ALSET INTERNATIONAL LTD

ANNUAL REPORT 2022

SPAC

FOOD & BEVERAGE

DIRECT SALES

EHOME COMMUNITY DEVELOPMENT

ASSET MANAGEMENT

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CORPORATE **PROFILE**

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

Alset 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 enhance shareholders' value.

EXECUTIVE CHAIRMAN **MESSAGE**

I would like to take this opportunity to thank the investors for your continued support and trust in our company.

Throughout the year, we continued to invest in innovation and human capital, while also maintaining our commitment to sustainability and responsible business practices. Our team worked tirelessly to deliver value, and I would like to thank them for their hard work and dedication.

Looking ahead, we remain focused on driving growth and creating value for all our stakeholders. We hope our continued efforts will enable us to overcome any obstacles that may arise and achieve even greater success in the future.

Mr Chan Heng Fai
Group Executive Chairman
14 April 2023

CEO MESSAGE

Dear Shareholders,

On behalf of the Board of Directors (the "Board"), I present the annual report for Alset International Limited ("Alset", the "Company" or together with its subsidiaries, the "Group") for the financial year ended 31 December 2022 ("FY2022").

This year, we faced unprecedented challenges due to the ongoing pandemic and economic uncertainty. Despite these obstacles, we remained committed to our goals and continued to work diligently to achieve our strategic objectives.

Throughout the year, we focused on driving innovation, expanding our market position, and improving operational efficiency. We will continue to invest in cutting-edge technologies, and expand our global reach through strategic partnerships and acquisitions.

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 finalizing 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. The remaining development activities are related to coordinating with the municipalities, engineers, and contractors to perform the required construction and easements for infrastructure, storm water management and sidewalks.

CEO MESSAGE

The Group has canvassed the market and selected several regional and national builders to sell residential lots. During 2H2022, 150 CCM Black Oak Ltd. ("150 CCM Black Oak"), 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 is anticipated to be in FY2023. 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 Agreement. 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 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 tasks 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. (Nevada) ("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. HWH plans to ramp up efforts in opening additional cafes locally and overseas, focusing in South and Southeast Asia, North America and beyond. The company intends to grow its market share by expanding its product offering and expanding its membership base rapidly in the year 2023.

The company's competitive strengths include its affiliates' proprietary nutraceuticals, the industry-exclusive brands and the combination of the benefits of membership with the social and business advantageous atmosphere of each Hapi Café. HWH is confident that these differentiators will help drive the company's growth on a worldwide basis with global, national, and regional wholesalers, retailers and related service providers. With reference to the announcement on 12 September 2022, HWH is now in the late stages of completing the De-SPAC process with Alset Capital Acquisition Corp (Nasdaq: ACAX). The company plans to use the funds from this process to expand its business and implement sales strategies and campaigns to further enhance its growth.

CEO MESSAGE

Investment Business

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

Corporate Developments

As part of the Company's capital recycling plan to unlock and recognise the value of its investment and assets, the Company has divested close to US$27.8 million worth of assets in 2022 mainly from the sale of both Gigworld Inc. and American Home REIT Inc.

Financial Performance in FY2022

The Group generated S$3.0 million in revenue for FY2022, compared to S$25.7 million in the preceding year, contributed mainly by (a) the Group's properties for sale business which generated S$1.8 million in revenue and S$0.3 million in gross profit from the sale of 3 lots, (b) HWH which generated S$0.8 million in revenue and recorded a S$0.4 million gross profit and (c) food and beverage business generated S$0.4 million in revenue and S$0.3 million gross profit in FY2022.

The Group recorded a net loss attributable to shareholders of S$46.4 million for FY2022, mainly due to the decrease in gross profit of S$7.3 million, net unrealised foreign exchange loss of $1.1 million, fair value loss on investment properties of S$1.4 million, impairment on investment properties of S$3.8 million, and net fair value loss on equity securities of S$32.3 million.

Outlook

Looking ahead, we are confident that we are well positioned for future success. We remain dedicated to deliver innovative solutions that meet the evolving needs of business, foster a culture of collaboration and innovation within our organization, and uphold the highest standards of excellence, integrity, and social responsibility.

Appreciation

In closing, I would like to take this opportunity to appreciate all of our management, staff, directors, partners and service providers for their commitment, hard work and belief in the company over the past year. Above all, I wish to thank our loyal shareholders for their continued support.

Mr Chan Tung Moe

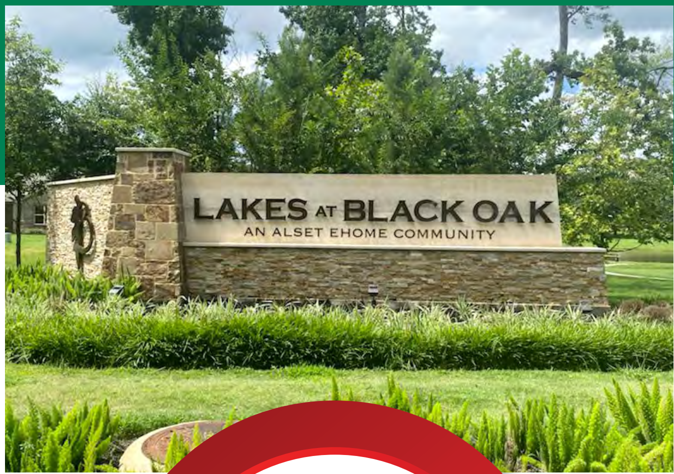
Executive Director and Co-Chief Executive Officer

14 April 2023

PROPERTY DEVELOPMENT **DIVISION**

CURRENT PROJECTS

LAKES AT BLACK OAK
HOUSTON TEXAS



CAPACITY TO BUILD OVER
687
ALSET HOMES

- Located near The Woodlands in Houston, Texas
- Approximately 160.1 acres of land
- Subdivided into a total of 687 buildable lots
- Phase 1 of the project (124 lots) has been sold to Raush Coleman Homes
- An additional 132 single-family detached residential lots are anticipated to be sold to Century in FY2023

BALLENGER RUN MARYLAND

100% SOLD

- Located in Federick County, Maryland USA
- Approximately 197 acres of land
- Total: 689 Units
  479 Lots & 210 Multi-family Residential Units
- 100% of single-family home lots SOLD to NYSE-listed homebuilding company, NVR, one of the biggest Home Builder in the United States.

PLANNED DEVELOPMENT PROJECTS

ALSET VILLAS
HOUSTON TEXAS

Located right next to Lakes at Black Oak project. Alset Villas sits on approximately 19.49 acres of land with a total of approximately 63 buildable lots. Another planned development for Alset EHome Community – every EHome will be fitted with our iconic features.

Strategic location of project site
Situated in North Houston, just two miles from the Exxon Mobile's 385 acre campus being built which is expected to house more than 10, 000 employees. Next to the south border of The Woodlands, one of the fastest growing and best planned suburbs of Houston with excellent schools, and an abundance of parks and retail shopping. North of the 600 acre master planned luxury community being developed by the Toll Brothers which is one of the nation's leading builder of luxury homes.

FOOD & BEVERAGE DIVISION

4 IN 1 CONCEPT CAFÉ

HAPI™ cafe

Unique lifestyle café outlets that inspire to transform the way people eat, work and live. Offering a combination of services in one location. Members can meet up and hold events while enjoying their benefits when visiting.

Food & Beverage
Functional Coffee, Tea, Beverages. Healthy meals all prepared by low GI ingredients.

Co-Work
Modern day office that inspires productivity, innovations and camaraderie.

Hapi Fit
Step away from work and clear your mind by heading over to our AR/VR Room for Metaverse gaming or fitness.

Hapi Trip
Take a Virtual Reality trip to preview your next destination with our Travel Ambassador.

FOOD & BEVERAGE **DIVISION**

SINGAPORE

Hapi Cafe SG Pte Ltd
138 Cecil Street #01-02, Cecil Court, Singapore 069538




KOREA

Hapi Cafe in South Korea
1st floor, 30, Teheran-ro 27-gil, Gangnam-gu, Seoul, Republic of Korea (06140)



FOOD & BEVERAGE DIVISION

SINGAPORE
LOCAL COFFEE / DELIGHTS

KILLINEY
SINCE 1919

Alset International is proud to have two Killiney franchise locations that bring the taste of traditional Nanyang coffee and tea, along with local delights, to our customers. Since 1919, the Killiney brand has been a staple in Singapore's food scene. We are proud to uphold tradition and serve up Killiney's signature dishes. Our franchise locations serve up Killiney Signature classic dishes such as Curry Chicken, Laksa, Mee Siam, and Mee Rebus, all crafted with the same care and attention that has made Killiney a household name. We are committed to maintaining the same great taste and quality that has made Killiney a favorite for generations.

KILLINEY - 9 PENANG ROAD

9 Penang Road #01-13,
Singapore 238459

KILLINEY - PLQ3

2 Tanjong Katong Road, PLQ3, #01-10,
Singapore 437161

FINANCIAL **REVIEW**

Revenue and Gross Profit

The Group's revenue has decreased by S$22.7 million or 88% from S$25.7 million for the year ended 31 December 2021 ("**FY2021**") to S$3.0 million on 31 December 2022 ("**FY2022**") mainly due to the decrease in revenue generated from the property development project located in Frederick County, Maryland USA ("**Ballenger Run**") of S$16.4 million, the decrease in the revenue generated from the direct sale business of S$6.6 million, offset by the increase in the revenue generated from the food and beverage business of S$0.3 million.

Gross profit decreased by S$7.3 million or 88% from S$8.3 million in FY2021 to S$1.0 million in FY2022, mainly due to the decrease in gross profit generated from property for sales of S$3.4 million, decrease in gross profit generated from direct sale business of S$4.2 million, offset by the increase in gross profit generated from food and beverage business of S$0.3 million.

Other Operating Income

Other operating income decreased by S$1.3 million or 22% from S$5.8 million in FY2021 to S$4.5 million in FY2022 mainly due to the decrease in fair value gain on derivative asset of S$0.2 million, decrease in net unrealised foreign exchange gain of S$0.9 million, decrease in net realised foreign exchange gain of S$0.4 million, decrease in the reversal of impairment on properties for sale of S$0.5 million, and the decrease in other income of S$0.3 million, offset by the increase in fair value gain on the AMRE convertible promissory note of S$0.2 million, fair value gain on other investments of S$0.7 million, and the increase in loan forgiveness of S$0.1 million.

Expenses

Administrative expenses decreased by S$2.6 million or 25% from S$10.5 million in FY2021 to S$7.9 million in FY2022. This is mainly due to a decrease in staff salaries and related costs.

Other operating expenses decreased by S$20.5 million or 35% from S$58.1 million in FY2021 to S$37.6 million in FY2022. This is mainly due to the decrease in net fair value losses on equity securities at FVTPL of S$23.5 million, realised loss on mark-to-market instrument of S$1.9 million, and bad debt written off of S$0.5 million, mainly offset by the increase in net unrealised foreign exchange loss of S$1.1 million, fair value loss on derivative asset of S$0.9 million, fair value loss on derivative liabilities of S$1.7 million, impairment on related parties of S$1.4 million, and withholding tax of S$0.5 million.

Share of associate's results increased from S$Nil to S$0.7 million was mainly due to an increase in the share of loss for the Alset SPAC Group Inc.

Finance income increased by S$0.3 million or 150% from S$0.2 million in FY2021 to S$0.5 million in FY2022 was mainly due to the increase in the interest received from the AMRE convertible promissory notes which was disposed to DSS, Inc. during the year.

Finance costs decreased by S$0.07 million or 86% from S$0.08 million in FY2021 to S$0.01 million in FY2022, mainly due to a decrease in interest paid to the loan for the property projects that were fully paid during the year.

FINANCIAL REVIEW

Loss from discontinued operations

Discontinued operations include disposal of Gigworld Inc in FY2022 and disposal of American Home REIT Inc completed on 13 January 2023.

Loss from discontinued operations increased by S$11.8 million from a S$6.1 million gain from discontinued operations in FY2021 to a S$5.7 million loss from discontinued operations in FY2022, mainly due to the decrease in fair value gain on investment properties of S$4.4 million, decrease in fair value gain on equity securities at FVTPL of S$1.7 million, increase in fair value loss on investment properties of S$1.4 million, increase in impairment on investment properties of S$3.8 million and increase in net fair value losses on equity securities at FVTPL of S$0.9 million.

Bottom Line

Accordingly, the Group reported a net loss attributable to owners of the Company of S$46.4 million in FY2022 compared to S$49.2 million in FY2021.

Balance Sheet

The Group's non-current assets significantly decreased by S$34.6 million from S$39.8 million as of 31 December 2021 to S$5.2 million as of 31 December 2022 mainly due to the decrease in investment properties of S$37.9 million, and decrease in other investments of S$0.1 million, offset by the increase in property, plant, and equipment of S$0.6 million, increase in the right-of-use asset of S0.6 million, and increase in investment in associates of S$2.2 millions. The decrease in investment properties was due to the investment properties being reclassified to assets of disposal group classified as held-for-sale. The increase of investment in associates was mainly due to the increase in investment in Alset SPAC Group Inc.

The Group's current assets decreased from S$125.5 million as of 31 December 2021 to S$77.9 million as of 31 December 2022. This was mainly due to the decrease in cash and cash equivalents of S$35.9 million, decrease in investment in AMRE convertible promissory notes of S$11.7 million, decrease in investment securities of S$10.7 million, decrease in prepaid operating expenses of S$0.6 milion, decrease in derivative asset of S$0.9 million, and decrease in bank pledged deposit of S$5.6 million. This was partially offset by the increase in trade and other receivables of S$1.8 million, increase in properties for sales of S$14.0 million, and increase in other investments of S$1.8 million. The decrease in cash and cash equivalents was mainly due to the net cash used in operating activities and net cash used in investment activities. The decrease in investment in AMRE convertible promissory notes was due to the notes being disposed to DSS, Inc. during the year and the increase in the properties for sale was due to the additional development cost for the Black Oak project.

The Group's assets of disposal group classified as held-for-sale increased from S$Nil as of 31 December 2021 to S$36.7 million as of 31 December 2022 due to the disposal of American Home REIT Inc, which was completed on 13 January 2023.

Total liabilities decreased from S$33.3 million as of 31 December 2021 to S$30.7 million as of 31 December 2022. This was mainly due to a decrease in trade and other payables of S$5.9 million. This was partially offset by the increase in derivative liabilities of S$1.7 million and the increase in liabilities of disposal group classified as held for sales of S$1.5 million.

The decrease of S$8.1 million from S$92.4 million in FY2021 to S$84.3 million in FY2022 in working capital relates to the decrease in current assets of S$10.9 million, offset by the decrease in the current liabilities of S$2.8 million.

As of 31 December 2022, the Group was in a net assets position of S$89.1 million compared to S$132.0 million as of 31 December 2021.

Statement of Cash Flows

Net cash used in operating activities increased to $21.8 million in FY2022 compared to S$2.2 million in FY2021 mainly due to the net loss of S$46.0 million, fair value gain in other investment of S$0.7 million, reversal of impairment on properties for sale of S$3.3 million, increase in trade and other receivables of S$3.4 million, increase in properties for sale of S$11.4 million, and decrease in trade and other payables and contract liabilities of S$1.6 million , offset by the fair value loss on derivative asset of S$0.9 million, fair value loss on derivative liabilities of S$1.7 million, withholding tax expenses of S$1.1 million, net fair value losses on equity securities at FVTPL of S$32.3 million, unrealised exchange loss of S$1.1 million, share of results of associates of S$0.7 million, impairment on investment properties of S$3.8 million, impairment on amount due from related parties of S$1.4 million, and fair value loss on investment properties of S$1.4 million.

The Group recorded a S$16.3 million net cash used in investing activities in FY2022 compared to S$66.9 million in FY2021. In FY2022, net cash used in investment activities was mainly due to the purchase of property, plant and equipment of S$0.7 million, investment in other investment of S$0.5 million, purchase of investment properties of S$2.6 million, purchase of investment securities of S$74.7 million, and investment in associates mainly in Alset SPAC Group Inc. of S$2.9 million, offset by the proceeds from disposal of equity securities of S$63.4 million and net cash inflow on disposal of subsidiaries of S$1.7 million.

Net cash generated from financing activities decreased to S$3.7 million in FY2022 compared to S$95.8 million in FY2021. In FY2022, net cash generated from financing activities comprised the decrease in bank deposit pledged of S$5.6 million. These were offset by the S$0.7 million principal element of lease payment, S$0.2 million repayment of loan and borrowings, and S$0.9 million advances from a related party.

The Group's cash and cash equivalents decreased from S$49.1 million as at 31 December 2021 to S$14.9 million as at 31 December 2022.

BOARD OF DIRECTORS

MR. CHAN HENG FAI
Executive Director and Group Chief Executive Officer

Mr. Fai Chan 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. Fai Chan was last re-elected to the Board in April 2022.

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

Mr. Fai Chan previously served as a Non- Executive Director of an ASX-listed bio-technology company, Holista CollTech Limited.

He was the former Managing Chairman and Executive Director of a HKSE-listed company, Heng Fai Enterprises Limited (now known as Zensun Enterprises Limited), where he had served from 1992 to 2015. Under his directorship, Mr. Fai Chan 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. Fai Chan was also the Managing Director of SingHaiyi Group Ltd. which was previously listed on SGX. Under his leadership, the 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. Fai Chan ceded controlling interest in late 2012.

He has previously served as Executive Chairman of China Gas Holdings Limited, a failing HKSE 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. Fai Chan 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. Fai Chan 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.

DR. LAM LEE G.
Independent Non-Executive Vice Chairman

Dr. Lam was appointed as Non-Executive Vice Chairman on 28 November 2017 and was re-designated as an Independent Director and appointed Independent Non-Executive Vice Chairman in July 2020. Dr. Lam was last re-elected to the Board in April 2022. Currently Dr. Lam is Chair of the United Nations Economic and Social Commission for Asia and the Pacific Sustainable Business Network (ESBN). He started his career in Canada at Bell-Northern Research (the research and development arm of Nortel) and Bell Canada, and later in Hong Kong at Hong Kong Telecom. He later joined Singapore Technologies Telemedia (then part of Temasek Holdings), and moved on to BOC International Holdings (the international investment banking arm of the Bank of China group) where he served as Managing Director, Vice-Chairman and Chief Operating Officer of its investment banking division. Until late 2006, Dr. Lam was President and Chief Executive Officer of Chia Tai Enterprises International (CP Group). He was Chairman - Hong Kong and ASEAN Region and Senior Adviser – Asia, of Macquarie Capital, Non-Executive Chairman – Greater China and ASEAN Region and Chief Advisor – Asia, of Macquarie Infrastructure and Real Assets, and Senior Advisor, Macquarie Group Asia.

Dr. Lam holds a BSc in Sciences and Mathematics, an MSc in Systems Science and an MBA all from the University of Ottawa in Canada, an MPA and a PhD from the University of Hong Kong, an LLB (Honours) from Manchester Metropolitan University in the UK, and an LLM from the University of Wolverhampton in the UK.

BOARD OF **DIRECTORS**

MR. CHAN TUNG MOE
Executive Director and Co-Chief Executive Officer

Executive Director and Co-Chief Executive Officer Mr. Moe Chan has held various positions within the Group since 2015. In the recent few years, he was appointed as Group Chief Development Officer of Alset International Limited on 11 August 2020 and was appointed as Executive Director of Alset International Limited on 11 December 2020. On 1 March 2021, he was re-designated as Co-Chief Executive Officer of Alset International Limited. He was last re-elected to the Board in April 2021.

Previously, Mr. Moe Chan was the Group Chief Operating Officer of Hong Kong Exchange-listed Zensun Enterprises Limited (formerly known as Heng Fai Enterprises Ltd), responsible for the company's global business operations consisting of REIT ownership and management, property development, hotels and hospitality, as well as property and securities investment and trading. Prior to that he was Executive Director and Chief of Project Development of SingHaiyi Group Ltd which was previously listed on the Singapore Exchange.

Mr. Moe Chan has a diverse background and experience in the fields of property, hospitality, investment, technology and consumer finance. He holds a Master's Degree in Business Administration with honours from the University of Western Ontario, a Master's Degree in Electro-Mechanical Engineering with honours and a Bachelor's Degree in Applied Science with honours from the University of British Columbia.

Mr. Moe Chan is the son of Mr. Chan Heng Fai.

MR. LUI WAI LEUNG, ALAN
Executive Director and Chief Financial Officer

Mr. Alan Lui was appointed as a Chief Financial Officer on 1 November 2016 and subsequently appointed as an Executive Director on 2 July 2020. Mr. Alan Lui was last re-elected to the Board in April 2021.

Mr. Alan Lui has been overseeing the Group's financial and management reporting focusing on financing operations and treasury investment. He managed all financial forecasts and planning and evaluated new investment opportunities on an ad-hoc basis. Mr. Alan Lui was also responsible for developing and recommending the overall financial strategy for the Group to capture maximum value for its stakeholders. He also took charge of assessing the operating effectiveness and internal control of the Group.

