Administrative expenses	(7,924)	(8,629)	705	E
Finance income	467	499	(32)	
Other operating expenses	(37,623)	(41,420)	3,797	D, E, F, G, I
Share of associate's results (net of tax)	(674)	(164)	(510)	B
Income tax expense	(389)	(454)	65	
Loss from discontinued operations	(5,733)	(526)	<u>(5,207)</u>	F, G
Loss for the year	(46,407)	(49,269)	<u><u>2,862</u></u>	

Consolidated cash flow statement for FY2021

	<u>Audited</u> <u>Financial</u> <u>Statements</u> S\$'000	<u>Unaudited</u> <u>Financial</u> <u>Statements</u> S\$'000	<u>Difference</u> <u>between</u> <u>Audited</u> <u>Financial</u> <u>Statement</u> <u>and Unaudited</u> <u>Financial</u> <u>Statement</u> S\$'000	<u>Note</u>
Loss before tax	(46,018)	(48,815)	2,797	
Depreciation of property, plant and equipment	149	129	20	
Depreciation of right-of-use assets	656	665	(9)	
Fair value gain on derivative asset	924	941	(17)	
Fair value loss on derivative liabilities	1,714	-	1,714	I
Withholding tax expenses	1,061	1,071	(10)	
Net fair value losses on equity securities at FVTPL	32,314	35,465	(3,151)	G
Finance income	(467)	(453)	(14)	
Interest expense from loans and borrowings	3	2	1	
Interest expense on lease liability	8	9	(1)	
Share of results of associates	674	164	510	C
Reversal impairment loss on properties for sale	(3,276)	-	(3,276)	H
Fair value loss and impairment on investment properties	5,201	5,305	(104)	
Impairment on amount due from related parties	1,353	-	1,353	D
Fair value gain in convertible promissory note	(242)	-	(242)	L
Fair value gain in other investment	(720)	-	(720)	A
Change in trade and other receivables	(3,449)	11,516	(14,965)	N
Change in properties for sale	(11,352)	(12,331)	979	H
Change in trade and other payables and contract liabilities	(1,647)	(4,828)	3,181	N
Income tax paid	(389)	(454)	65	
Net cash flows used in operating activities	(21,840)	(9,951)	(11,889)	

Investing activities

Purchase of property, plant and equipment	(745)	(731)	(14)	
Purchase of other investment	(544)	(477)	(67)	
Purchase of investment properties	(2,604)	(1,778)	(826)	M
Interest received	15	115	(100)	
Purchases of equity securities	(74,653)	(86,114)	11,461	N
Proceed from disposal of equity securities	63,358	63,371	(13)	
Investment in associate	(2,886)	(2,861)	(25)	
Net cash inflow/(outflow) on disposal of subsidiary	1,743	(1,859)	3,602	O, P
Net cash flows used in investing activities	(16,316)	(30,334)	14,018	

Financing activities

Repayment to ultimate holding company	(880)	-	(880)	N
Repayment to directors	(19)	-	(19)	
Principal element of lease payment	(749)	(758)	9	
Repayment of lease interest	(8)	(9)	1	
Repayment of loans and borrowings	(223)	(204)	(19)	
Interest paid	-	(2)	2	
Net cash flows generated from financing activities	3,694	4,600	(906)	
Net increase in cash and cash equivalents	(34,462)	(35,685)	1,223	
Effect of exchange rate changes on cash and cash equivalent	195	(174)	369	
Cash and cash equivalents at beginning of financial year	49,123	49,123	-	
Cash and cash equivalents at end of financial year	14,856	13,264	1,592	O

Notes:

- A. Reclassification of other investment from non-current assets to current assets and recorded the fair value gain based on the valuation report.
- B. Impairment on the investment in associate based on the latest financial statement received from associates.
- C. Increase in share of result of associates based on the latest financial statement received from associates.
- D. Impairment on amount due from related parties based on management assessment.
- E. Reclassification of administrative expenses to other operating expenses.
- F. Reclassification of fair value loss and impairment on investment properties to discontinued operation.
- G. Reclassification of fair value loss on equity securities at FVTPL from continuing operation to discontinued operation.
- H. Reversal of impairment on properties for sale based on the valuation report.
- I. Fair value loss on derivative liabilities based on the valuation report.
- J. Reclassification of lease liabilities from current liabilities to non-current liabilities.
- K. Disposal of subsidiary to its ultimate holding company that is accounted for as transaction with owner.
- L. Fair value gain in convertible promissory note based on the valuation report.
- M. Increase in purchase of investment properties based on the financial statement received after the IFRS adjustments.
- N. Reclassification from trade and other receivables and trade and other payables to purchases of equity securities and repayment to ultimate holding company.
- O. Reclassification from net cash outflow on disposal of subsidiary to cash and cash equivalents.
- P. Net cash inflow from the disposal of Gigworld Inc.
- Q. Reclassification from foreign currency translation reserve to reserve of disposal group classified as held for sale.

BY ORDER OF THE BOARD

Chan Tung Moe
Executive Director and Co-Chief Executive Officer

14 April 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.

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