Mr. Lui began his career as an accountant in a well-known department store for three years. Before joining Alset International Limited, he worked with Zensun Enterprises Limited (formerly known as Heng Fai Enterprises Ltd), a Hong Kong listed company, as Financial Controller from 1997 to 2016.

In 1993, he graduated from Hong Kong Baptist University with a Bachelor's Degree in Business Administration (major in Accounting); and he is also a Certified Practising Accountant in Australia.

BOARD OF **DIRECTORS**

MR. LIM SHENG HON, DANNY

Executive Director, Senior Vice President, Business Development

Mr. Danny Lim was appointed Senior Vice President, Business Development on 1 February 2020 and subsequently appointed as an Executive Director on 2 July 2020. Mr. Lim was last re-elected to the Board in April 2021.

Mr. Danny Lim has experience in business development, merger & acquisitions, corporate restructuring and strategic planning and execution. He manages the Group's business development efforts, focusing on corporate strategic planning, merger and acquisition and capital markets activities. He oversees and ensures the executional efficiency of the Group and facilitates internal and external stakeholders on the implementation of the Group's strategies. Mr. Danny Lim liaises with corporate partners or investment prospects for potential working/ investment collaborations, operational subsidiaries locally and overseas to augment close parent-subsidiary working relationship.

Mr. Danny Lim graduated from Singapore Nanyang Technological University with a Bachelor's Degree with Honours in Business, specializing in Banking and Finance.

MR. TAO YEOH CHI

Lead Independent Non-Executive Director

Mr. Tao was appointed as an Independent Non-Executive Director on 27 June 2013. Mr. Tao is the lead independent director and a member of the Nominating Committee. Mr. Tao was last re-elected to the Board in April 2021.

Mr. Tao 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 is an Independent Non-Executive Director of SGX listed, Watches.com Limited (formerly known as Ntegrator International Ltd.) since December 2021. He is currently a director of STT Communications (Shanghai) Co.Ltd.

Mr. Tao 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 on 5 June 2017. He is the Chairman of the Audit & Risk Management Committee and the Remuneration Committee. Mr. Wong was last re-elected to the Board in April 2021.

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 served as a member of the board of directors of Alset Inc. (formerly known as Alset EHome International Inc.) since November 2021, the shares of which are listed on NASDAQ, Alset Capital Acquisition Corp. since January 2022, the shares of which are listed on NASDAQ, Value Exchange International Inc. since April 2022, the shares of which are listed on OTC markets and DSS, Inc. since July 2022, the shares of which are listed on NYSE. He was an independent non-executive director of SMI Holdings Group Limited from April 2017 to December 2020, the listing shares of which were cancelled from HKSE on 14 December 2020 and was an independent non-executive director of SMI Culture & Travel Group Holdings Limited from December 2019 to November 2020, the listing shares of which were cancelled from HKSE on 21 March 2022.

BOARD OF DIRECTORS

MR. WONG TAT KEUNG
Independent Non-Executive Director

Mr. Wong Tat Keung was appointed as an Independent Non-Executive Director on 27 January 2017. Mr. Wong Tat Keung is the Chairman of the Nominating Committee and a member of the Audit & Risk Management and the Remuneration Committee. Mr. Wong Tat Keung was last re-elected to the Board in April 2022.

Since 2021, Mr. Wong Tat Keung has served as the sole proprietor of Aston CPA and Associates, a registered certified public accounting firm. Mr. Wong Tat Keung has served as a member of the board of directors of Alset Inc. (formerly known as Alset EHome International Inc.) since November 2020, the shares of which are listed on NASDAQ, Alset Capital Acquisition Corp. since January 2022, the shares of which are listed on NASDAQ, Palace Banquet Holdings Limited since January 2022, the shares of which are listed on HKSE, and Value Exchange International Inc. since April 2022, the shares of which are listed on OTC markets. Mr. Wong Tat Keung has been an independent non-executive director of Roma Group Limited, a valuation and technical advisory firm, from March 2016 to January 2020, the shares of which are listed on HKSE, and has served as an independent non-executive director of Lerthai Group Limited, a property, investment, management and development company, from December 2018 to August 2022, the listing shares of which were cancelled from HKSE on 15 August 2022. Previously, he served as the director and sole proprietor of Aston Wong CPA Limited and Aston Wong & Co., registered certified public accounting firms, from February 2010 to November 2020 and January 2006 to February 2010 respectively. He was also a Partner at Aston Wong, Chan & Co., Certified Public Accountants and he served at Gary Cheng & Co., Certified Public Accountants as Audit Senior. He served as an Audit Junior to Supervisor of Hui Sik Wing & Co., certified public accountants from April 1993 to December 1999. He served as an independent non-executive director of SingHaiyi Group Ltd which was previously listed on SGX from July 2009 to July 2013 and ZH International Holdings Limited (now named as Zensun Enterprises Limited) which is listed on HKSE from December 2009 to July 2015.

Mr. Wong Tat Keung is a Certified Public Accountant admitted to practice in Hong Kong. He is a Fellow Member of the Hong Kong Institute of Certified Public Accountants. He holds a Master in Business Administration degree (financial services) from the University of Greenwich, London, England.

MR. CHAN KING FAI
Independent Non-Executive Director

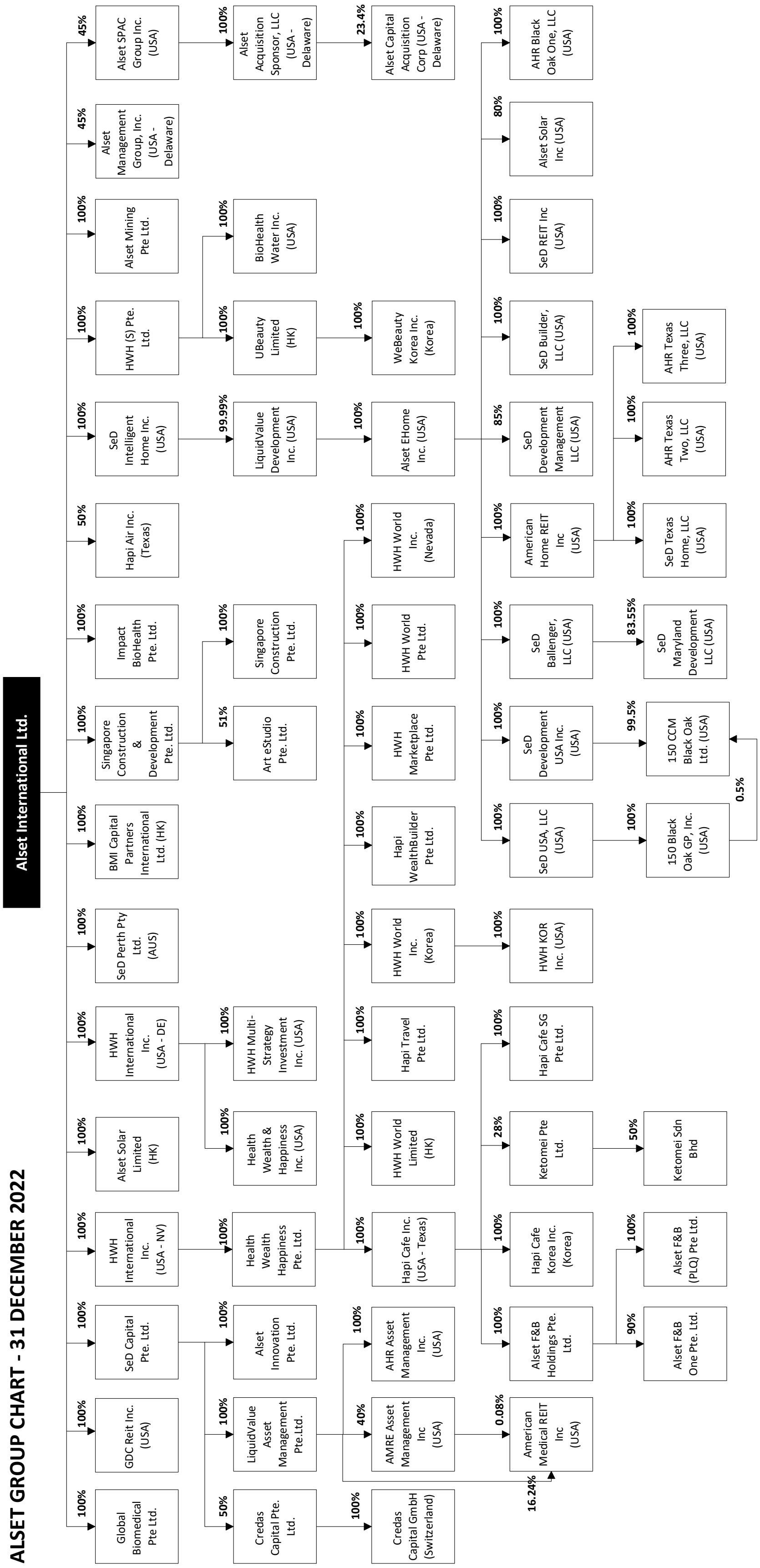
Mr. Chan King Fai was appointed as an Independent Non-Executive Director on 2 May 2017. Mr. Chan is a member of the Audit and Risk Management Committee, the Nominating Committee, and the Remuneration Committee. Mr. Chan was last re-elected to the Board in June 2020

Mr. Chan King Fai is currently an Independent Non-Executive Director of Fire Rock Holdings Limited, which is listed on HKSE and was an Independent Non-Executive Director of Heng Fai Enterprises Limited (now named as Zensun Enterprises Limited) from August 2011 to July 2015, which is listed on HKSE. Mr. Chan King Fai 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 King Fai 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 Chartered Governance Institute and an associate member of The Chartered Governance Institute. Mr. Chan King Fai is currently a Certified Tax Adviser in Hong Kong.

BUILDING SUSTAINABLE **HEALTHY LIVING SYSTEMS**

GROUP **STRUCTURE**



CORPORATE **GOVERNANCE REPORT**

Introduction

The Board of Directors (the "**Board**" or the "**Directors**") and the management ("**Management**") of Alset International 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 2022 ("**FY2022**"), with specific reference to the principles and provisions of the Code of Corporate Governance 2018 (the "**2018 Code**"), the rules (the "**Catalist Rules**") of the Listing Manual Section B: Rules of Catalist 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 (the "**Guide**").

The Company has adhered to the principles, provisions and/or guidelines as set out in the 2018 Code and the Catalist Rules, where applicable. Insofar as any principles, guidelines and/or provisions have 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;

CORPORATE **GOVERNANCE REPORT**

(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.

During FY2022, 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. In addition, the Co-CEO of the Company, Mr. Chan Tung Moe, together with Mr. Chan Heng Fai, will provide leadership to the Management.

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). For FY2022, 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.

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The Board and the 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 the 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).

CORPORATE **GOVERNANCE REPORT**

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 FY2022 and the attendance of the Directors at these meetings for FY2022 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	2	N/A	N/A	1	1	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
Lui Wai Leung Alan	2	2	N/A	N/A	N/A	N/A	N/A	N/A
Lim Sheng Hon, Danny	2	2	N/A	N/A	N/A	N/A	N/A	N/A
Chan Tung Moe	2	2	N/A	N/A	N/A	N/A	N/A	N/A

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.

CORPORATE GOVERNANCE REPORT

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 the 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.

CORPORATE GOVERNANCE REPORT

Members of the Board of Directors

As at the date of this Corporate Governance Report, the Board comprises four (4) Executive Directors and five (5) 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, Executive Director and CEO	31 May 2013	30 April 2022	–	Member	–
Lam Lee G.	Independent Non-Executive Director and Vice Chairman	28 November 2017	30 April 2022	–	–	–
Chan Tung Moe	Executive Director and Co-CEO	11 December 2020	28 April 2021	–	–	–
Chan King Fai	Independent Non-Executive Director	2 May 2017	26 June 2020	Member	Member	Member
Tao Yeoh Chi	Lead Independent Non-Executive Director	27 June 2013	28 April 2021	–	Member	–
Wong Shui Yeung	Independent Non-Executive Director	5 June 2017	28 April 2021	Chairman	–	Chairman
Wong Tat Keung	Independent Non-Executive Director	27 January 2017	30 April 2022	Member	Chairman	Member
Lui Wai Leung Alan	Executive Director and CFO	2 July 2020	28 April 2021	–	–	–
Lim Sheng Hon, Danny	Executive Director and Senior Vice President of Business Development	2 July 2020	28 April 2021	–	–	–

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)

The Board comprises four (4) Executive Directors and five (5) Independent Non-Executive Directors. Accordingly, the Independent Non-Executive Directors make up a majority of the Board in FY2022.

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

Catalist Rule 406(3)(c)

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.

CORPORATE **GOVERNANCE REPORT**

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)

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 FY2022, 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.

The Board and the NC have also considered the new Rule 406(3)(d)(iv) of the Catalist Rules which came into effect on 11 January 2023. Pursuant to Rule 406(3)(d)(iv) of the Catalist Rules, a director will not be considered independent if he has been a director of the issuer for an aggregate period of more than nine (9) years (whether before or after listing). Such director may continue to be considered independent until the conclusion of the next annual general meeting of the issuer.

That said, pursuant to Transitional Practice Note 3 Transitional Arrangements Regarding the Tenure Limit for Independent Directors ("**Transitional Practice Note 3**") of the Catalist Rules, Rule 406(3)(d)(iv) of the Catalist Rules only takes effect for the Company's annual general meeting for the financial year ending on or after 31 December 2023.

As at the date of this Corporate Governance Report, Mr. Tao Yeoh Chi will have served on the Board for an aggregate period of more than nine (9) years on 27 June 2022, as he was first appointed to the Board on 27 June 2013. Pursuant to Transitional Practice Note 3 of the Catalist Rules, Mr. Tao Yeoh Chi may still be considered independent until the conclusion of the Company's annual general meeting for the financial year ending on or after 31 December 2023 if he meets the requirements under Rules 406(3)(d)(i) and (ii) of the Catalist Rules.

The Board, in consultation with the NC, considered Mr. Tao Yeoh Chi to be independent as (1) he meets the requirements under Rules 406(3)(d)(i) and (ii) of the Catalist Rules and (2) he has continually demonstrated strong independence in character and judgment and contributed effectively by providing impartial and autonomous views, and which, coupled with his familiarity with the business of the Group, has proven himself to be a valuable member of the Board.

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As a whole, the Board, with the recommendation and concurrence of the NC, has reviewed and determined that the Independent Non-Executive Directors, namely Dr. Lam Lee G., 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 FY2022, the Board is of the view that the current board size of nine (9) 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	4	45%
Legal or corporate governance	2	22%
Strategic planning experience	3	33%

The NC is aware of the requirements under Rule 710A of the Catalist Rules in relation to board diversity, and after considering the current Board composition and experience of the Directors, the Board, in consultation with the NC, is of the view that, for the time being, the Board's policy has allowed the Company to achieve diversity in the Board.

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Notwithstanding the foregoing, the NC will review the relevant objectives and targets 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 Non-Executive Director, have regularly met without the presence of the Management in FY2022 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 Non-Executive Director provides feedback to the Board as appropriate. Provision 2.5

Principle 3: Chairman and Chief Executive Officers

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 powers objectively and independently from the Management.

The Independent Non-Executive Directors make up more than half the Board. No individual or small group of individuals dominate the Board's decision-making process. The CEO and senior Management regularly consult with individual Directors 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 Non-Executive 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;

CORPORATE GOVERNANCE REPORT

(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 the 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 Non-Executive Director

The Board has appointed Mr. Tao Yeoh Chi as the Lead Independent Non-Executive 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 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, the CEO and key management personnel;

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

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(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 Chairman, Executive Director and CEO

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) Mr. Chan King Fai;

(ii) Mr. Lui Wai Leung Alan; and

(iii) Mr. Lim Sheng Hon, Danny.

The NC has recommended to the Board that each of Mr. Chan King Fai, Mr. Lui Wai Leung Alan and Mr. Lim Sheng Hon, Danny be nominated for re-election at the forthcoming AGM.

Each of Mr. Chan King Fai, Mr. Lui Wai Leung Alan and Mr. Lim Sheng Hon, Danny have given their consent to remain in office and will submit themselves for re-election at the forthcoming AGM.

Mr. Chan King Fai will, upon re-election as a Director of the Company, will remain as an Independent Non-Executive Director of the Company and a member of the Audit and Risk Management Committee, Nominating Committee and the Remuneration Committee. Mr. Chan King Fai is 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. Lui Wai Leung Alan will, upon re-election as a Director of the Company, remain as the Executive Director and Chief Financial Officer of the Company.

Mr. Lim Sheng Hon, Danny will, upon re-election as a Director of the Company, remain as the Executive Director and SVP, Business Development of the Company.

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.

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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 Non-Executive Director if applicable. Provision 4.3

The process for the selection and 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 Director 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 FY2022.

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The NC reviews and affirms the independence of the Company's Independent Non-Executive 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.

In addition, as disclosed under Provision 2.1 of this Corporate Governance Report, the NC confirms that Mr. Tao Yeoh Chi's appointment as an Independent Director of the Company complies with Rules 403(d)(i) and 403(d)(ii) of the Catalist Rules.

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 and its Board Committees, and the respective Directors' actual conduct on the Board and its Board Committees.

The NC and the Board were satisfied that in FY2022, 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:

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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	DSS, Inc. Sharing Services Global Corporation Alset Inc. (formerly known as Alset EHome International Inc.) Value Exchange International, Inc. Alset Capital Acquisition Corp.	RSI International Systems, Inc. (resigned in March 2019) Holista Colltech Limited (resigned in June 2021) OptimumBank Holdings, Inc. (resigned in April 2022)
Tao Yeoh Chi	Appointed as Independent Non-Executive Director on 27 June 2013	Watches,com Limited	
Wong Tat Keung	Appointed as Independent Non-Executive Director on 27 January 2017	Alset Inc. (formerly known as Alset EHome International Inc.) Welife Technology Limited (formerly known as Palace Banquet Holdings Limited) Alset Capital Acquisition Corp. Value Exchange International, Inc.	ROMA Group Limited (resigned in January 2020) Lerthai Group Limited (In Liquidation) (has been delisted since 15 August 2022)
Chan King Fai	Appointed as Independent Non-Executive Director on 2 May 2017	Fire Rock Holdings Limited	–
Wong Shui Yeung	Appointed as Independent Non-Executive Director on 5 June 2017	Alset Inc. (formerly known as Alset EHome International Inc.) Alset Capital Acquisition Corp. DSS, Inc. Value Exchange International, Inc.	Lerthai Group Limited (has been delisted since 15 August 2022) SMI Holdings Group Limited (has been delisted since 14 December 2020) SMI Culture & Travel Group Holdings Limited (has been delisted since 21 March 2022)

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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
Lam Lee G.	Appointed as Non-Executive Vice Chairman on 28 November 2017 Re-designated as Independent Non-Executive Vice Chairman on 2 July 2020	Asia-Pacific Strategic Investments Limited (formerly known as: China Real Estate Group) AustChina Holdings Limited (formerly known as: Coalbank Ltd) Beverly JCG Limited (formerly known as: JCG Investment Holdings Limited) China LNG Group Limited CSI Properties Limited Elife Holdings Limited (formerly known as: Sino Resources Group Limited) Greenland Hong Kong Holdings Limited Haitong Securities Co Ltd Hang Pin Living Technology Company Limited Hong Kong Aerospace Technology Group Limited (formerly known as: Eternity Technology Holdings Ltd) Huarong International Financial Holdings Limited Jade Road Investments Ltd (formerly known as: Adamas Finance Asia Limited) Kidsland International Holdings Limited Mei Ah Entertainment Group Limited Mingfa Group (International) Company Limited RENHENG Enterprise Holdings Limited Sunwah Kingsway Capital Holdings Limited Thomson Medical Group Limited TMC Life Sciences Berhad Vongroup Limited	Aurum Pacific (China) Group Limited (resigned in March 2021) China Shandong Hi-Speed Financial Group Limited (resigned in May 2020) Glorious Sun Enterprises Limited (resigned in August 2019) Green Leader Holdings Group Limited (resigned in July 2019) Hsin Chong Group Holdings Limited (resigned in September 2019) Huarong Investment Stock Corporation Limited (resigned in December 2020) Sunwah International Limited (resigned in June 2021) Tianda Pharmaceutical Limited (resigned in August 2021) Top Global Ltd (resigned in August 2021) National Arts Group Holdings Limited (formerly known as National Arts Entertainment and Culture Group Limited) (resigned in August 2022)

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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
Lui Wai Leung Alan	Appointed as CFO on 1 November 2016 Appointed as Executive Director on 2 July 2020	–	–
Lim Sheng Hon, Danny	Appointed as Executive Director on 2 July 2020	Alset Inc. (formerly known as Alset EHome International Inc.)	–
Chan Tung Moe	Appointed as Group Chief Development Officer on 11 August 2020 Appointed as Executive Director on 11 December 2020 Appointed as Co-CEO on 1 March 2021	Alset Inc. (formerly known as Alset EHome International Inc.) DSS, Inc.	–

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 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 indicates 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 an Independent 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;

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(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 Shareholders' value. The areas of assessment under the Board's 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 the 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 the 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 on 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 FY2022.

No external facilitator was used during the evaluation process in FY2022.

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.

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(B) Remuneration Matters

Principle 6: Procedures for Developing 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 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 and benefits-in-kind for the Board and 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 shall 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 FY2022. Where necessary, the expenses of any external remuneration consultants engaged for advice on remuneration matters shall be borne by the Company. Provision 6.4

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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 the Directors and the 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, and are aligned with the interests of shareholders and other stakeholders, in order to promote the long-term success of the Company.

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.

The RC has put in place the Group's remuneration policy for all Executive Directors and key management personnel which includes 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 the Management's remuneration, the Group had introduced long-term incentive schemes. The Shareholders had approved the adoption of two (2) long-term incentive schemes, the Alset Share Option Scheme ("**Share Option Scheme**") and the Alset 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.

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The Company currently does not use contractual provisions to allow the Company to reclaim incentive components of remuneration from its Executive Directors and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Group (which amounts to a breach of the fiduciary duties owed to the Company). This is because the Company is be able to avail itself to the full extent of the remedies available against the Executive Directors in the event of such breach of fiduciary duties, and need not rely on the use of contractual provisions to reclaim the same.

The RC reviews the Company's obligations arising in the event of the termination of an Executive Director's 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 has reviewed and put in place the abovementioned contractual provisions in future renewals of service contracts of its Executive Directors and key management personnel.

Remuneration of Executive Director

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

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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	Total Remuneration (S$'000)	Salary (%)	Variable bonus (%)	Director's Fees (%)	Total (%)
Directors					
Between S$0 to S$500,000					
Chan Heng Fai	–[1]	–	–	–	–
Tao Yeoh Chi	40	–	–	100	100
Wong Tat Keung	30	–	–	100	100
Chan King Fai	30	–	–	100	100
Wong Shui Yeung	30	–	–	100	100
Lam Lee G.	30	–	–	100	100
Lui Wai Leung Alan	221	100	–	–	100
Lim Sheng Hon, Danny	260	92	8	–	100
Chan Tung Moe	228	92	8	–	100

Note
(1) Mr Chan Heng Fai's remuneration for FY2022 is nil.

Remuneration Bands & Name of Key Management Personnel	Salary (%)	Variable bonus (%)	Total (%)
Below S$250,000			
Wei Rongguo	100	–	100
Michael Gershon	80	20	100
Ang Hay Kim	93	7	100

The aggregate amount of the total remuneration paid to the Directors was S$868,133 in FY2022.

The Group had only three (3) key Management personnel for FY2022. 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$670,899 in FY2022. 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.

Mrs. Mabel Chan Yoke Keow, the Executive Assistant to the CEO of the Company, is the spouse of Mr. Chan Heng Fai, the Executive Chairman and the CEO of the Company. Mrs. Mabel Chan Yoke Keow's remuneration for FY2022 was S$39,000. Provision 8.2

Mr. Chan Tung Moe, an Executive Director and Co-CEO of the Company, is the son of Mr. Chan Heng Fai, the Executive Chairman and the CEO of the Company. Mr. Chan Tung Moe's remuneration for FY2022 was S$227,500.

Ms. Ang Hay Kim, the SVP, Corporate Services of the Company, is the mother of Mr. Lim Sheng Hon, Danny, the Executive Director and the SVP, Business Development of the Company. Ms Ang Hay Kim's remuneration band for FY2022 was between S$100,000 and S$200,000.

Save as disclosed above, there were no other employees who are either a substantial shareholder or immediate family members of the Directors, the CEO or substantial shareholders of the Company whose remuneration exceeded $100,000 in FY2022.

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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

Alset Share Option Scheme

The Company implemented its Share Option Scheme on 20 November 2013 as a long-term incentive scheme. The Share Option Scheme is administered by the RC, comprising the Independent Non-Executive Directors Mr. Wong Shui Yeung, Mr. Chan King Fai and Mr. Wong Tat Keung. Catalist Rule 1204(16) Catalist Rule 851

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

(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 employees' 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 Non-Executive 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);

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(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; and

(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.

Save as disclosed in the table below, since the implementation of the Share Option Scheme, no share options were granted under the Share Option Scheme to any Directors, controlling shareholders or associates of controlling shareholders, and no employee of the Group has received 5% or more of the total number of share options available under the Share Option Scheme.

Name of Director	Share options granted during FY2022 (including terms)	Aggregate share options granted since commencement of Share Option Scheme to end FY2022	Aggregate share options exercised since commencement of the Share Option Scheme to the end of FY2022	Aggregate share options outstanding as at end of FY2022
Chan Heng Fai	–	1,061,333	–	1,061,333

Alset 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 Performance Share Plan is administered by the RC, comprising the Independent Non-Executive Directors Mr. Wong Shui Yeung, Mr. Chan King Fai and Mr. Wong Tat Keung.

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;

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(c) provide an opportunity for the participants to participate 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 the 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 (including Executive Directors of the Group);

(b) any Director of the Company (including Non-Executive Directors); and

(c) controlling shareholders and/or their associates who are either employees of the Group or Directors of the Company 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 SGXST) 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 the Plan is awarded before expiry of the prescribed performance period 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

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(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 circulars dated 7 October 2014 and 14 May 2020.

Save as disclosed in the table below, since the implementation of the Performance Share Plan, no award of performance shares were granted under the Performance Share Plan to any Directors, controlling shareholders or associates of controlling shareholders, and no employee of the Group has received 5% or more of the total number of performance shares available under the Performance Share Plan.

Name of Director	Performance shares granted during FY2022 (including terms)	Aggregate performance shares granted since commencement of Performance Share Plan to end FY2022	Aggregate performance shares vested since commencement of the Performance Share Plan to the end of FY2022	Aggregate performance shares not yet vested as at end of FY2022
Chan Heng Fai	–	–	–	–
Lam Lee G.	–	–	–	–
Tao Yeoh Chi	–	–	–	–
Wong Tat Keung	–	–	–	–
Chan King Fai	–	–	–	–
Wong Shui Yeung	–	–	–	–
Chan Tung Moe	–	–	–	–
Lui Wai Leung Alan	–	–	–	–
Lim Sheng Hon, Danny	–	–	–	–

There were no termination, retirement or post-employment benefits granted to Directors, the CEO and the top three (3) key management personnel in FY2022.

(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 the Management in the design, implementation and monitoring of 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.

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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 the plans undertaken by the Management to manage key risks; and

(f) description of the risk monitoring and escalation processes and also the 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 FY2022.

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 FY2022.

In addition, the Board relied on internal audit reports and the Company's Letter of Representation to the external auditors to report on any material non-compliance or internal control weakness.

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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 For Sale

As at 31 December 2022, the Group has a property development project and the carrying value of the project is S$40,573,000 which constitutes 34% of the Group's total assets as at 31 December 2022.

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

In order to be satisfied 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.

Please refer to pages 65 to 66 of the Annual Report for further information on this matter.

Valuation of Investment Properties

As at 31 December 2022, the Group has one hundred and twelve (112) investment properties with the acquisition cost of S$35,887,000. These investment properties are stated at their estimated fair value, determined by an independent professional valuation firm, based on the properties' open market value on highest and best use basis. The fair value of these investment properties is S$35,067,000 which constitutes 29% of the Group's total assets as at 31 December 2022.

In order to be satisfied that the fair value of the investment properties is not materially misstated, the ARMC has obtained assurance from the Management that the valuation reports for these investment properties were prepared by independent appraisers and that the appropriate estimation and approach was utilised.

Taking into consideration the above assurance and confirmation obtained from the Management, valuation for these investment properties 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 fair value of investment properties is appropriate.

Please refer to page 67 of the Annual Report for further information on this matter.

The Board has received assurances from: Provision 9.2

(a) the CEO and CFO 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

(b) the CEO and other key management personnel who are responsible, that the Group's risk management and internal control systems were adequate and effective as at 31 December 2022.

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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 FY2022, 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 **ARMC's Key Terms of Reference**

Provision 10.1

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

(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 control 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) where the external auditors, in their review or audit of the Company's year-end financial statements, raise any significant issues which have a material impact on the interim financial statements or financial updates previously announced by the Company, immediately reporting the same to the Board and advising the Board if changes are needed to improve the quality of future interim financial statements or financial updates;

(e) 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;

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

(g) 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;

(h) 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);

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(i) 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, the Management's response on the same and at appropriate times, report the matter to the Board and to the sponsor;

(j) 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;

(k) 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;

(l) 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;

(m) reviewing with the external and internal auditors annually the adequacy and effectiveness of the Group's internal controls and risk management systems;

(n) reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the Company's internal audit function;

(o) 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 whistleblowing policy and procedures for raising such concerns;

(p) 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;

(q) 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;

(r) 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;

(s) 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;

(t) 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; and

(u) reporting to the Board on how the ARMC has discharged its responsibilities and whether it was able to discharge its duties independently.

The ARMC also has express power to investigate any matter brought to its attention, within its terms of reference, with the power to obtain professional advice at the Company's expense. The ARMC also has full access to, and co-operation by the 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.

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 to our Company's secretary or the Chairman of the ARMC. 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 with confidence, fairly and protected from reprisals or victimisation for whistleblowing 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 whistle-blowing 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 FY2022.

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 recent and relevant accounting, risk management, legal, or related financial management expertise or experience 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 FY2022, 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.

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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 Risk Advisory Services Limited (formerly known as Asian Alliance Financial Advisory Services Limited) ("**AARAS**") as its internal auditor for FY2022. AARAS has over five (5) years of relevant experience in internal audit. 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 five (5) years of relevant internal audit experience. The internal audit work is carried out through the internal control integrated framework developed by the Committee of Sponsoring Organizations of the Treadway Commission ("**COSO**"). 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, the 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 Company's internal auditors. 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 FY2022, the ARMC is satisfied that the internal auditor 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 the 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

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. Catalist Rule 1204(6)

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	320	100
Non-Audit Fees	–	–
Total	320	100

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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 approved under the Accountants Act, and that the audit partner-in charge is a public accountant under the Accountants Act.

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. Liquid Value Development Inc., which is listed on the US OTC market, is audited by Grassi & Co., CPAs, P.C. while BMI Capital Partners International Ltd, Alset Solar Limited (f.k.a SeD Home Ltd.), UBeauty Ltd and HWH World Ltd are audited by Dominic KF Chan & Co. Please refer to pages 108 to 112 of the Annual Report for further information on the Group's foreign-incorporated subsidiaries and their respective audit firms.

(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

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 released on SGXNET and the Company's website before the scheduled date of the general meeting.

Due to Covid-19 advisories issued by the relevant authorities in Singapore and the related safe distancing measures in Singapore, the general meetings of the Company in FY2022 were held by way of electronic means and shareholders were not able to attend the general meetings in person. To enable shareholders to participate in and vote effectively at general meetings held by way of electronic means, the Company set out detailed information on the arrangements relating to attendance at the general meetings, submission of questions in advance of the general meetings, addressing of substantial and relevant questions at the general meetings, and voting procedures for the general meetings.

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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. Provision 11.4

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 detailed 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.

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.

In FY2022, shareholders were given the opportunity to submit questions in advance of general meetings held by way of electronic means. The external auditors were also available to assist in responses to questions submitted in advance of general meetings in relation to the conduct of the audit and the preparation and content of the auditors' report, if any. Provision 11.3

The Directors' attendance at the general meetings of the Company held in FY2022 are set out in the table below:

	Annual General Meeting		Extraordinary General Meeting	
Name of Director	**No. of meetings held**	**No. of meetings attended**	**No. of meetings held**	**No. of meetings attended**
Chan Heng Fai	1	1	2	2
Lam Lee G.	1	1	2	2
Chan King Fai	1	1	2	2
Tao Yeoh Chi	1	1	2	2
Wong Shui Yeung	1	1	2	2
Wong Tat Keung	1	1	2	2
Lui Wai Leung Alan	1	1	2	2
Lim Sheng Hon, Danny	1	1	2	2
Chan Tung Moe	1	1	2	2

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 the Management. During FY2022, the minutes of general meetings were published on SGXNET and the Company's website within one (1) month after each general meeting. Provision 11.5

Dividend Policy

As the Company continued to accumulate losses as at 31 December 2022, its current priority is to achieve long-term growth for the benefit of its Shareholders. Accordingly, 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 Company recorded a net loss and consequently, no dividend has been declared or recommended for FY2022.

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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.alsetinternational.com.

Price-sensitive information is first publicly released through SGXNet, before the Company meets with any investors or analysts. The annual report and the accompanying notice of AGM is made accessible to all Shareholders on SGXNET and the Company's website.

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

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 FY2022, 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. Lim Sheng Hon, Danny, at danny@alsetinternational.com.

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

The investor relations personnel will inform the Board upon receipt of Shareholders' queries to keep the Board informed of the issues raised by the Shareholders and will endeavour to respond to 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.

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(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.alsetinternational.com, 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 which will be issued by the end of April 2023. Provision 13.2

The Company maintains a current corporate website, www.alsetinternational.com, 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 securities during the period commencing two (2) weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year and one (1) month before the announcement of the Company's full year financial statements (if the Company announces its quarterly financial statements), or one (1) month before the announcement of the Company's half year and full year financial statements (if the Company does not announce its quarterly financial statements).

The Directors and officers are required to report to the Company and the Company Secretary whenever they deal in the Company's securities 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 FY2022 or if not then subsisting, entered into since the end of the previous financial year:

(1) 25 February 2022, the Company entered into an Assignment and Assumption Agreement with DSS Inc. For more information, kindly refer to the Company's announcement made on 27 February 2022.

(2) 30 August 2022, the Company entered into a stock purchase agreement with Alset Inc. (formerly known as Alset EHome International Inc.) in relation to the disposal of GigWorld Inc.. For more information, kindly refer to the Company's announcement made on 1 September 2022.

CORPORATE **GOVERNANCE REPORT**

(3) 9 September 2022, the Company, through its direct wholly-owned subsidiary HWH International Inc., entered into a merger agreement with Alset Capital Acquisition Corp. and HWH Merger Sub, Inc.. For more information, kindly refer to the Company's announcement made on 12 September 2022 and the circular to Shareholders dated 21 October 2022.

(4) 9 December 2022, the Company and Alset EHome Inc. entered into a stock purchase agreement with Alset Inc. (formerly known as Alset EHome International Inc.) in relation to the disposal of American Home REIT Inc.. For more information, kindly refer to the Company's announcement made on 10 December 2022 and the circular to Shareholders dated 21 December 2022.

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 FY2022 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) ('000)	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) ('000)
Alset Inc. (formerly known as Alset EHome International Inc.), Chan Heng Fai and Chan Tung Moe	(1) Sale of DSS, Inc shares from Global Biomedical Pte Ltd to Alset EHome International Inc. (now known as Alset Inc.) (2) Sale of GigWorld Inc. shares from the Company to Alset EHome International Inc. (now known as Alset Inc.) (3) Disposal of American Home REIT Inc. to Alset Inc.	S$38,483	–

In FY2022, the aggregate value of all IPTs amounted to S$38,483,000.

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 FY2022.

The Company had also previously disclosed the details of the Company's IPTs for the FY2022 in its full year financial statements dated 1 March 2023.

Non-Sponsor Fees

During FY2022, there was no non-sponsor fees paid to the Company's sponsor, Hong Leong Finance Limited.

CORPORATE **GOVERNANCE REPORT**

Update on the Use of Proceeds

2016 RIGHTS CUM WARRANTS ISSUE

Proceeds from 2016 Right Cum Warrants Issue

				Amount of Net Proceeds		
	Percentage of Net Proceeds before the Re-allocation (%)	Percentage of Net Proceeds after the Re-allocation (%)	Percentage allocation (%)	In accordance with percentage allocation (S$'000)	Utilised (S$'000)	Unutilised (S$'000)
Funding the Group's property development projects	25 to 30	25 to 50	25	8,249	(8,249)	–
Fund of the Group's IT Business	20 to 25	10 to 25	10	3,299	(3,299)	–
Funding the Group's Investment Business	1 to 5	1 to 5	5	1,650	(1,650)	–
General Working Capital	5 to 50	5 to 80	60	19,796	(19,796)	–
			100	32,994	(32,994)	–

	The Group (S$'000)
Professional Fee	3,122
Consultation Fee	283
Payroll	4,056
Director Fees	505
Director Salary	300
Rental, office expenditure and other operating expenses	1,969
Repayment of performance bond	611
Consulting fee	881
Short Term Loan to iGalen USA LLC	568
Repayment of Director's Loan	2,000
Investment in investment properties	3,429
Investment in Black Oak project	2,072
	19,796

CORPORATE GOVERNANCE REPORT

2017 WARRANTS ISSUE

Proceeds from 2017 Warrants Issue

		Amount of Net Proceeds		
	Percentage allocation (%)	In accordance with percentage allocation (S$'000)	Utilised (S$'000)	Unutilised (S$'000)
General Working Capital	100	88,004	(85,339)	2,665
	100	88,004	(85,339)	2,665

	TheGroup (S$'000)
Professional Fee	738
Payroll	3,651
Director Fees	180
Director Remuneration	12,072
Rental, office expenditure and other operating expenses	3,003
Investment in F&B Business	700
Repayment of Director's Loan	7,277
Repayment of amount due to intermediate holdings 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	2,490
	85,339

DIRECTORS' STATEMENT

For the financial year ended 31 December 2022

We submit this statement to the members of Alset International 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 2022 and the statement of financial position of the Company as at 31 December 2022.

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 2022 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 1967 (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)
Chan Tung Moe (Executive Director and Co-Chief Executive Officer)
Lam Lee G. (Non-Executive Vice Chairman)
Lui Wai Leung Alan (Executive Director and Chief Financial Officer)
Lim Shen Hon, Danny (Executive Director and SVP, Business Development)
Tao Yeoh Chi (Lead Independent Director)
Wong Shui Yeung (Independent Non-Executive Director)
Wong Tat Keung (Independent Non-Executive Director)
Chan King Fai (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 its related corporations (other than wholly-owned subsidiaries) are as follows:

DIRECTORS' STATEMENT

For the financial year ended 31 December 2022

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

	Direct Interest			Deemed Interest		
	As at 1.1.2022	**As at 31.12.2022**	As at 21.1.2023	As at 1.1.2022	**As at 31.12.2022**	As at 21.1.2023
The Ultimate holding company						
Alset Inc.			Number of Ordinary Shares			
Chan Heng Fai	18,749,299	**3,853,866**	3,853,866	6,778,348	**319,000**	319,000
The Immediate holding company						
Alset Business Development Pte. Ltd.			Number of Ordinary Shares			
Chan Heng Fai	–	**–**	–	4,506,750,519	**4,506,750,519**	4,506,750,519
The Company						
Alset International Limited			Number of Ordinary Shares			
Chan Heng Fai	293,428,200	**–**	–	2,810,999,176	**3,111,097,576**	3,111,097,576
Chan Tung Moe	1,500,000	**1,500,000**	1,500,000	–	**–**	–
Lui Wai Leung Alan	1,000,000	**1,000,000**	1,000,000	–	**–**	–
Lam Lee G	3,000,000	**3,000,000**	3,000,000	–	**–**	–
Tao Yeoh Chi	2,000,000	**2,000,000**	2,000,000	–	**–**	–
Chan King Fai	1,700,000	**1,700,000**	1,700,000	–	**–**	–
			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 the Company and its 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 option scheme and performance share plan

Share option scheme

At an Extraordinary General Meeting ("EGM") 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.

DIRECTORS' STATEMENT

For the financial year ended 31 December 2022

Share option scheme and performance share plan (Cont'd)

Share option scheme (Cont'd)

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 years ended 31 December 2022 and 2021, the Company did not grant any share options under the Option Scheme.

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

Grant date	**Exercise price $**	**Share options outstanding as at 1 January 2022**	**Share options granted**	**Share options forfeited**	**Share options outstanding as at 31 December 2022**	**Expiry date**
31 December 2013	0.12	1,061,333	–	–	1,061,333	31 December 2023

Grant date	Exercise price $	Share options outstanding as at 1 January 2021	Share options granted	Share options forfeited	Share options outstanding as at 31 December 2021	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 has been exercised.
- 1,061,333 share options were granted at a discount up to 50% of the market price.

DIRECTORS' STATEMENT

For the financial year ended 31 December 2022

Share option scheme and performance share plan (Cont'd)

<u>Performance share plan</u>

On 23 October 2014, the Company obtained shareholder's approval at an Extraordinary General Meeting of the Company to adopt the Singapore eDevelopment Limited ("SED") Performance Share Plan (the "Plan"). The Plan is designed to reward, retain and motivate employees to achieve superior performance and whose services are vital to the well-being and success of the Group.

The purpose of adopting the Plan is to give the Company greater flexibility to align the interests of employees with the interests of shareholders and to promote higher performance goals, recognise achievement and retain talents within the Group.

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

(a) employees of the Group (including Executive Directors of the Group);

(b) any Director of the Company (including Non-Executive Directors); and

(c) Controlling Shareholders and/or their associates who are either employees of the Group or Directors of the Company shall not participate in the 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.

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 Singapore Exchange Securities Trading Limited ("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 Plan shall not exceed 25% of the total number of shares available under the 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 Plan shall not exceed 10% of the total number of shares available under the Plan and such other share based incentive schemes of the Company.

The awards may only be vested and consequently any performance shares comprised in such awards shall only be delivered upon the Remuneration Committee ("RC") being satisfied that the participant has achieved the performance target(s) and the Plan is awarded before expiry of the prescribed performance period 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.

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

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

The 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.

The Plan shall continue in force at the absolute discretion of the RC, subject to a maximum period of 10 years commencing on 23 October 2014 provided always that the Plan may continue beyond the above stipulated period with the approval of shareholders in general meeting and of any relevant authorities which may then be required.

DIRECTORS' STATEMENT

For the financial year ended 31 December 2022

Share option scheme and performance share plan (Cont'd)

Performance share plan (Cont'd)

The Plan may be terminated at any time by the RC, or by shareholders by ordinary resolution at a general meeting subject to all approvals or any relevant authorities which may then be required, and if the Plan is so terminated, no further share awards shall be granted by the Company thereunder.

The termination, discontinuance or expiry of the Plan shall not affect the share awards which have been granted in accordance with the rules of the Plan, whether such share awards have been vested (whether fully or partially) or not.

Share awards granted

On 8 October 2020, the Company had granted 1,500,000 share awards ("Awards") to Mr Chan Tung Moe under the Plan. Mr Chan Tung Moe is required to complete six months of services with the Company. The 1,500,000 share awards shall vest upon fulfilment of 6 months of services from the grant date of 8 October 2020.

The Company had on 3 March 2021, allotted and issued 1,500,000 new ordinary shares in the capital of the Company (the "New Shares") to the eligible director pursuant to the vesting of the Awards under the Plan. The New Shares issued shall rank pari passu in all respects with the existing shares of the Company.

	2022	2021
Number of Awards outstanding as at 1 January	**–**	1,500,000
Number of Awards granted during the financial year	**–**	–
Number of Awards vested during the financial year	**–**	(1,500,000)
Number of Awards outstanding as at 31 December	**–**	–

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;

DIRECTORS' STATEMENT

For the financial year ended 31 December 2022

Audit and Risk Management Committee (Cont'd)

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

(e) Reviews the internal control procedures and ensures 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 2022. The ARMC has also conducted a review of interested person transactions.

The Company has appointed Asian Alliance Risk Advisory Services Limited (formerly known as Asian Alliance Financial Advisory Services Limited) as its internal auditor in 2022. The Company also noted that there were no material internal audit findings for the financial year ended 31 December 2022.

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, information technology risks and risk management systems were adequate as at 31 December 2022.

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

Further details regarding the ARMC, including the terms of reference, 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 2022

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: 14 April 2023

INDEPENDENT **AUDITOR'S REPORT**

To the members of Alset International Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alset International 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 2022, 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 Singapore Companies Act 1967 (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 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

<u>Net realisable value of properties for sale</u>

Risk:

As of 31 December 2022, the properties for sale of the Group amount to $40,573,000 and constitute approximately 34% of the Group's total assets and are thus considered significant. The Group's properties in the United States of America include Black Oak in Houston, Texas and Alset Villa in Montgomery County, Texas.

Properties for sale are measured at the lower of cost and net realisable value.

INDEPENDENT AUDITOR'S REPORT

To the members of Alset International Limited

Key Audit Matters (Cont'd)

Net realisable value of properties for sale (Cont'd)

Risk:

Net realisable value of properties for sale 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 determination of the net realisable value of these properties requires management to make various assumptions and estimates in deriving the estimated market values and selling costs.

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.

Our response:

The management of the Group has engaged an external appraiser to assist management in the determination of the market values of the properties for sale as at 31 December 2022.

We have evaluated the objectivity and competency of the external appraiser and read the terms of engagement to determine whether there was any limitation in the scope of work or matters that might affect the objectivity of the external appraiser.

We reviewed the reasonableness of the inputs used by the external appraiser in assessing the estimated market values of unsold properties. The inputs used included recently transacted selling prices of these properties, prices of comparable properties which have been adjusted to that reflective of the Group's properties and management's expectations based on the market and project-specific factors.

Where necessary, we also evaluated the qualitative and quantitative analyses of fair value of the properties by assessing the reasonableness of methods and assumptions used by management and the external appraiser and testing the underlying data used in such analysis.

Additionally, our procedures performed over the land held for future development and developed properties also included the consideration of relevant external market data.

We also involved our auditor's expert and evaluated 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 appraiser for the properties for sale. We discussed with the external appraiser on the results of their work, and compared the key assumptions used in the valuation by reference to selling prices of comparable properties and other available benchmarks and considered whether these assumptions are consistent with the current market environment.

Disclosures about the Group's properties for sale are made in Note 11 to the consolidated financial statements.

INDEPENDENT **AUDITOR'S REPORT**

To the members of Alset International Limited

Key Audit Matters (Cont'd)

Classification, presentation and disclosure of disposal group of assets and liabilities as held-for-sale and valuation of investment properties included under assets of disposal group classified as held-for-sale.

Risk:

As disclosed in Note 15 to the consolidated financial statements, on 9 December 2022, Alset Ehome Inc., an indirect subsidiary of the Company, entered into a stock purchase agreement with its related parties namely the Company and Alset Inc., pursuant to which Alset Inc. agreed to purchase all the outstanding shares of American Home REIT Inc., a wholly owned subsidiary of Alset Ehome Inc. American Home REIT Inc. is the owner of 112 rental homes. The Company is a majority owned indirect subsidiary of Alset Inc.

We identified the classification, presentation and disclosure of the assets and liabilities owned by American Home REIT Inc. as assets and liabilities of a disposal group held-for-sale, as well as the valuation of the investment properties under assets of disposal group as held-for-sale as a key audit matter.

Investment properties are stated at their fair values based on independent external valuations.

The valuation process involves significant judgement and estimation in determining the appropriate valuation methodology to be used, and in evaluating the underlying assumptions to be applied. These key assumptions used include rental rates charged, vacancy rates, capitalisation rates and operating expense ratio.

Our response:

We assessed the Group's processes for the determination of the scope of work of the valuers, and the review and acceptance of the valuations reported by the external valuers.

We read the terms of engagement of the external valuers to consider the objectivity and independence of the external valuers, and also considered the qualification and competency of the external valuers engaged.

Our audit procedures included, among other things, evaluating management's qualitative analyses for reasonableness and considering relevant market data.

We involved our auditor's expert to assist us in assessing the reasonableness of the underlying methods and assumptions used in performing the fair value estimates for the investment properties, and also evaluated 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 respective investment properties, taking into account the profile and type of these properties. We discussed with management and the external valuers on the results of the valuation. We also compared the key assumptions used in their valuations by reference to comparable sales data or other relevant market data deriving the cash flow assumptions of investment properties used in the fair value analyses and considered whether these assumptions are consistent with the current market environment.

We also considered the adequacy of the disclosure in the financial statements, regarding the inherent degree of subjectivity and key assumptions applied in the estimates. This includes the relationships between key unobservable inputs and fair values.

To test management's assertions with respect to the classification of disposal group as held-for-sale, we read the stock purchase agreement to gain an understanding of the transaction details.

In evaluating the classification of American Home REIT Inc.'s assets and liabilities as held-for-sale, we have performed the following procedures:

(1) Discussed the sale of the component with management and assessed that the assets and liabilities of American Home REIT Inc. were properly classified as disposal group held-for-sale;

(2) Obtained the stock purchase agreement and the closing documents noting that American Home REIT Inc. was sold in January 2023, subsequent to the year end; and

(3) Discussed with management on the strategic business purpose and noting that the sale of American Home REIT Inc. represents a significant strategic shift in the Group's business practices.

Disclosures about the valuation of investment properties and the classification, presentation and disclosure of disposal group classified as held-for-sale are made in Note 5 and Note 15 respectively.

INDEPENDENT **AUDITOR'S REPORT**

To the members of Alset International Limited

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.

INDEPENDENT AUDITOR'S REPORT

To the members of Alset International Limited

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

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, actions taken to eliminate threats or safeguards applied.

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.

INDEPENDENT **AUDITOR'S REPORT**

To the members of Alset International Limited

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,
Dated: 14 April 2023

STATEMENTS OF **FINANCIAL POSITION**

as at 31 December 2022

		The Group		The Company	
	Note	**31 December 2022 $'000**	31 December 2021 $'000	**31 December 2022 $'000**	31 December 2021 $'000
ASSETS					
Non-Current Assets					
Property, plant and equipment	4	**1,294**	707	**188**	22
Investment properties	5	**–**	37,900	**–**	–
Right-of-use assets	6	**1,466**	914	**788**	317
Other investments	7	**236**	318	**–**	–
Investment in subsidiaries	8	**–**	–	**200**	210
Investment in associates	9	**2,206**	*	**2,886**	–
		5,202	39,839	**4,062**	549
Current Assets					
Trade and other receivables	10	**7,612**	5,785	**80,332**	75,898
Prepaid operating expenses		**145**	744	**93**	173
Properties for sale	11	**40,573**	26,544	**–**	–
Investment securities	12(a)	**13,546**	24,221	**11,833**	12,431
Investment in convertible promissory notes	12(b)	**–**	11,704	**–**	11,430
Other investments	7	**1,848**	–	**–**	–
Derivative asset	13	**439**	1,363	**–**	–
Bank deposits pledged	14	**415**	5,988	**–**	–
Cash and cash equivalents	14	**13,264**	49,123	**9,024**	40,333
Inventory		**46**	64	**–**	–
		77,888	125,536	**101,282**	140,265
Assets of disposal group classified as held-for-sale	15	**36,719**	–	**–**	–
		114,607	125,536	**101,282**	140,265
Total Assets		**119,809**	165,375	**105,344**	140,814
EQUITY					
Share capital	16	**213,470**	213,470	**213,470**	213,470
Capital reserve	16(a)	**5,222**	2,035	**898**	(1,123)
Merger reserve	16(b)	**1,480**	1,480	**–**	–
Employee share option reserve	16(c)	**173**	173	**173**	173
Fair value reserve	16(d)	**(82)**	–	**–**	–
Foreign currency translation reserve	16(e)	**703**	(197)	**–**	–
Reserve of disposal group classified as held for sale	16(f)	**(194)**	–	**–**	–
Accumulated losses		**(131,028)**	(84,240)	**(133,323)**	(97,395)
Equity attributable to owners of the Company		**89,744**	132,721	**81,218**	115,125
Non-controlling interests		**(687)**	(674)	**–**	–
Total Equity		**89,057**	132,047	**81,218**	115,125
LIABILITIES					
Non-Current Liabilities					
Loans and borrowings	17	**–**	92	**–**	–
Lease liabilities	18	**457**	99	**321**	99
		457	191	**321**	99
Current Liabilities					
Trade and other payables	19	**26,263**	32,193	**21,811**	25,474
Income tax payable		**–**	–	**–**	–
Derivative liabilities	13	**1,714**	–	**1,714**	–
Loans and borrowings	17	**–**	220	**–**	–
Lease liabilities	18	**825**	724	**280**	116
		28,802	33,137	**23,805**	25,590
Liabilities of disposal group classified as held-for-sale	15	**1,493**	–	**–**	–
		30,295	33,137	**23,805**	25,590
Total Liabilities		**30,752**	33,328	**24,126**	25,689
Total Equity and Liabilities		**119,809**	165,375	**105,344**	140,814

*Less than $1,000

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 2022

	Note	Year ended 31 December 2022 $'000	Year ended 31 December 2021 $'000
Continuing operations			
Revenue	3	**2,996**	25,742
Cost of sales		**(1,992)**	(17,482)
Gross profit		**1,004**	8,260
Other operating income	20	**4,476**	5,790
Administrative expenses		**(7,924)**	(10,544)
Other operating expenses	21	**(37,623)**	(58,074)
Results from operating activities		**(40,067)**	(54,568)
Finance income	22	**467**	199
Finance costs	23	**(11)**	(80)
Net finance income		**456**	119
Share of associate's results (net of tax)	9	**(674)**	–
Loss before taxation	24	**(40,285)**	(54,449)
Income tax	27	**(389)**	(554)
Loss from continuing operations, net of tax		**(40,674)**	(55,003)
Discontinued operations			
(Loss)/Profit from discontinued operations	15	**(5,733)**	6,062
Loss for the year		**(46,407)**	(48,941)
Other comprehensive (loss)/income			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences		**489**	(203)
Items that will not be reclassified subsequently to profit or loss:			
Fair value loss of equity instrument at FVOCI		**(82)**	–
Other comprehensive income/(loss)for the year, net of nil tax		**407**	(203)
Total comprehensive loss for the year		**(46,000)**	(49,144)
Loss for the year attributable to:			
- Owners of the Company			
Loss from continuing operations		**(40,668)**	(55,303)
(Loss)/profit from discontinued operations		**(5,733)**	6,062
Loss for the year attributable to owners of the Company		**(46,401)**	(49,241)
- Non-controlling interests			
Loss from continuing operations		**(6)**	300
Loss for the year attributable to non-controlling interests		**(6)**	300
		(46,407)	(48,941)
Total comprehensive loss attributable to:			
- Owners of the Company		**(45,985)**	(49,494)
- Non-controlling interests		**(15)**	350
Total comprehensive loss for the year		**(46,000)**	(49,144)
Loss per share attributable to owners of the Company (cents per share)			
- Basic	28	**(1.33)**	(1.85)
- Diluted	28	**(1.33)**	(1.85)
Loss per share attributable to owners of the Company - Continuing operations (cents per share)			
- Basic	28	**(1.16)**	(2.07)
- Diluted	28	**(1.16)**	(2.07)

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 2022

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	Reserve of disposal group classified as held-for-sale $'000	Accumulated losses $'000	Equity attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
	← Attributable to owners of the Company								→		
At 1 January 2022	**213,470**	**2,035**	**1,480**	**173**	**–**	**(197)**	**–**	**(84,240)**	**132,721**	**(674)**	**132,047**
Total comprehensive income for the year											
Loss for the year	–	–	–	–	–	–	–	(46,401)	(46,401)	(6)	(46,407)
Other comprehensive income:											
Items that may be reclassified subsequently to profit or loss											
Foreign currency translation differences, net of nil tax	–	–	–	–	–	498	–	–	498	(9)	489
Items that will not be reclassified subsequently to profit or loss							–				
Fair value loss of equity instrument at FVOCI	–	–	–	–	(82)	–		–	(82)	–	(82)
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**(82)**	**498**	**–**	**(46,401)**	**(45,985)**	**(15)**	**(46,000)**
Transactions with owners, recognised directly in equity											
Disposal of a subsidiary (Note 8e)	–	3,187	–	–	–	208	–	–	3,395	2	3,397
Acquisition of a subsidiary under common control (Note 8f)	–	–	–	–	–	–	–	(387)	(387)	–	(387)
Disposal group classified as held for sale (Note 15e)	–	–	–	–	–	194	(194)	–	–	–	–
Total transactions with owners	**–**	**3,187**	**–**	**–**	**–**	**402**	**(194)**	**(387)**	**3,008**	**2**	**3,010**
At 31 December 2022	**213,470**	**5,222**	**1,480**	**173**	**(82)**	**703**	**(194)**	**(131,028)**	**89,744**	**(687)**	**89,057**

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 2022

The Group	Share capital $'000	Capital reserve $'000	Merger reserve $'000	Employee share option 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 owners of the Company →								
At 1 January 2021	**131,985**	**1,613**	**1,480**	**215**	**56**	**(34,999)**	**100,350**	**2,417**	**102,767**
Total comprehensive income for the year									
Loss for the year	–	–	–	–	–	(49,241)	(49,241)	300	(48,941)
Other comprehensive income:									
Items that may be reclassified subsequently to profit or loss									
Foreign currency translation differences, net of nil tax	–	–	–	–	(253)	–	(253)	50	(203)
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**(253)**	**(49,241)**	**(49,494)**	**350**	**(49,144)**
Transactions with owners, recognised directly in equity									
Issuance of new ordinary shares pursuant to exercise of 2016 warrants (Note 16)	6,175	–	–	–	–	–	6,175	–	6,175
Issuance of new ordinary shares pursuant to exercise of 2017 warrants (Note 16)	75,213	–	–	–	–	–	75,213	–	75,213
Recognition of share-based payments	–	–	–	49	–	–	49	–	49
Exercise of share award (Note 16)	97	(6)	–	(91)	–	–	–	–	–
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	(3,441)	(3,441)
Total contribution by and distribution to owners	**81,485**	**(6)**	**–**	**(42)**	**–**	**–**	**81,437**	**(3,441)**	**77,996**
Changes in ownership in interest in a subsidiary									
Disposal of a subsidiary without change in control (Note 8d)	–	428	–	–	–	–	428	–	428
Total change in ownership interests in subsidiaries	–	428	–	–	–	–	428	–	428
Total transactions with owners	**81,485**	**422**	**–**	**(42)**	**–**	**–**	**81,865**	**(3,441)**	**78,424**
At 31 December 2021	**213,470**	**2,035**	**1,480**	**173**	**(197)**	**(84,240)**	**132,721**	**(674)**	**132,047**

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 2022

	Note	**Year ended 31 December 2022 $'000**	Year ended 31 December 2021 $'000
Cash Flows from Operating Activities			
Loss before taxation		**(46,018)**	(48,387)
Adjustments for:			
Depreciation of property, plant and equipment	4	**149**	51
Depreciation of right-of-use assets	6	**656**	462
Fair value loss/(gain) on derivative asset	13, 20, 21	**924**	(223)
Fair value loss on derivative liabilities	13, 21	**1,714**	–
Equity-settled share-based payment transactions		**–**	49
Withholding tax expenses	21	**1,061**	650
Net fair value losses on equity securities at FVTPL	12(a), 20, 21	**32,314**	53,128
Unrealised exchange loss/(gain)	20, 21	**1,138**	(877)
Finance income	22	**(467)**	(199)
Interest expense from loans and borrowings	23	**3**	14
Interest expense on lease liabilities	23	**8**	8
Amortisation of transaction costs	23	**–**	58
Bad debt written off	21	**–**	516
Share of results of associates	9	**674**	–
Reversal of impairment loss on properties for sale	11, 20	**(3,276)**	(3,741)
Impairment on investment properties	15	**3,807**	–
Impairment on amount due from related parties	10	**1,353**	–
Fair value loss/(gain) on investment properties	5, 15	**1,394**	(4,381)
Fair value gain in convertible promissory note	12(b), 20	**(242)**	–
Fair value gain in other investment	7, 20	**(720)**	–
Loan forgiveness	20	**(92)**	–
Operating results before working capital changes		**(5,620)**	(2,872)
Change in trade and other receivables		**(3,449)**	921
Change in prepaid operating expenses		**599**	(650)
Change in inventory		**18**	55
Change in properties for sales		**(11,352)**	7,117
Change in trade and other payables and contract liabilities		**(1,647)**	(6,251)
Cash used in operations		**(21,451)**	(1,680)
Income tax paid		**(389)**	(554)
Net cash used in operating activities		**(21,840)**	(2,234)
Cash Flows from Investing Activities			
Purchase of property, plant and equipment	4	**(745)**	(641)
Proceeds from disposal of property, plant and equipment		**–**	3
Purchase of other investment	7	**(544)**	(115)
Purchase of investment properties	5	**(2,604)**	(33,519)
Addition of right-of-use assets		**–**	(105)
Interest received		**15**	–
Purchases of equity securities	12a	**(74,653)**	(54,128)
Proceeds from disposal of equity securities	12a	**63,358**	36,742
Balance receivables from related parties		**–**	(4,067)
Investment in convertible promissory notes		**–**	(11,542)
Investment in associate	9	**(2,886)**	–
Proceeds from partial disposal of subsidiaries	8d	**–**	428
Net cash inflow on disposal of subsidiary	8e	**1,743**	–
Net cash used in investing activities		**(16,316)**	(66,944)
Cash Flows from Financing Activities			
Proceeds from loans and borrowings (Note A)		**–**	92
Proceeds from issuance of ordinary shares	16	**–**	81,388
(Repayment to) / Advances from ultimate holding company (Note A)		**(880)**	17,542
Repayment to directors (Note A)		**(19)**	–
Principal element of lease payment (Note A)		**(749)**	(452)
Repayment of lease interest (Note A)		**(8)**	(8)
Repayment of loans and borrowings (Note A)		**(223)**	(899)
Dividends paid to non-controlling interests		**–**	(3,441)
Decrease in bank deposits pledged		**5,573**	1,636
Interest paid (Note A)		**–**	(14)
Net cash generated from financing activities		**3,694**	95,844
Net (decrease)/increase in cash and cash equivalents		**(34,462)**	26,666
Effect of exchange rate changes on cash and cash equivalents		**195**	92
Cash and cash equivalents at beginning of year		**49,123**	22,365
Cash and cash equivalents at end of year	14	**14,856**	49,123

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 2022

Reconciliation of liabilities arising from financing activities, excluding equity items

Note A:

	Note	At 1 January 2022 $'000	Cash Flow: Changes In bank pledges $'000	Cash Flow: Repayment of loans $'000	Cash Flow: Proceeds from loans and advances $'000	Cash Flow: Interest paid $'000	Cash Flow: Principal element of lease payments $'000	Non-Cash Changes: New leases $'000	Non-Cash Changes: Interest expense $'000	Non-Cash Changes: Loan forgiveness $'000	Non-Cash Changes: Acquisition of a subsidiary $'000	Non-Cash Changes: Foreign exchange movement $'000	At 31 December 2022 $'000
Bank deposit pledged	**14**	**(5,988)**	**5,573**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(415)**
Loans and borrowings	**17**	**312**	**–**	**(223)**	**–**	**–**	**–**	**–**	**3**	**(92)**	**–**	**–**	**–**
Lease liabilities	**18**	**823**	**–**	**–**	**–**	**(8)**	**(749)**	**1,208**	**8**	**–**	**–**	**–**	**1,282**
Amount due to directors	**19**	**19**	**–**	**(19)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Amount due to ultimate holding company	**19**	**17,542**	**–**	**(880)**	**–**	**–**	**–**	**–**	**–**	**–**	**286**	**–**	**16,948**

	Note	At 1 January 2021 $'000	Cash Flow: Changes In bank pledges $'000	Cash Flow: Repayment of loans $'000	Cash Flow: Proceeds from loans and advances $'000	Cash Flow: Interest paid $'000	Cash Flow: Principal element of lease payments $'000	Non-Cash Changes: New leases $'000	Non-Cash Changes: Interest expense $'000	Non-Cash Changes: Amortisation of transaction costs $'000	Non-Cash Changes: Foreign exchange movement $'000	At 31 December 2021 $'000
Bank deposit pledged	14	(7,624)	1,636	–	–	–	–	–	–	–	–	(5,988)
Loans and borrowings	17	1,069	–	(899)	92	(14)	–	–	14	58	(8)	312
Lease liabilities	18	257	–	–	–	(8)	(452)	1,018	8	–	–	823
Amount due to directors	19	19	–	–	–	–	–	–	–	–	–	19
Amount due to related party	19	–	–	–	17,542	–	–	–	–	–	–	17,542

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

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

1 General Information

The financial statements of the Company and of the Group for the year ended 31 December 2022 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 Alset Business Development Pte. Ltd. which is incorporated in Singapore. The ultimate holding company is Alset Inc. which is incorporated in United States of America.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are disclosed in Note 8.

2(a) Basis of preparation

The financial statements are drawn up in accordance with the provisions of the Act and SFRS(I) including related interpretations promulgated by the Accounting Standards Council, and have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

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.

During the financial year ended 31 December 2022, the Group incurred net loss of $46,407,000 and net cash outflows from operating activities of $21,840,000. However, the Group is still in a positive net assets and net current working capital position as at 31 December 2022. The financial statements have been prepared on a going concern basis as the board of directors are of the view that the Group is able to pay its obligation and meet its liabilities as and when they fall due in the next twelve months after the date of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

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

On 1 January 2022, 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.

Reference	Description	Effective date (Annual periods beginning on or after)
Amendments to SFRS(I) 16	*COVID-19-Related Rent Concessions beyond 30 June 2021*	1 April 2021
Amendments to SFRS(I) 1-37	*Onerous Contracts – Cost of Fulfilling a Contract*	1 January 2022
Amendments to SFRS(I) 1-16	*Property, Plant and Equipment – Proceeds before Intended Use*	1 January 2022
Amendments to SFRS(I) 3	*Reference to the Conceptual Framework*	1 January 2022
Annual Improvements to SFRS(I)s 2018-2020:		
Amendment to SFRS(I) 1	*Subsidiary as a First-time Adopter*	1 January 2022
Amendment to SFRS(I) 9	*Fees in the '10 per cent' Test for Derecognition of Financial Liabilities*	1 January 2022
Amendment to SFRS(I) 16	*Lease Incentives*	1 January 2022
Amendment to SFRS(I) 1-41	*Taxation in Fair Value Measurements*	1 January 2022

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

At the date of authorisation of these financial statements, the Group and the Company have not adopted the new and revised SFRS(I), SFRS(I) INT and amendments to SFRS(I) that have been issued but are not yet effective to them. Management anticipates that the adoption of these new and revised SFRS(I) pronouncements in future periods will not have a material impact on the Group's and the Company's accounting policies in the period of their initial application.

Reference	Description	Effective date (Annual periods beginning on or after)
Amendments to SFRS(I) 1-1	*Classification of Liabilities as Current or Non-current*	1 January 2024
SFRS(I) 17	*Insurance Contracts*	1 January 2023
Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2	*Disclosure of Accounting Policies*	1 January 2023
Amendments to SFRS(I) 1-8	*Definition of Accounting Estimates*	1 January 2023
Amendments to SFRS(I) 1-12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*	1 January 2023
Amendments to SFRS(I) 17	*Initial Application of SFRS(I) 17 and SFRS(I) 9- Comparative Information*	1 January 2023
Amendments to SFRS(I) 1-1	*Non-current Liabilities with Covenants*	1 January 2024
Amendments to SFRS(I) 16	*Lease liabilities in a Sale and Leaseback*	1 January 2024
Amendments to SFRS(I) 10 and SFRS(I) 1-28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Yet to be determined

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2(d) Critical accounting judgements and key sources of estimation uncertainty

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.

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

The areas involving significant judgement and critical accounting estimates and assumptions used are described below:

Significant judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that have been made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

(a) Determination of whether the investment in DSS Inc. ("DSS") constitutes an investment in subsidiary under SFRS(I) 10 Consolidated Financial Statements or investment in associate under SFRS(I) 1-28 Investments in Associates and Joint Ventures or an investment of a financial asset under SFRS(I) 9 Financial Instruments

The Group accounts for an acquisition as a subsidiary when it has the power over the investee and has exposure, or rights, to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect the amount of the investor's returns. The Group accounts for an acquisition as an investment in associate where the Group exercises significant influence over the investee. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over these policies. The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries.

On the other hand, financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the instruments.

During the financial year ended 31 December 2022, the shareholders of DSS approved the issuance of 21,366,177 of DSS's common stocks to the Company to purchase the convertible promissory note issued by American Medical REIT Inc. ("AMRE"), a subsidiary of DSS with a principal amount of US$8,350,000 and accrued but unpaid interest. The Group holds 27,598,848 of DSS common stock as at 31 December 2022. As at 31 December 2022, the Group's 19.85% equity interest in the investee, DSS, did not meet the default presumption of 20% for significant influence. In addition, the Group did not have the right to participate in the significant financial and operating decisions of the investee. Therefore, management has concluded that the Group does not have significant influence over the investee and has accounted for the transaction as an investment in a financial asset consistent with prior periods.

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

2(d) Critical accounting judgements and key sources of estimation uncertainty (Cont'd)

Significant judgements in applying accounting policies (Cont'd)

(b) Determination of the appropriateness of classification of the investment in Value Exchange International, Inc ("VEI")

On 5 April 2021, GigWorld Inc. ("GigWorld") a subsidiary of the Company, entered into a securities purchase agreement with Value Exchange International, Inc ("VEI") in relation to the subscription of 6,500,000 shares of VEI's common stock, representing approximately 18.0% of the total issued and paid-up common stock of VEI on an enlarged basis for an aggregate subscription price of US$650,000.

Subsequently in 2022, GigWorld entered into a supplement agreement with VEI to remove its right to nominate and appoint a director on the Board of VEI. It was further agreed that GigWorld will waive off its right to appoint any director onto the Board of VEI.

The Group had applied its judgement in determining the classification of its investment in VEI. In performing this evaluation, management had considered that its right to appoint a director onto the Board of VEI is transitory. The Group did not have the right to participate in the significant financial and operating decisions of the investee. Therefore, management had concluded that the Group did not have significant influence over the investee and had accounted for the transaction as an acquisition of a financial asset.

During the financial year ended 31 December 2022, VEI was disposed of collectively when GigWorld was disposed to Alset Inc.

(c) 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 to assess its performance, and for which discrete financial information is available.

(d) Evaluation of whether the disposal of GigWorld to Alset Inc constitutes a transaction with owners

On 30 August 2022, the Company entered into a stock purchase agreement with Alset Inc., the ultimate holding company, in relation to, inter alia, the disposal of 505,341,376 equity shares in GigWorld, representing approximately 99.69% of the total share and paid-up capital of GigWorld, to Alset Inc for a consideration of US$1,500,000. Alset Inc and its subsidiaries collectively owns 2,983,918,265 ordinary shares in the share capital of the Company, representing approximately 85.45% of the total issued and paid-up capital of the Company. As such, the disposal of GigWorld and its subsidiaries was accounted for as transaction with owners since GigWorld was disposed to its ultimate holding company and GigWorld continues to be a subsidiary to Alset Inc before and after the transaction.

In view of the above, management had assessed that the disposal is a transaction with shareholders and the gain on disposal should be recognised directly in equity.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2(d) Critical accounting judgements and key sources of estimation uncertainty (Cont'd)

Significant judgements in applying accounting policies (Cont'd)

(e) Classification of properties for sale (Note 11)

The Group acquired a property located in Montgomery County, Texas during the financial year ended 2021. The management intended to develop this property as Villa for sale based on the Group's business plan. The land development business involves converting undeveloped land into buildable lots. The Group's strategy is to acquire the land for development and will be responsible for the infrastructure development, ensuring the completion of the project and delivery of buildable lots to its customers or home builders. Similarly, the existing properties located in Houston, Texas are intended to be constructed as buildable lots for sale based on the existing Group's business plan. Accordingly, these properties are treated as properties for sale.

(f) Classification, presentation and disclosure of disposal group as held-for-sale (Note 15)

The Group has acquired 3 single-family rental units in Harris County, Texas in March 2022, bringing the total number of units up from 109 units as at 31 December 2021 to 112 units as at 31 December 2022. The Group intended to hold the properties for long term rental yields and classified them as investment properties. These 112 single-family units are owned by American Home REIT Inc. ("AHR"), a subsidiary of the Company.

On 9 December 2022, Alset Ehome Inc., a subsidiary of the Company, entered into an agreement with Alset Inc. to sell AHR and its subsidiaries to Alset Inc. for a consideration of US$26,250,000. Significant judgement is applied by management in the classification of the assets and liabilities owned by AHR as assets and liabilities held for sale, as well as the classification of the operating activities of AHR as discontinued operations. In evaluating the classification of AHR as disposal group held for sale, management has considered that the disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary to such sales. The sale is highly probable and management is committed to sell the disposal group. The disposal of AHR was subsequently completed in January 2023 and the sale of AHR represented a significant strategic shift in the Group's business practices.

(g) Control over Alset Capital Acquisition Corp ("ACAC")

The Group determines whether its associate i.e. Alset Acquisition Sponsor, LLC ("Sponsor") has control or not over ACAC based on whether the Sponsor has the practical ability to direct the relevant activities significantly affecting ACAC's returns. Although the Sponsor owns only 23.4% of the voting rights of ACAC, the Sponsor is exposed to and 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 through the control of the composition of the board of directors by virtue of the By-Laws of the investee. Consequently, the Sponsor consolidated the investment in ACAC as a subsidiary while the Group equity accounts for its share of results of the Sponsor and its subsidiary as a result of the Group's significant influence over the Sponsor.

Key sources of estimation uncertainty

(a) Fair value of investment properties

The Group's investment properties are stated at estimated fair values based on the valuation performed by independent professional valuers using the income capitalisation method. The estimated fair values may differ from the price of which the Group's assets could be sold at a particular time since actual selling prices are negotiated between willing buyers and sellers. A 5% adjustment to the fair value of investment properties from management's estimates would result in approximately $1,944,000 (2021: $1,895,000) variance to the Group's result for the year. The fair values of the Group's investment properties are disclosed in Note 5.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2(d) Critical accounting judgements and key sources of estimation uncertainty (Cont'd)

Key sources of estimation uncertainty (Cont'd)

(b) Fair value of investment in convertible promissory notes

The management, together with the assistance of an independent and qualified external appraiser engaged by the Group, determined the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of the convertible promissory notes, the Group applied market-observable data to the extent it was available. The management worked closely with the qualified external appraiser to establish the appropriate valuation techniques and inputs to the model. As at 31 December 2021, a reasonably possible change of 1% in the key assumption used i.e. discount for the lack of marketability to the fair value of the convertible promissory notes from management's estimates would not result in a significant impact to the Group's results. The promissory notes was fully converted into equity securities of the issuer and/or disposed to DSS in exchange for equity stocks.

(c) Fair value of unquoted investments

The management, together with the assistance of an independent and qualified external appraiser engaged by the Group, determined the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of the unquoted investments, the Group applied market-observable data to the extent it was available. The management worked closely with the qualified external appraiser to establish the appropriate valuation techniques and inputs to the model. As at 31 December 2022, a reasonably change in key assumption used ie. Discount for lack of marketability to the fair value of the unquoted investment at fair value through profit or loss from management's estimates would not result in a significant impact to the Group's result.

(d) Fair value of derivative financial instrument

As at 31 December 2022, Biohealth Water Inc. ("Biohealth Water"), a wholly-owned subsidiary of the Group, holds 354,039,000 (2021 – 354,039,000) common shares and 988,390,000 (2021 - 988,390,000) exercisable warrants in American Premium Water Corporation ("APW") which is incorporated in Nevada, the United States of America.

The Group has engaged an independent professional valuer who has adopted the Binomial Option Pricing Model in estimating the fair value of the warrants. Significant judgement is required in determining the appropriateness of the assumptions used in the fair valuation of the warrants. A reasonably possible change of 2% in the key assumption used i.e. discount for the lack of marketability to the fair value of the derivative from management's estimates would not result in a material impact to the Group's result for the current and prior financial years.

Information about the valuation techniques and inputs used in determining the fair value of the derivative financial instrument is disclosed in Note 34.

(e) Carrying amount of properties for sale (Note 11)

Significant judgement and estimation is required in assessing the recoverability of the carrying value of properties for sale. The determination of the net realisable value of these properties required management to make various assumptions and estimates in deriving the estimated market values and selling costs.

As at 31 December 2022 and 2021, a reasonably possible change in the estimated market price of the properties will not result in a significant impact to the Group's results.

(f) Impairment of financial assets (Note 10)

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 10 to the financial statements.

The Company held non-trade receivables from its subsidiaries that are repayable on demand of $123,426,000 (2021: $114,065,000) as at the reporting date. These balances are amounts extended to the subsidiaries to satisfy their 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 $10,115,000 (2021 - $3,816,000) was provided during the financial year ended 31 December 2022.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2(e) Summary of significant accounting policies

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

Consolidation

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

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

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

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.

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

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

Consolidation (Cont'd)

Non-controlling interests

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

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

Changes in ownership interests in subsidiaries without change of control

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

Changes in ownership interests in subsidiaries with change of control

When the Group loses control of a subsidiary, it:

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

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

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

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

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

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

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

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

Consolidation (Cont'd)

Business combination

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair 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.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional 'concentration test' is met, and the acquired set of activities and assets is not a business, if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

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

Goodwill

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

Bargain purchase

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

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

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.

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

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

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

A single uniform set of accounting policies is adopted by the combined entity. Therefore, the combined entity recognised the assets, liabilities and equity of the combining entities of businesses at the carrying amounts in the consolidated financial statements of the controlling party or parties prior to the common control combination. The carrying amounts are included as if such consolidated financial statements had been prepared by the controlling party, including adjustments required for conforming to the combined entity's accounting policies and applying those policies to all periods 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.

Leases

<u>The Group as lessee</u>

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.

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

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

Leases (Cont'd)

The Group as lessee (Cont'd)

(i) Lease liability (Cont'd)

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 case 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.

(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 *Provision, Contingent Liabilities and Contingent Assets*. 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 premises: over lease term of 1 - 2 years

Use of motor vehicle: over lease term of 2 - 7 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 *Impairment of Assets* to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2022

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

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:

Office premises	1 - 3 years
Motor vehicles	10 years
Furniture and fittings	3 - 5 years
Renovation	3 years
Office and computer equipment	3 - 5 years

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

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

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

Land held for future development

Land held for future development and cost attributable to the development activities which are held for future development where no significant development has been undertaken is stated at cost less any impairment loss.

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.

<u>Transfers</u>

For transfer from properties for sale to investment property that will be carried at fair value, any difference between the fair value of the property at that date of change and its previous carrying amount shall be recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

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

Investment properties

Investment properties are held for long-term rental yields and are not occupied by the Group.

Investment properties are treated as non-current assets and are initially recognised at cost and subsequently carried at fair value, representing open market value on the highest and best use basis determined on annual basis by independent professional valuers. Gross changes in fair values and the related tax impact are recognised in profit or loss.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised as additions and the carrying amounts of the replaced components are written off to profit or loss. The cost of maintenance, repairs and minor improvement is charged to profit or loss when incurred.

Investment properties are de-recognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. On disposal or retirement of an investment property, the difference between any disposal proceeds and the carrying amount is recognised in profit or loss.

Transfers

Transfers to, or from, investment properties are made when there is a change in use, evidenced by:

– commencement of owner occupation, for a transfer from investment properties to property, plant and equipment;

– commencement of development with a view to sell, for a transfer of investment properties to development properties for sale; or

– end of owner occupation, for a transfer from property, plant and equipment to investment properties.

For transfer from investment property to owner occupied property or development properties for sale, the property's deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner occupied property to investment property, the property is measured at revalued amount and accounted for in accordance with the accounting policy for Property, Plant and Equipment up to the date of change in use.

Convertible promissory note

Convertible promissory note is a compound financial instruments that can be converted to ordinary shares at the option of the holder on or before maturity. On conversion, the convertible promissory note is reclassified as investment securities and measured at fair value through profit or loss.

The Group recognised convertible promissory note including the conversion feature as a financial asset that are mandatorily measured at fair value through profit or loss. On initial recognition, the Group recognised the convertible promissory note at fair value and recognised the accrued interest income in profit or loss. This financial asset is subsequently measured at fair value. Net gain or losses, including any interest income are recognised in profit or loss.

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.

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

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

Financial instruments

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

(a) Financial assets

Initial recognition and measurement

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

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

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

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 require 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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

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

Financial instruments (Cont'd)

(a) Financial assets (Cont'd)

Subsequent measurement (Cont'd)

Financial assets at amortised cost (debt instruments)

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.

Fair value through other comprehensive income ("FVOCI") (debt instruments)

Financial assets that are held for collection of contractual 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. The Group does not hold any such financial asset.

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

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. The Group subsequently measures its qualifying equity instrument designated at FVOCI at fair value. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is 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.

Changes in fair value of these financial assets designated at FVOCI (equity instruments) recognised in OCI are never recycled to profit or loss. The Group has elected to classify irrevocably certain of its unquoted equity investments under this category.

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

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

Financial instruments (Cont'd)

(a) Financial assets (Cont'd)

Subsequent measurement (Cont'd)

Financial assets at fair value through profit and loss ("FVTPL")

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 SPPI 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 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 statements of financial position at fair value with net changes in fair value recognised in profit or loss. This category includes quoted equity securities which the Group had not irrevocably elected to classify at FVOCI. It also includes derivative financial asset that has not been designated as effective hedging instrument. Investment in unquoted equity securities and convertible promissory notes held by the Group are also classified as financial asset at fair value through profit and loss. Dividends on 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.

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.

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

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

Financial instruments (Cont'd)

(a) Financial assets (Cont'd)

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.

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 ECLs). 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 ECLs).

For trade receivables, the Group measures the loss allowance at an amount equal to the lifetime ECL. 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.

Allowance for ECL of other receivables 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 ECL calculation, based on the Group's past collection history, existing market conditions, current credit standing of debtor or significant financial difficulties of the debtor as well as forward looking estimates at each reporting date. Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions

The Group considers a financial asset to be 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.

Credit-impaired financial assets

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.

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

2(e) 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.

Derivative financial instruments

In the course of business, the Group may acquire minority equity interests in companies with potential business growth as part of its investment business strategy. The Group may also negotiate to have the option or right to purchase or sell the underlying shares of the investee at a certain price before the warrant expires. The Group may also enter into contracts to purchase equity securities under certain conditions and predetermined prices. Derivative financial instruments are recognised initially at fair value and attributable transaction costs are recognised in the profit or loss as incurred. Subsequent to initial recognition, derivative financial instruments are measured at fair value, and changes therein are recognised in the 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 (excluding deposits received, withholding tax payable and contract liabilities), 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 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 except for derivative liabilities.

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.

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

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

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.

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, bank deposits pledged are excluded from cash and cash equivalents.

Disposal groups held for sale

Disposal groups are classified as assets held for sale and carried at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sales transaction rather than through continuing use. The assets are not depreciated or amortised while they are classified as held for sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss. Any cumulative income or expense recognised directly in equity relating to the disposal group classified as held for sale is presented separately as other reserve in the consolidated statement of changes in equity.

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

Financial guarantees 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

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

Income taxes

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

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

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

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

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

– In respect of temporary differences associated with investments in subsidiaries, associates and joint arrangements 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 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

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

Employee benefits (Cont'd)

Employee Share Option Scheme and Performance Share Plan

The Company has an employee share option scheme and performance share plan for the granting of options and awards to eligible employees and directors. The Group may issue equity-settled share-based payments to certain employees. The fair value of the employee services received in exchange for the grant of options or awards is recognised as an expense in the profit or loss with a corresponding increase in the employee share option reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the options or awards granted on the date of the grant. Non-market vesting conditions are included in the estimation of the number of shares under options or awards that are expected to become exercisable on the vesting date.

At the end of each reporting period, the Group will revise its estimates of the number of shares under options or awards that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in the profit or loss, with a corresponding adjustment to the employee share option reserve over the remaining vesting period.

When the options or awards are exercised, the proceeds received (net of transaction costs) and the related balance previously recognised in the employee share option reserve are credited to share capital account, when new ordinary shares are issued or to the treasury shares account, when treasury shares are re-issued to the employees.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

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

Government grants

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

Impairment of non-financial assets

The carrying amounts of the Company's and Group's non-financial assets subject to impairment, other than inventory, 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 represents 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 profit or loss, a reversal of that impairment loss is recognised as income in 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

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

Foreign currency

Functional and presentation currency

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

Conversion of foreign currencies

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

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

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

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 translated using the exchange rate at the date of transaction.

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.

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

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

Revenue recognition (Cont'd)

Sale of properties

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.

Membership fee income

Revenue from the membership income comprises annual membership fees. All membership income is recognised over the period of the membership. The membership income is recognised over time since the customer receives and consumes the benefits provided by the entity's performance as the entity performs. The customer can benefit from being a member to access to the products and incentives through referral of new members as the Group performs its performance obligation.

Sale of biomedical products

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

Rental income

Rental income is recognised on a straight-line basis over the lease term. Lease incentives, if any, are recognised as an integral part of the net consideration agreed for the use of the leased asset.

Food and beverage income

Food and beverage income is recognised at the point in time when the food and beverage have been served or delivered to customers, based on the food and beverage listed prices, net of discounts and good and services tax.

Interest income

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

Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographical area of operations; or
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held for sale. When an operation is classified as a discontinued operation, the comparative statement of profit or loss is re-presented as if the operation had been discontinued from the start of the comparative year.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

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

Earnings per share

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

Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise 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, sale of biomedical health and wellness products, membership fee income, sale of food and beverages and service fee income

	Continuing Operations		**Discontinued Operations (Note 15)**		**Group**	
	2022	2021	**2022**	2021	**2022**	2021
The Group	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Revenue from contract with customers						
- Sales of properties	**1,828**	18,275	**–**	–	**1,828**	18,275
- Sales of biomedical products	**53**	1,267	**–**	–	**53**	1,267
- Service fee income	**–**	–	**13**	–	**13**	–
- Membership fees	**720**	6,143	**–**	–	**720**	6,143
- Food and beverage	**395**	57	**–**	–	**395**	57
Total revenue from contract with customers	**2,996**	25,742	**13**	–	**3,009**	25,742
Rental income from investment properties (Note 5)	**–**	–	**2,495**	440	**2,495**	440
	2,996	25,742	**2,508**	440	**5,504**	26,182

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.

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

3 Revenue (Cont'd)

The Group	United States of America	Australia	South Korea		Singapore	Hong Kong	
	Sales of properties $'000	Sales of properties $'000	Sales of biomedical products $'000	Membership fees $'000	Food and Beverage $'000	Service fee Income $'000	Total revenue $'000
Continuing operations							
2022							
Over time	**–**	**–**	**–**	**720**	**–**	**–**	**720**
At a point in time	**982**	**846**	**53**	**–**	**395**	**–**	**2,276**
	982	**846**	**53**	**720**	**395**	**–**	**2,996**
2021							
Over time	–	–	–	6,143	–	–	6,143
At a point in time	18,275	–	1,267	–	57	–	19,599
	18,275	–	1,267	6,143	57	–	25,742
Discontinued operations							
2022							
Over time	**–**	**–**	**–**	**–**	**–**	**13**	**13**
Total							
2022							
Over time	**–**	**–**	**–**	**720**	**–**	**13**	**733**
At a point in time	**982**	**846**	**53**	**–**	**395**	**–**	**2,276**
	982	**846**	**53**	**720**	**395**	**13**	**3,009**
2021							
Over time	–	–	–	6,143	–	–	6,143
At a point in time	18,275	–	1,267	–	57	–	19,599
	18,275	–	1,267	6,143	57	–	25,742

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

4 Property, plant and equipment

The Group

	Office premises $'000	Motor vehicles $'000	Furniture and fittings $'000	Renovation $'000	Office and computer equipment $'000	Total $'000
Cost						
At 1 January 2021	–	122	32	36	180	370
Additions	570	–	52	–	19	641
Disposals	–	–	–	–	(32)	(32)
Exchange difference on retranslation	2	2	–	3	(2)	5
At 31 December 2021	572	124	84	39	165	984
Additions	**–**	**288**	**34**	**123**	**300**	**745**
Disposals	**–**	**–**	**(26)**	**–**	**–**	**(26)**
Exchange difference on retranslation	**(3)**	**(7)**	**–**	**(3)**	**(2)**	**(15)**
At 31 December 2022	**569**	**405**	**92**	**159**	**463**	**1,688**
Accumulated depreciation						
At 1 January 2021	–	59	32	25	141	257
Depreciation for the year	3	12	4	14	18	51
Disposals	–	–	–	–	(29)	(29)
Exchange difference on retranslation	–	(1)	–	–	(1)	(2)
At 31 December 2021	**3**	**70**	**36**	**39**	**129**	**277**
Depreciation for the year	**14**	**17**	**28**	**13**	**77**	**149**
Disposals	**–**	**–**	**(26)**	**–**	**–**	**(26)**
Exchange difference on retranslation	**–**	**(5)**	**–**	**–**	**(1)**	**(6)**
At 31 December 2022	**17**	**82**	**38**	**52**	**205**	**394**
Net book value						
At 31 December 2022	**552**	**323**	**54**	**107**	**258**	**1,294**
At 31 December 2021	569	54	48	–	36	707

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

4 Property, plant and equipment (Cont'd)

The Company	Furniture and fittings $'000	Office and computer equipment $'000	Total $'000
Cost			
At 1 January 2021	32	65	97
Additions	2	10	12
Disposal	–	(32)	(32)
At 31 December 2021	34	43	77
Additions	**–**	**218**	**218**
Disposal	(26)	**–**	**(26)**
At 31 December 2022	**8**	**261**	**269**
Accumulated depreciation			
At 1 January 2021	32	44	76
Depreciation for the year	–	8	8
Disposal	–	(29)	(29)
At 31 December 2021	32	23	55
Depreciation for the year	2	**50**	**52**
Disposal	(26)	**–**	**(26)**
At 31 December 2022	**8**	**73**	**81**
Net book value			
At 31 December 2022	**–**	**188**	**188**
At 31 December 2021	2	20	22

5 Investment properties

The Group	31 December 2022 $'000	31 December 2021 $'000
At beginning of year	**37,900**	–
Additions	**2,604**	33,519
Fair value (loss)/gain recognised in profit or loss, net (Note 15)	**(1,394)**	4,381
Exchange difference	**(236)**	–
Transfer to assets of disposal group classified as held for sale (Note 15)	**(38,874)**	–
At end of year	**–**	37,900

The fair value of all investment properties located in United States are based on valuations determined by an independent certified appraiser who has appropriate recognised and relevant professional qualification and experience within the local market and the location and category of the investment properties being valued. The fair value is based on the market value, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller at an arm's length transaction. The valuation is based on income capitalisation method which focuses on a property's income and takes into account the return on investment and the net income of the property. This approach estimates the net operating income that the investment properties are expected to generate in the future.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

5 Investment properties (Cont'd)

The investment properties are valued on a highest and best use basis. For all of the Group's investment properties, the current use is considered to be the highest and best use.

Certain of the investment properties are leased to third parties under operating leases.

The following amounts are recognised in profit or loss:

The Group	**31 December 2022 $'000**	31 December 2021 $'000
Rental income (Note 3)	**2,495**	440
Direct operating expenses	**(1,500)**	(122)
	995	318

Investment properties as at 31 December 2022 are as follows:

			Occupancy rate		
Location	**Description**	**Total net rentable area (square foot)**	**As at 31 December 2022**	As at 31 December 2021	**Tenure**
Woodland Lakes Subdivision	42 single-family rental units	68,634	95.2%	23.1%	Freehold
Northpark Woods Subdivision	53 single-family rental units	82,324	96.2%	52.8%	Freehold
Sorrento Bay Subdivision	10 single-family rental units	13,724	100.0%	–	Freehold
Santa Fe Subdivision	7 single-family rental units	8,803	100.0%	–	Freehold

All 4 subdivisions adopt an overall capitalisation rate of 4.75% (2021: 4.75%)

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

6 Right-of-use assets

The Group	Motor vehicles $'000	Use of premises $'000	Total $'000
Cost			
At 1 January 2021	–	1,069	1,069
Addition	276	847	1,123
Exchange difference	–	(4)	(4)
At 31 December 2021	276	1,912	2,188
Addition	**266**	**942**	**1,208**
Exchange difference	**–**	**(2)**	**(2)**
At 31 December 2022	**542**	**2,852**	**3,394**
Accumulated depreciation			
At 1 January 2021	–	812	812
Depreciation during the year	33	429	462
At 31 December 2021	33	1,241	1,274
Depreciation during the year	**54**	**602**	**656**
Exchange difference	**–**	**(2)**	**(2)**
At 31 December 2022	**87**	**1,841**	**1,928**
Net book value			
At 31 December 2022	**455**	**1,011**	**1,466**
At 31 December 2021	243	671	914

The Company	Motor vehicles $'000	Use of premises $'000	Total $'000
Cost			
At 1 January 2021	–	412	412
Addition	276	178	454
At 31 December 2021	276	590	866
Addition	**266**	**505**	**771**
At 31 December 2022	**542**	**1,095**	**1,637**
Accumulated depreciation			
At 1 January 2021	–	338	338
Depreciation during the year	33	178	211
At 31 December 2021	**33**	**516**	**549**
Depreciation during the year	**54**	**246**	**300**
At 31 December 2022	**87**	**762**	**849**
Net book value			
At 31 December 2022	**455**	**333**	**788**
At 31 December 2021	243	74	317

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

7 Other investments

The Group	**31 December 2022 $'000**	31 December 2021 $'000
Non-current assets		
Equity instruments at FVOCI - unquoted	**236**	318
Current assets		
Equity instruments at FVTPL - unquoted	**1,848**	–

The equity instruments relate to investment in unquoted entities.

During the year, LiquidValue Asset Management Pte. Ltd., a wholly-owned subsidiary of the Group, has fully converted the promissory notes issued by an investee into equity shares of the investee. Following this conversion, the Group holds approximately 16% equity interest in the investee that is classified as financial asset at FVTPL.

Unquoted investment at FVTPL	**31 December 2022 $'000**
Conversion of promissory notes (Note 10 & 12b)	**584**
Addition	**544**
Fair value changes	**720**
	1,848

Information about the fair value measurement is included in Note 34.

8 Investment in subsidiaries

The Company	**31 December 2022 $'000**	31 December 2021 $'000
Unquoted equity shares, at cost		
- At 1 January	**6,513**	6,523
- Disposal of a subsidiary	**(6,313)**	–
Allowance for impairment losses	**–**	(6,313)
At 31 December	**200**	210
Movement in allowance accounts:		
At 1 January	**6,313**	6,317
Reversal upon partial disposal of interest in a subsidiary during the year	**–**	(4)
Reversal upon disposal of entire interest in a subsidiary during the year	**(6,313)**	–
At 31 December	**–**	6,313

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

8 Investment in subsidiaries (Cont'd)

Impairment of subsidiary

In the last financial year 31 December 2021, management had performed an impairment test for the investment in GigWorld Inc., as indicators of impairment existed. Management had previously made an impairment allowance of S$6,313,000 as there was no realistic prospect of recovery of the investment. Furthermore, there was no indication that the impairment loss previously recognised for the asset no longer exist. On 30 August 2022, the Company entered into a stock purchase agreement with Alset Inc. to dispose 505,341,376 equity shares in GigWorld Inc., representing the entire equity interest held by the Company for a consideration of US$1,500,000.

a. The investments in subsidiaries held by the Company at 31 December 2022 and 2021 are as follows:

Name	Country of incorporation/ principal place of business	Effective ownership interest		Principal activities
		2022	2021	
		%	%	
Singapore Construction & Development Pte. Ltd. [i]	Singapore	**100**	100	Dormant
Art eStudio Pte. Ltd. [v]	Singapore	**51**	51	Dormant
Singapore Construction Pte. Ltd. [i]	Singapore	**100**	100	Dormant
Global BioMedical Pte. Ltd. [i]	Singapore	**100**	100	Investment holding
SeD Capital Pte. Ltd. [i]	Singapore	**100**	100	Investment holding
LiquidValue Asset Management Pte. Ltd.[i]	Singapore	**100**	100	Dormant
Alset Solar Limited [iii]	Hong Kong	**100**	100	Property development
Alset Innovation Pte. Ltd. [v]	Singapore	**100**	100	Dormant
American Home REIT Inc. [ii,vi]	United States of America	**100**	100	REIT
AHR Asset Management Inc. [ii]	United States of America	**100**	100	Real estate investment trusts ("REITS") management
Global TechFund of Fund Pte. Ltd. [,v]	Singapore	*****–**	100	Dormant
Singapore eChain Logistic Pte. Ltd. [,v]	Singapore	*****–**	100	Dormant
BMI Capital Partners International Limited [iii, vi]	Hong Kong	**100**	100	Investment holding and consulting services
GDC Reit Inc. (f.k.a. Alset Payment Inc.) [v]	United States of America	**100**	100	Dormant
SeD Perth Pty Ltd [vi]	Australia	**100**	100	Property development

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

8 Investment in subsidiaries (Cont'd)

Name	Country of incorporation/ principal place of business	Effective ownership interest 2022 %	2021 %	Principal activities
SeD Intelligent Home Inc.[vi]	United States of America	**100**	100	Investment holding
LiquidValue Development Inc. [ii,vi]	United States of America	**99.99**	99.99	Investment holding
Alset EHome 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
AHR Texas Two, LLC [ii,vi]	United States of America	**99.99**	99.99	Property development
AHR Texas Three, LLC [ii,vi]	United States of America	**99.99**	99.99	Property development
SeD REIT, Inc. [ii,vi]	United States of America	**99.99**	99.99	Dormant
AHR Black Oak One LLC. [ii,vi]	United States of America	**99.99**	99.99	Dormant
Alset Solar Inc. [iv,v]	United States of America	**79.99**	79.99	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

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

8 Investment in subsidiaries (Cont'd)

Name	Country of incorporation/ principal place of business	Effective ownership interest 2022 %	2021 %	Principal activities
SeD Maryland Development, LLC [ii,vi]	United States of America	**83.54**	83.54	Property development
Alset World Pte. Ltd. [v]	Singapore	****–	100	Dormant
Alset Energy Pte. Ltd. [v]	Singapore	****–	100	Dormant
Alset BioHealth Pte. Ltd. [v]	Singapore	****–	100	Dormant
Global Solar REIT Inc. [iv,v]	United States of America	***–	100	Dormant
OpenBiz Inc. [iv,v]	United States of America	***–	100	Dormant
GigWorld Inc.[ii,8e]	United States of America	***–	99.69	Investment holding
Gig Stablecoin Inc. (f.k.a Crypto Exchange Inc) [ii,v,8e]	United States of America	***–	99.69	Dormant
HotApps BlockChain Pte. Ltd. [i,8e]	Singapore	***–	99.69	Dormant
HWH World Inc. [iv,v,8e]	United States of America	***–	99.69	Dormant
HotApp International Limited [iii,8e]	Hong Kong	***–	99.69	Sale and marketing of mobile application
HWH World Pte. Ltd. [v,8e]	Singapore	***–	99.69	Dormant
Impact BioHealth Pte. Ltd. [v]	Singapore	**100**	100	Dormant
Open House Inc. [iv,v]	United States of America	***–	100	Dormant
Open Rental Inc. [iv,v]	United States of America	***–	100	Dormant
HWH (S) Pte. Ltd. [v]	Singapore	**100**	100	Investment holding
BioHealth Water Inc. [iv,vi]	United States of America	**100**	100	Investment holding
UBeauty Limited [iii]	Hong Kong	**100**	100	Investment holding
WeBeauty Korea, Inc. [iv,v]	Korea	**100**	100	Dormant

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For the financial year ended 31 December 2022

8 Investment in subsidiaries (Cont'd)

Name	Country of incorporation/ principal place of business	Effective ownership interest 2022 %	2021 %	Principal activities
HWH World Limited [iii]	Hong Kong	**100**	100	Dormant
HWH International Inc [iv,v]	United States of America	**100**	100	Dormant
HWH World 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	Investment holding
Hapi Café Inc. [iv,v]	United States of America	*******100**	–	Investment holding
HWH World, Inc. [iv,vi]	Korea	**100**	100	E-commerce
HWH KOR Inc. [iv,v]	United States of America	**100**	100	Dormant
Partners HWH Pte. Ltd. [v]	Singapore	******–**	100	Dormant
Alset F&B Holdings Pte. Ltd. [v]	Singapore	**100**	100	Dormant
Alset F&B One Pte. Ltd. [v]	Singapore	**90**	90	Dormant
Credas Capital Pte Ltd [v]	Singapore	****50**	**50	Dormant
Credas Capital GmbH. [v]	Switzerland	****50**	**50	Dormant
Alset Mining Pte. Ltd. [v]	Singapore	***100**	–	Dormant
HWH International Inc. [v]	United States of America	***100**	–	Investment holding
Hapi Travel Pte. Ltd. [v]	Singapore	***100**	–	Dormant
Hapi Wealthbuilder Pte. Ltd. [v]	Singapore	***100**	–	Dormant

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

8 Investment in subsidiaries (Cont'd)

Name	Country of incorporation/ principal place of business	Effective ownership interest 2022 %	2021 %	Principal activities
HWH Marketplace Pte. Ltd. [v]	Singapore	***100**	–	Dormant
Hapi Cafe Korea Inc. [iv]	Korea	***100**	–	Café operation
Hapi Cafe SG Pte. Ltd. [i]	Singapore	***100**	–	Café operation
Alset F&B (PLQ) Pte. Ltd. [v]	Singapore	***100**	–	Café operation

i Audited by Foo Kon Tan LLP
ii Audited by Grassi & Co.
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
** The investment is accounted for as a subsidiary since the group has majority voting power over the investee and its director, Mr Chan Heng Fai is also appointed as the Chairman of Credas Capital Pte Ltd and he is entitled to second or casting vote at any meeting of the Board or at any general meeting of Credas Capital Pte Ltd.
*** Subsidiaries disposed during the year
**** Subsidiaries have been struck off from the local register
***** Subsidiary acquired during the year.

b. The following subsidiary has non-controlling interests (NCI) that is material to the Group.

Name of subsidiary	Principal places of business/ Country of incorporation	Ownership interests held by NCI 2022	2021
SeD Maryland Development LLC	United States of America	**16.46%**	16.46%

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

8 Investment in subsidiaries (Cont'd)

c. Summarised financial information about subsidiary with material NCI

Summarised financial information, not adjusted for consolidation adjustments and before intercompany eliminations of subsidiary with material non-controlling interest are as follows:

2022	SeD Maryland Development LLC $'000	Other Individually Immaterial subsidiaries $'000	Total $'000
Revenue	982		
Profit	190		
OCI	–		
Total comprehensive income	190		
Attributable to NCI:			
- Profit/ (loss)	32	(38)	(6)
- OCI	–	(9)	(9)
- **Total comprehensive income/ (loss)**	32	(47)	(15)
Non-current assets	–		
Current assets	1,287		
Non-current Liabilities	–		
Current liabilities	(696)		
Net assets	591		
Net assets/(liabilities) attributable to NCI	98	(785)	(687)
Net cash flows generated from operating activities	19,155		
Net cash flows used in investing activities	–		
Net cash flows used in financing activities	(20,808)		
Net change in cash and cash equivalents	(1,653)		

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

8 Investment in subsidiaries (Cont'd)

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

2021	SeD Maryland Development LLC $'000	Other individually immaterial subsidiaries $'000	Total $'000
Revenue	**18,275**		
Profit	**2,833**		
OCI	**–**		
Total comprehensive income	**2,833**		
Attributable to NCI:			
- Profit/ (loss)	**466**	**(166)**	**300**
- OCI	**–**	**50**	**50**
- **Total comprehensive income/ (loss)**	**466**	**(116)**	**350**
Non-current assets	**–**		
Current assets	**8,733**		
Non-current Liabilities	**–**		
Current liabilities	**(8,325)**		
Net assets	**408**		
Net assets/(liabilities) attributable to NCI	**67**	**(741)**	**(674)**
Net cash flows generated from operating activities	**14,187**		
Net cash flows used in investing activities	**–**		
Net cash flows used in financing activities (Dividends paid to NCI: $3,441,000)	**(15,639)**		
Net change in cash and cash equivalents	**(1,452)**		

d. Change in ownership interest in subsidiaries

GigWorld Inc. (f.k.a HotApp Blockchain, Inc.)

In the previous financial year ended 31 December 2021, the Group disposed of 0.07% of its equity interest in GigWorld Inc., reducing its equity interest to 99.69%. The proceeds on disposal of $428,000 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 0.07% in GigWorld Inc., the Group accounted for a capital reserve of $428,000 which represented the difference between consideration received and non-controlling interest adjusted.

Disposal of non-controlling interest without loss of control

	31 December 2021 $'000
Consideration received from NCI	428
Carrying amount of NCI disposed	*
Increase in equity attributable to owners of the Company	428

*Less than $1,000

NOTES TO THE FINANCIAL STATEMENTS

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8 Investment in subsidiaries (Cont'd)

e. Disposal of subsidiary – GigWorld Inc

On 30 August 2022, the Group disposed of a subsidiary, GigWorld Inc. ("GigWorld"). The effect of the disposal on the cash flow of the Group was:

	$'000
Consideration in the form of cash	2,012
Less: net liabilities disposed of	
Cash and cash equivalents	269
Other investments	1,780
Other receivables	45
Trade and other payables	(3,479)
Non-controlling interest	2
Net liabilities derecognised	(1,383)
Realisation of foreign currency translation reserve	(208)
Gain on disposal of subsidiary	3,187
Consideration received in cash and cash equivalents	2,012
Less: cash and cash equivalents disposed	(269)
Net cash inflow on disposal of subsidiary	1,743

f. Acquisition of subsidiary – Hapi Café Inc.

Health Wealth Happiness Pte. Ltd ("HWHPL"), a wholly owned subsidiary of the Group enters into a sale and purchase agreement on 29 April 2022 to purchase the entire equity shares in Hapi Café Inc. from Alset Inc. representing 100% of the issued and paid-up share capital of Hapi Café Inc. The consideration for the acquisition of Hapi Café Inc. is US$100.

The acquisition of Hapi Café Inc is accounted for as a common control transaction.

	$'000
Other receivables	140
Amounts due to related parties	(527)
Carrying amount of net liabilities acquired	(387)
Reserves acquired on pooling of interest under common control arrangement	387
Consideration transferred	*

*Less than $1,000

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9 Investment in associates

The Group	**31 December 2022 $'000**	31 December 2021 $'000
Unquoted equity investments after equity accounting	**2,206**	*

*Less than $1,000

The Company	**31 December 2022 $'000**	31 December 2021 $'000
Unquoted equity investments at cost	**2,886**	–

Details of the Group's major associates at the end of the reporting period are as follow:

Name	Principal places of business/ Country of incorporation	Effective ownership interest		Principal activities
		2022	2021	
AMRE Asset Management, Inc. ("AAMI")	United States of America	**40.00%**	35.00%	Real estate investment trusts ("REITS") management
American Medical REIT, Inc. ("AMRE")	United States of America	[1]**16.32%**	#	Medical REIT
Alset SPAC Group Inc.	United States of America	**45.00%**	–	Investment holding
Alset Acquisition Sponsor, LLC	United States of America	**45.00%**	–	Investment in SPAC
Alset Management Group Inc.	United States of America	**45.00%**	–	Dormant
Ketomei Pte. Ltd.	Singapore	**28.00%**	–	Food & Beverages
Held by Alset Acquisition Sponsor, LLC				
Alset Capital Acquisition Corp	United States of America	[2]**23.40%**	–	Special Purpose Acquisition Company ("SPAC")

\# On 18 June 2021, DSS Securities, a subsidiary of DSS entered into a stock purchase agreement with AMRE to acquire 264,525 Class A common shares of AMRE. As a result of this issuance of additional common shares by AMRE, the equity interest in AMRE held by AAMI was diluted to approximately 3% and was thus accounted as financial asset at fair value through profit or loss by AAMI.

1 During the year, LiquidValue Asset Management Pte. Ltd., a wholly-owned subsidiary of the Group, has fully converted the promissory notes issued by AMRE into equity shares of the investee. Following this conversion, the Group holds approximately 16% equity interest in AMRE that is classified as financial asset at FVTPL.

2 Although the Sponsor owns only 23.4% of the voting rights of ACAC, the Sponsor is exposed to and 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 through the control of the composition of the board of directors by virtue of the By-Laws of the investee.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

9 Investment in associates (Cont'd)

The Group has an associate that is material and the remaining associates are individually immaterial to the Group.

Summarised financial information, adjusted for the Group's share of equity interest in respect of the associates are set out below:

31 December 2022	Alset SPAC Group Inc $'000	Other individually immaterial associates $'000	Total $'000
Revenue	–		
(Loss)/profit for the year	**(1,650)**		
Other comprehensive income	–		
Total comprehensive (loss)/income	**(1,650)**		
Attributable to investee's shareholders	**(1,650)**		
Current assets	**123,876**		
Current liabilities	**(119,098)**		
Net assets	**4,778**		
Net assets attributable to investee's shareholders	**4,778**		
Carrying amount of interest in investee at beginning of the year	**–**	**–**	**–**
Capital contribution during the year	**2,886**	**–**	**2,886**
Group's share of:			
- (Loss)/profit for the year	**(742)**	**68**	**(674)**
- Other comprehensive income	**–**	**–**	**–**
Total comprehensive income	**(742)**	**68**	**(674)**
Translation differences	**6**	**(12)**	**(6)**
Carrying amount of interest in investee at end of the year	**2,150**	**56**	**2,206**

Reconciliation of the summarised financial information presented to the carrying amount of the Group's interest in associates as follows:

31 December 2022	Alset SPAC Group Inc $'000	Immaterial associates $'000	Total $'000
Net assets attributable to investee's shareholders	**4,778**		
Group's equity interest	**45%**		
Group's share of net assets	**2,150**	**56**	**2,206**

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

10 Trade and other receivables

	The Group		The Company	
	31 December 2022 $'000	31 December 2021 $'000	**31 December 2022 $'000**	31 December 2021 $'000
Trade receivables	**59**	53	**–**	–
Other receivables				
- Promissory note	**–**	310	**–**	–
- Related parties	**6,100**	4,031	**2,017**	–
- Third parties	**732**	949	**–**	–
	6,891	5,343	**2,017**	–
Amounts due from ultimate holding company (non-trade)	**–**	36	**–**	–
Amounts due from subsidiaries (non-trade)	**–**	–	**78,254**	75,865
	6,891	5,379	**80,271**	75,865
Refundable deposits	**721**	406	**61**	33
	7,612	5,785	**80,332**	75,898

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 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

On 2 March 2020, the Company's subsidiary, LiquidValue Asset Management Pte. Ltd. ("LVAM"), received a promissory note from an investee. The note receivable bore interest at a rate of 8% per annum. On 22 March 2022, the promissory note was fully converted into the common stocks of the investee.

Other receivable – related parties

This includes advances to an entity in which Mr. Chan Heng Fai is the Chairman of the parent entity. This advance is unsecured, interest-free and repayable on demand. Following the disposal of GigWorld Inc. to Alset Inc., the Group has an outstanding receivables of $3,370,000 as at 31 December 2022. An impairment loss of $1,353,000 has been recognised following management's expected credit loss assessment after considering the highly accessible liquid assets of the related party.

Refundable deposits

This relates to deposits placed for office rental amounting to $721,000 (2021 - $406,000).

Amounts due from subsidiaries

Amounts due from subsidiaries are unsecured, repayable on demand and are to be settled in cash. Included in the amounts due from subsidiaries is a gross amount of $82,093,000 (2021 - $70,665,000) which bears interest at 5% (2021 - 5%) per annum and is denominated in USD.

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

10 Trade and other receivables (Cont'd)

Impairment in amounts due from subsidiaries

As at the reporting date, management carried out a review of the recoverability of the non-trade 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 highly accessible liquid assets of these subsidiaries. Accordingly, management has made an impairment loss of $10,115,000 (2021 - $3,816,000) on the amounts due from the subsidiaries during the year.

The Group	**31 December 2022 $'000**	31 December 2021 $'000
Trade receivables	**59**	53
Other receivables – promissory note	**–**	310
Refundable deposits	**721**	406
Amounts due from ultimate holding company (non-trade)	**–**	36
Amounts due from related parties (non-trade)	**7,453**	4,031
Amounts due from third parties (non-trade)	**732**	949
Less: Allowance for impairment – related parties	**(1,353)**	–
	7,612	5,785
Movement in impairment allowance		
At 1 January	**–**	–
Charge for the year- related parties	**1,353**	–
At 31 December	**1,353**	–

The Company	**31 December 2022 $'000**	31 December 2021 $'000
Other receivables – related parties	**3,370**	–
Refundable deposits	**61**	33
Amount due from subsidiaries (non-trade)	**123,426**	114,065
Less: Allowance for impairment – subsidiaries	**(45,172)**	(38,200)
Less: Allowance for impairment – related parties	**(1,353)**	–
	80,332	75,898
Movement in allowance accounts:		
At 1 January	**38,200**	34,384
Disposal of a subsidiary	**(3,143)**	–
Charge for the year- subsidiaries	**10,115**	3,816
Charge for the year- related parties	**1,353**	–
At 31 December	**46,525**	38,200

In the last financial year ended 31 December 2021, $516,000 of receivables were written off as bad debt directly in profit or loss (Note 21).

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

10 Trade and other receivables (Cont'd)

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

	The Group		The Company	
	31 December 2022 $'000	31 December 2021 $'000	**31 December 2022 $'000**	31 December 2021 $'000
South Korean Won	**59**	53	**–**	–
United States Dollar	**6,100**	4,377	**76,603**	63,847

Information about the Group's and the Company's exposure to credit risks is disclosed in Note 32.

11 Properties for sale

The Group	**31 December 2022 $'000**	31 December 2021 $'000
At cost:		
Freehold land	**10,659**	977
Development costs	**29,914**	80
	40,573	1,057
At net realisable value:		
Freehold land	**–**	10,201
Development costs	**–**	18,533
	–	28,734
Less: Write down to net realisable value	**–**	(3,247)
	–	25,487
	40,573	26,544
Allowance for impairment		
At 1 January	**3,247**	6,859
Reversal of impairment losses	**(3,276)**	(3,741)
Foreign exchange difference	**29**	129
At 31 December	**–**	3,247

In the last financial year ended 31 December 2021, the carrying amount of properties held under charge for loan and borrowings (Note 17) is $936,000.

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

11 Properties for sale (Cont'd)

Cost of development properties recognised as cost of sales during the year ended 31 December 2022 is $1,484,000 (2021 - $14,833,000).

During the current financial year, borrowing costs of $3,000 (2021 - $14,000) arising from borrowings obtained specifically for the properties under development were capitalised at a capitalisation rate of 4.756%. (2021 - 4.756%)

In the last financial year, development properties amounting to $25,487,000 are classified as current assets as they are intended for sale in the Group's normal operating cycle and are expected to be recovered after more than twelve months from the reporting date.

During the year, the Group had sold its 3 remaining lots in Ballenger Run. There was also the sale of properties in Perth of AUD$586,000 (equivalent to approximately S$560,000) and AUD$300,000 (equivalent to approximately S$286,000) on the sale of 61 Breakwater PDE and 6 Regatta Turn, respectively.

The overall Houston housing market ranks in the top two housing markets in the United States of America. The strength of Houston's housing market has been driven by job growth and population growth, which is expected to continue with 1.01% annual population growth projected over the next 5 years. Therefore, notwithstanding the combination of global inflationary pressures which leads to higher interest rates and the recent geopolitical events in Ukraine, there is indication of demand for the development of new homes in the current Houston market.

Owing to this, management has reversed an allowance for losses of $3,276,000 (2021 - $3,741,000) during the financial year ended 31 December 2022.

Information on properties for sale as at 31 December 2022 is as follows:

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	89.3 acres	Freehold	563	N/A	77.78%	99.99%	2023
USA	Houston, TX	19.49 acres	Freehold	63	106,145 sqft.	0.00%	99.99%	2024

12(a) Investment securities

	The Group		**The Company**	
	31 December 2022 $'000	31 December 2021 $'000	**31 December 2022 $'000**	31 December 2021 $'000
Quoted equity securities (Classified as FVTPL)	**13,546**	24,221	**11,833**	12,431

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

12(a) Investment securities (Cont'd)

The Group	Quoted equity securities 2022 $'000	Quoted equity securities 2021 $'000	Convertible preferred stocks 2022 $'000	Convertible preferred stocks 2021 $'000
At 1 January	**24,221**	10,161	**–**	49,802
Additions	**74,653**	54,128	**–**	–
Disposals	**(63,358)**	(36,742)	**–**	–
Disposal of a subsidiary	**(1,780)**	–	**–**	**–**
Conversion to common stocks	**–**	21,882	**–**	(21,882)
Common stocks acquired from disposal of promissory notes (Note 12(b))	**12,124**	–	**–**	**–**
Fair value changes	**(32,314)**	(25,208)	**–**	(27,920)
At 31 December	**13,546**	24,221	**–**	–

The Company	Quoted equity securities 2022 $'000	Quoted equity securities 2021 $'000
At 1 January	**12,431**	22
Additions	**74,653**	52,160
Disposals	**(62,367)**	(36,742)
Common stocks acquired from disposal of promissory notes (Note 12(b))	**12,124**	–
Fair value changes	**(25,008)**	(3,009)
At 31 December	**11,833**	12,431

In 2020, Global Biomedical Pte. Ltd. ("GBM"), a wholly owned subsidiary of the Company entered into a share exchange agreement with DSS BioHealth Security Inc. ("DBHS"), a wholly owned subsidiary of DSS, pursuant to which DBHS will acquire the entire equity shares of Impact BioHealth Inc. ("Impact Biomedical"), a subsidiary of GBM, through a share exchange arrangement. On 21 August 2020, the share transaction was completed and GBM received 483,334 common stocks of DSS and 46,868 convertible preferred stocks of DSS as consideration for the disposal of Impact Biomedical to DBHS.

In the last financial year ended 31 December 2021, the convertible preferred stocks do not carry any voting rights and are neither entitled to vote in any matter presented nor be entitled to any notice of any stockholder meeting. No dividends shall accrue or be payable upon the convertible preferred stocks, whether or not any dividends are declared on the investment.

The convertible preferred stocks shall be convertible into common stocks provided always that the right of conversion shall not be exercised by GBM to the extent that it holds more than 19.99% of the total issued and paid up stock capital of the investee on an enlarged basis after such conversion. In the last financial year ended 31 December 2021, GBM had fully converted the preferred stock to common stocks.

Information about the Group's and the Company's exposure to market risks and fair value measurement is included in Note 32 and 34, respectively.

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

12(b) Investment in convertible promissory notes

	The Group		The Company	
	31 December 2022 $'000	31 December 2021 $'000	**31 December 2022 $'000**	31 December 2021 $'000
Current				
Convertible promissory notes (Classified as FVTPL)	**–**	11,704	**–**	11,430
At 1 January	**11,704**	–	**11,430**	–
Interest income	**452**	–	**452**	–
Additions	**–**	11,704	**–**	11,430
Fair value changes	**242**	–	**242**	–
Disposal	**(12,124)**	–	**(12,124)**	–
Conversion to common stocks (unquoted) (Note 7)	**(274)**	–	**–**	–
At 31 December	**–**	11,704	**–**	11,430

On 29 October 2021, the Company had subscribed to a convertible promissory note ("Note") of US$8,350,000 issued by AMRE. The note can be converted in whole or in part at the option of the Company at any time on or before the maturity date into fully paid and non-assessable shares of common stock of AMRE. The Note bore interest at 8% per annum and would mature on 28 November 2023.

The conversion feature of the Note is such that it reflects a return that is inconsistent with a basic lending arrangement as the return is linked to the underlying value of the equity of the issuer. The management has assessed that this does not give rise to contractual cash flows that are solely payment of principal and interest on the principal amount outstanding and had accounted for the financial asset at fair value through profit or loss.

On 17 May 2022, the shareholders of DSS approved the issuance of 21,366,177 of DSS Inc.'s common stocks to the Company to purchase the convertible promissory note issued by AMRE with a principal sum of US$8,350,000 and accrued but unpaid interest.

Information about the Group's and the Company's exposure to fair value measurement is included in Note 34.

13 Derivative asset/ (liabilities)

	The Group		The Company	
	31 December 2022 $'000	31 December 2021 $'000	**31 December 2022 $'000**	31 December 2021 $'000
Derivative asset	**439**	1,363	**–**	–
Derivative liabilities	**(1,714)**	–	**(1,714)**	–

Fair value loss on derivative asset amounting to $924,000 (2021 – fair value gain $223,000 included within "other operating income") and fair value loss on derivative liabilities amounting to $1,714,000 are included in "other operating expenses" (Note 21).

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

13 Derivative asset/ (liabilities) (Cont'd)

Derivative asset represents the exercisable warrants that give Biohealth Water Inc., a wholly-owned subsidiary of the Group, the right to subscribe and purchase common stock in an investee. The warrant does not entitle the holder to any voting rights, dividends or other rights as a stockholder of the investee prior to the exercise thereof.

On 15 September 2022, 22 September 2022, and 23 September 2022, the Company as the buyer had entered into three subscription agreements pursuant to which the buyer has committed to purchase daily: (1) Certain quantity of shares in a quoted entity if the spot price is higher than the predetermined strike price or (2) 2 times the number of shares in (1) at the strike price if the spot price is lower than the strike price. The contracts are set to end immediately if the spot price of the underlying shares is equal to or higher than the barrier price after the guaranteed periods. The contracts give rise to a derivative liability as at the reporting date. Fair value loss in derivative liabilities of $1,714,000 is recognised under "other operating expenses" (Note 21).

Information about the fair value measurement of the derivative instruments are included in Note 34.

14 Cash and bank deposits

	The Group		The Company	
	31 December 2022 $'000	31 December 2021 $'000	**31 December 2022 $'000**	31 December 2021 $'000
Cash and cash equivalents	**13,264**	49,123	**9,024**	40,333
Bank deposits pledged	**415**	5,988	**–**	–
Total	**13,679**	55,111	**9,024**	40,333

	The Group		The Company	
	31 December 2022 $'000	31 December 2021 $'000	**31 December 2022 $'000**	31 December 2021 $'000
Cash and cash equivalents in the statement of financial position	**13,264**	49,123	**9,024**	40,333
Add: Cash and cash equivalents in disposal group classified as held-for-sale (Note 15)	**1,592**	–	**–**	–
Cash and cash equivalents in the statement of cash flows	**14,856**	49,123	**9,024**	40,333

As a condition to the loan agreement with the Manufacturers and Traders Trust Company ("M&T Bank"), the Group is required to maintain a minimum of US$2,600,000 in an interest-bearing account maintained by the lender as additional security for the loans. The fund is required to remain as collateral for the loan until the loan is paid off in full and the loan agreement terminated. The Group also has an escrow account with M&T Bank to deposit a portion of cash proceeds from lot sales. The fund in the escrow account is specifically used for the payment of the loan from M&T Bank. The fund is required to remain in the escrow account for the loan payment until the loan agreement terminates. As of 31 December 2022 and 2021, the total balance of these two accounts was US$309,219 and US$4,399,984, respectively.

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

14 Cash and bank deposits (Cont'd)

In the financial year ended 31 December 2021, a bank deposit pledged of AUD$50,000 was related 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 1.36% (2021 – 0.69%) and 0.08% (2021 – 0.10%) respectively.

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

	The Group		The Company	
	31 December 2022 $'000	31 December 2021 $'000	**31 December 2022 $'000**	31 December 2021 $'000
South Korean Won	**64**	3,022	**–**	–
United States Dollar	**5,987**	25,715	**2,178**	14,962

Information about the Group's and Company's exposure to credit and currency risks is disclosed in Note 32.

15 Disposal group classified as held-for-sale and discontinued operations

On 30 August, 2022, the Company entered into a stock purchase agreement with Alset Inc. to dispose of 505,341,376 shares in GigWorld Inc. for a consideration of US$1.5 million (equivalent approximately to S$2.0 million). GigWorld is primarily engaged in information technology business which is discontinued following its disposal.

On December 9, 2022, the Group has publicly announced its decision of its Board of Directors to enter into an agreement with Alset EHome Inc., a subsidiary of LiquidValue Development Inc., the Company and Alset Inc. pursuant to which Alset EHome Inc. agreed to sell to Alset Inc. an aggregate of 2,567,358 equity shares in the share capital of its subsidiary, American Home REIT Inc. ("AHR") for a consideration of US$26,250,000 (equivalent approximately to S$35,226,000).

Alset EHome Inc. is an indirect 99.99% owned subsidiary of the Company, which undertakes the business of property development and specialises in land development, home building, sales and rental and property management through its subsidiaries. AHR currently owns 112 single-family rental homes.

On 13 January, 2023, 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. 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.*

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

15 Disposal group classified as held-for-sale and discontinued operations (Cont'd)

(a) The assets from the disposal group of AHR are measured as follows:

	Carrying amount at the end of the reporting period before classification as held for sale	Carrying amount as remeasured immediately before classification as held for sale
	$000	$000
Investment properties	**40,268**	38,874

The Group recognised a fair value loss of $1,394,000 on the investment properties immediately before classifying the disposal group as held-for-sale. The Group measures the fair value less cost to sell of the disposal group as S$35,226,000 which is the consideration price agreed with Alset Inc.

As the Group measures a disposal group classified as held-for-sale at the lower of its carrying amount and fair value less cost to sell, the Group recognised an impairment loss of $3,807,000 when the disposal group of AHR is classified as held-for-sale.

The impairment loss is allocated to the non-current assets to which the measurement requirements of SFRS(I) are applicable. Since the investment properties are the only non-current assets, the entire impairment loss is thus allocated to the investment properties.

Carrying amount as remeasured immediately before classification as held for sale	Allocated impairment loss	Carrying amount after allocation of impairment loss
$000	$000	$000
38,874	**(3,807)**	35,067

(b) The major classes of assets and liabilities comprising the disposal group of AHR classified as held-for-sale are as follows:

	The Group
	2022
	$'000
Assets	
Investment properties	**35,067**
Cash and bank balances	**1,592**
Trade and other receivables	**60**
	36,719
Liabilities	
Trade and other payables	**(1,493)**
Net assets of disposal group as at 31 December 2022	**35,226**

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

15 Disposal group classified as held-for-sale and discontinued operations (cont'd)

(c) The results of the discontinued operations are as follows:

	The Group	
	2022	2021
	$000	$000
Results of discontinued operations		
Revenue	**2,508**	440
Cost of Sales	**(1,504)**	(156)
Administrative expenses	**(597)**	(333)
Other operating expenses	**(952)**	(61)
Other operating Income	**13**	1,791
Impairment of investment properties	**(3,807)**	–
(Loss)/gain in fair value changes of investment properties	**(1,394)**	4,381
Results of operating activities before tax	**(5,733)**	6,062
Income tax expense	**–**	–
(Loss)/profit from discontinued operations, net of tax	**(5,733)**	6,062

(d) The impact of the discontinued operations on the cash flows of the Group for the financial year ended 31 December 2022 are as follows:

	The Group	
	2022	2021
	$000	$000
Cash flows generated from discontinued operations		
Operating cash inflows/(outflows)	**1,316**	(190)
Investing cash outflows	**(2,059)**	(34,399)
Financing cash inflows	**2,002**	34,908
Total cash inflows	**1,259**	319

(e) Cumulative balance recognised in other comprehensive income relating to the disposal group classified as held-for-sale as follows:

	The Group
	2022
	$000
Currency translation differences	**(194)**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

16 Share capital and other reserves

The Group and The Company	2022	2021 No. of shares '000	2022 $'000	2021 $'000
Issued and fully paid with no par value:				
At 1 January	**3,492,713**	1,769,910	**213,470**	131,985
Issuance of new ordinary shares pursuant to the vesting of the awards granted under the Plan	**–**	1,500	**–**	97
Issuance of new ordinary shares pursuant to exercise of 2016 warrants	**–**	154,378	**–**	6,175
Issuance of new ordinary shares pursuant to exercise of 2017 warrants	**–**	1,566,925	**–**	75,213
At 31 December	**3,492,713**	3,492,713	**213,470**	213,470

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.

The Company had on 3 March 2021, allotted and issued 1,500,000 new ordinary shares, granted under the Plan at a price of $0.06 per share. Information relating to the Plan, including share awards granted and vested in 2021 and share awards outstanding as at 31 December 2021 are set out in Note 26.

Other reserves

(a) Capital reserve

This represents (i) "day one" difference on the interest-free loans given by a shareholder; (ii) 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; (iii) difference between the amount from the issuance of new shares pursuant to the vesting of the shares awards granted under the Plan and the amount previously recognised in the employee share option reserve; and (iv) gain on disposal of subsidiary to its ultimate holding company that is accounted for as transaction with owner.

(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.

(c) Employee share option reserve

Employee share option reserve represents the equity-settled share options or awards granted to employees (Note 26). 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 or awards, and is reduced by the expiry, forfeiture or exercise of the share options or awards.

(d) Fair value reserve

The fair value changes of equity securities classified as fair value through other comprehensive income are recognised directly in other comprehensive income and accumulated in fair value reserve.

(e) 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.

(f) Reserve of disposal group classified as held-for-sale

The reserve of disposal group classified as held-for-sale is the cumulative income recognised in other comprehensive income relating to the disposal group reclassified out from the foreign currency translation reserve.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

17 Loans and borrowings

		The Group		The Company	
	Maturity	**31 December 2022 $'000**	31 December 2021 $'000	**31 December 2022 $'000**	31 December 2021 $'000
Current					
Floating rate AUD loan	2022	**–**	220	**–**	–
Non-current					
Fixed Rate USD Loan	2026	**–**	92	**–**	–
Total loans and borrowings (Note 19)		**–**	312	**–**	–

Floating rate AUD loan

The loan was secured by a charge over the freehold land classified in properties for sale (Note 11) as well as a deposit pledged (Note 14). This loan was denominated in AUD and was guaranteed by one of the directors of SeD Perth Pty Ltd. The interest rate was based on the weighted average interest rates applicable to each of the Business Markets Facility Components which ranged from 4.475% to 4.485 % per annum. The loan was fully repaid on 30 April 2022.

Non-current

Fixed rate USD loan

On 11 February 2021, LiquidValue Development Inc. entered into a five year note with M&T Bank with principal amount of US$68,502 pursuant to the Paycheck Protection Program ("PPP Term Note") under the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act"). The PPP Term Note bore interest at fixed annual rate of 1.00%. The PPP Term Note was unsecured and guaranteed by the United States Small Business Administration. LiquidValue Development Inc may apply to M&T Bank for forgiveness of the PPP Term Note, with the amount which may be forgiven equal to at least 60% of payroll costs and other eligible payments incurred, calculated in accordance with the terms of the CARES Act. In April 2022, LiquidValue Development Inc. received confirmation that the loan was fully forgiven.

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

18 Lease liabilities

	The Group		The Company	
	31 December 2022 $'000	31 December 2021 $'000	**31 December 2022 $'000**	31 December 2021 $'000
Undiscounted lease payments due:				
- Less than 1 year	**833**	727	**286**	119
- Between 2 and 5 years	**416**	104	**280**	104
- Over 5 years	**53**	7	**53**	7
Less: Future interest cost	**(20)**	(15)	**(18)**	(15)
Lease liabilities	**1,282**	823	**601**	215
Presented as:				
- Non-current	**457**	99	**321**	99
- Current	**825**	724	**280**	116
	1,282	823	**601**	215

Interest expense on lease liabilities of $8,000 (2021 - $8,000) is recognised within "finance costs" in consolidated statement of comprehensive income.

Total cash outflows for all leases during the year amount to $757,000 (2021 - $460,000).

Information about the Group's leases are disclosed in Note 29.

Further information about the Group's and the Company's exposure to liquidity risks is disclosed in Note 32.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

19 Trade and other payables

	The Group		The Company	
	31 December 2022 $'000	31 December 2021 $'000	**31 December 2022 $'000**	31 December 2021 $'000
Current				
Trade payables	**1,466**	3,580	**8**	4
Other payables				
- Third parties	**453**	415	**–**	3
Amount due to director (non-trade)	**–**	19	**–**	–
Amount due to ultimate holding company	**16,948**	17,542	**16,675**	17,542
Amount due to immediate holding company	**241**	–	**–**	–
Contract liabilities	**4**	646	**–**	–
Commission payable	**200**	147	**–**	–
Accrued professional fees	**115**	238	**96**	121
Deposit received	**–**	43	**–**	–
Accrued performance incentive fee for a director	**–**	3,793	**–**	3,793
Withholding tax payable	**6,739**	5,678	**4,974**	3,945
Other accruals	**97**	92	**58**	66
Total current trade and other payables	**26,263**	32,193	**21,811**	25,474
Total trade and other payables	**26,263**	32,193	**21,811**	25,474
Loans and borrowings (Note 17)	**–**	312	**–**	–
Lease liabilities (Note 18)	**1,282**	823	**601**	215
Deposit received	**–**	(43)	**–**	–
Withholding tax payable	**(6,739)**	(5,678)	**(4,974)**	(3,945)
Contract liabilities	**(4)**	(646)	**–**	–
Total financial liabilities at amortised cost (Note 32)	**20,802**	26,961	**17,438**	21,744

Trade payables

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

Withholding tax payable

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

Deposits received

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

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

19 Trade and other payables (Cont'd)

Accrued performance incentive fee for a director

This relates to the accrual of performance incentive fee for Mr Chan Heng Fai. The performance incentive package is approved by the Remuneration Committee of the Company. The balance has been fully settled during the year.

Amounts due to immediate and ultimate holding company

This relates to advances from immediate and ultimate holding company which are unsecured, interest-free and repayable on demand.

Amount due to a director

This relates to amount due to a director which is unsecured, interest-free and repayable on demand. The balance has been fully settled during the year.

Contract liabilities

The Group offers customers with the right to access to its skin care and health products in Korea through its membership program. The customer will pay an upfront membership fee that is valid on a yearly basis. The Group recognises the membership fees collection as contract liabilities which is amortised over the membership period.

	The Group		The Company	
	31 December 2022 $'000	31 December 2021 $'000	**31 December 2022 $'000**	31 December 2021 $'000
At 1 January	**646**	3,387	**–**	–
Fee received during the year	**78**	3,402	**–**	–
Revenue recognised for fees included in contract liability at beginning of the year	**(646)**	(3,387)	**–**	–
Revenue recognised for fees received during the year	**(74)**	(2,756)	**–**	–
At 31 December	**4**	646	**–**	–

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

	The Group		The Company	
	31 December 2022 $'000	31 December 2021 $'000	**31 December 2022 $'000**	31 December 2021 $'000
South Korean Won	**389**	923	**–**	–
United States Dollar	**17,189**	17,542	**16,675**	17,542

Please refer to Note 32 for details of currency and liquidity risks exposure.

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

20 Other operating income

The Group	Note	Continuing operations 2022 $'000	Continuing operations 2021 $'000	Discontinued operations (Note 15) 2022 $'000	Discontinued operations (Note 15) 2021 $'000	Total 2022 $'000	Total 2021 $'000
Grant income - Job Support Scheme ("JSS")		**–**	28	**–**	–	**–**	28
Fair value gain on derivative asset	13	**–**	223	**–**	–	**–**	223
Net unrealised foreign exchange gain		**–**	877	**–**	–	**–**	877
Net realised foreign exchange gain		**–**	433	**–**	–	**–**	433
Fair value gain on other investments	7	**720**	–	**–**	–	**720**	–
Fair value gain on equity securities at FVTPL		**–**	–	**–**	1,747	**–**	1,747
Fair value gain on convertible promissory notes	12b	**242**	–	**–**	–	**242**	–
Fair value gain on investment properties	5	**–**	–	**–**	4,381	**–**	4,381
Loan forgiveness	17	**92**	–	**–**	–	**92**	–
Reversal of impairment on properties for sale	11	**3,276**	3,741	**–**	–	**3,276**	3,741
Others		**146**	488	**13**	44	**159**	532
		4,476	5,790	**13**	6,172	**4,489**	11,962

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

21 Other operating expenses

The Group	Note	Continuing operations 2022 $'000	Continuing operations 2021 $'000	Discontinued operations (Note 15) 2022 $'000	Discontinued operations (Note 15) 2021 $'000	Total 2022 $'000	Total 2021 $'000
Net unrealised foreign exchange loss		**1,138**	–	**–**	–	**1,138**	–
Fair value loss on derivative assets	13	**924**	–	**–**	–	**924**	–
Fair value loss on derivative liabilities	13	**1,714**	–	**–**	–	**1,714**	–
Fair value loss on Investment properties	5	**–**	–	**1,394**	–	**1,394**	–
Impairment on Investment properties	15	**–**	–	**3,807**	–	**3,807**	–
Impairment on related parties	10	**1,353**	–	**–**	–	**1,353**	–
Withholding tax expenses		**1,061**	606	**–**	44	**1,061**	650
Net fair value losses on equity securities at FVTPL	12(a)	**31,382**	54,875	**932**	–	**32,314**	54,875
Realised loss on mark to market instrument		**–**	1,949	**–**	–	**–**	1,949
Bad debt written off	10	**–**	516	**–**	–	**–**	516
Others		**51**	128	**20**	17	**71**	145
		37,623	58,074	**6,153**	61	**43,776**	58,135

22 Finance income

The Group	2022 $'000	2021 $'000
Interest income – promissory notes	**452**	162
Interest income – bank	**15**	37
	467	199

23 Finance costs

The Group	2022 $'000	2021 $'000
Interest expense from loans and borrowings	**3**	14
Interest expense on lease liabilities	**8**	8
Amortisation of transaction costs	**–**	58
	11	80

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

24 Loss before taxation

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

The Group	Note	Continuing operations 2022 $'000	Continuing operations 2021 $'000	Discontinued operations (Note 15) 2022 $'000	Discontinued operations (Note 15) 2021 $'000	Total 2022 $'000	Total 2021 $'000
Audit fees:							
- Auditors of the Company		**320**	256	**–**	–	**320**	256
- Other auditors		**189**	116	**–**	–	**189**	116
Depreciation of property, plant and equipment	4	**149**	51	**–**	–	**149**	51
Depreciation of right-of-use assets	6	**656**	462	**–**	–	**656**	462
Staff salaries and related costs (including share-based compensation (equity settled))	25	**3,389**	6,983	**–**	–	**3,389**	6,983
Legal and other professional fees		**1,867**	1,257	**309**	38	**2,176**	1,295

25 Staff salaries and related costs

The Group	2022 $'000	2021 $'000
Directors' remuneration		
- Salaries and other related costs	**713**	4,922
- Director's fee	**160**	100
- Share-based compensation (equity-settled)	**–**	49
- Contribution to defined contribution plan	**48**	70
	921	5,141
Key management personnel (other than directors)		
- Salaries and other related costs	**661**	733
- Share-based compensation (equity-settled)	**–**	–
- Contribution to defined contribution plan	**15**	9
	676	742
Other than directors and key management personnel		
- Salaries and other related costs	**1,616**	937
- Share-based compensation (equity-settled)	**–**	–
- Contribution to defined contribution plan	**176**	163
	1,792	1,100
	3,389	6,983

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

26 Employee benefits (including directors)

<u>Share option and award plans</u>

<u>Singapore eDevelopment Limited Share Option Scheme (the "Scheme")</u>

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.

<u>Movement of share options during the financial year</u>

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

	31 December 2022		31 December 2021	
	No.	**WAEP**	No.	WAEP
Outstanding at 1 January	**1,061,333**	**0.12**	1,061,333	0.12
- Forfeited	**–**	**–**	–	–
Outstanding at 31 December	**1,061,333**	**0.12**	1,061,333	0.12

The exercise price for options outstanding at the end of the year was $0.12 (2021 - $0.12). The weighted average remaining contractual life for these options is 1 year (2021 - 2 years).

<u>Fair value of share options granted</u>

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

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

Singapore eDevelopment Limited Performance Share Plan

On 23 October 2014, the Company obtained shareholder's approval at an Extraordinary General Meeting of the Company to adopt the Plan. The Plan is designed to reward, retain and motivate employees to achieve superior performance and whose services are vital to the well-being and success of the Group.

The purpose of adopting the Plan is to give the Company greater flexibility to align the interests of employees with the interests of shareholders and to promote higher performance goals, recognise achievement and retain talents within the Group.

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

(a) employees of the Group (including Executive Directors of the Group);

(b) any Director of the Company (including Non-Executive Directors); and

(c) Controlling Shareholders and/or their associates who are either employees of the Group or Directors of the Company shall not participate in the 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.

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 Plan shall not exceed 25% of the total number of shares available under the 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 Plan shall not exceed 10% of the total number of shares available under the Plan and such other share based incentive schemes of the Company.

The awards may only be vested and consequently any performance shares comprised in such awards shall only be delivered upon the Remuneration Committee ("RC") being satisfied that the participant has achieved the performance target(s) and the Plan is awarded before expiry of the prescribed performance period 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.

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

The selection of a participant, the number of performance shares which are the subject of each award to be made to individual, 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.

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

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

Singapore eDevelopment Limited Performance Share Plan (Cont'd)

The 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.

The Plan shall continue in force at the absolute discretion of the RC, subject to a maximum period of 10 years commencing on 23 October 2014 provided always that the Plan may continue beyond the above stipulated period with the approval of shareholders in general meeting and of any relevant authorities which may then be required.

The Plan may be terminated at any time by the RC, or by shareholders by ordinary resolution at a general meeting subject to all approvals or any relevant authorities which may then be required, and if the Plan is so terminated, no further share awards shall be granted by the Company thereunder.

The termination, discontinuance or expiry of the Plan shall not affect the share awards which have been granted in accordance with the rules of the Plan, whether such share awards have been vested (whether fully or partially) or not.

Details of the share awards granted and vested are as follows:

The Group and The Company

Date of share awards granted	Tranches	Balance at 1 January 2021	Granted during the year	Vested during the year	Balance at 31 December 2021	Fair value of share awards $
8 October 2020	Tranche 2	1,500,000	–	(1,500,000)	–	0.06
		1,500,000	–	(1,500,000)	–	

On 8 October 2020, the Company had also granted 1,500,000 share awards to Mr. Chan Tung Moe under the Plan. Mr. Chan Tung Moe was required to complete six months of services with the Company. The 1,500,000 share awards shall vest upon fulfilment of 6 months of services from the grant date of 8 October 2020.

The Company had on 3 March 2021, allotted and issued 1,500,000 new ordinary shares in the capital of the Company to the eligible director pursuant to the vesting of the Awards under the Plan. These shares issued shall rank pari passu in all respects with the existing shares of the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

27 Income tax

The Group	2022 $'000	2021 $'000
Current taxation		
- Current year	**286**	554
- Under provision of prior year tax	**103**	–
	389	554

Reconciliation of effective tax rate

The Group	2022 $'000	2021 $'000
(Loss)/Profit before tax from:		
- Continuing operations	**(40,285)**	(54,449)
- Discontinued operations	**(5,733)**	6,062
	(46,018)	(48,387)
Less: Share of associate's results	**674**	–
	(45,344)	(48,387)
Tax at statutory rate of different tax jurisdictions	**(8,125)**	(8,176)
Tax effect on non-deductible expenses	**7,765**	10,365
Tax effect on non-taxable income	**(952)**	(810)
Deferred tax benefits not recognised	**1,598**	850
Under provision of prior year tax	**103**	–
Utilisation of deferred tax assets previously not recognised	**–**	(1,675)
	389	554

As at 31 December 2022, the Group has unutilised tax losses amounting to approximately $49,785,000 (2021 - $39,502,000) 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 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 on related parties, unrealised exchange losses, impairment loss on investment properties, fair value losses on financial assets at fair value through profit or loss and fair value loss on derivative instruments which are capital in nature.

Non-taxable income mainly arose from the reversal of impairment on properties for sale.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

28 (Loss)/Earning per share

(Loss)/Earnings per share computation

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

	Continuing operations		Discontinued operations		Total	
The Group	**2022**	2021	**2022**	2021	**2022**	2021
Basic earnings per share						
(Loss)/profit for the year attributable to owners of the Company ($'000)	**(40,668)**	(55,303)	**(5,733)**	6,062	**(46,401)**	(49,241)
Weighted average number of ordinary shares ('000)	**3,492,713**	2,666,409	**3,492,713**	2,666,409	**3,492,713**	2,666,409
Basic (loss)/earnings per share based on the weighted average number of ordinary shares (cents)	**(1.16)**	(2.07)	**(0.16)**	0.23	**(1.33)**	(1.85)

	Continuing operations		Discontinued operations		Total	
The Group	**2022**	2021	**2022**	2021	**2022**	2021
Diluted earnings per share						
(Loss)/profit for the year attributable to owners of the Company ($'000)	**(40,668)**	(55,303)	**(5,733)**	6,062	**(46,401)**	(49,241)
Weighted average number of ordinary shares inclusive of dilutive potential ordinary shares ('000)	**3,492,713**	2,666,409	**3,492,713**	2,666,409	**3,492,713**	2,666,409
Diluted (loss)/earnings per share based on the weighted average number of ordinary shares (cents)	**(1.16)**	(2.07)	**(0.16)**	0.23	**(1.33)**	(1.85)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

28 (Loss)/Earning per share (Cont'd)

Weighted-average number of ordinary share (diluted)

	2022	2021
	'000	'000
Weighted-average number of ordinary shares (basic)	**3,492,713**	2,666,409
Effect of share option on issue	**–**	–
Weighted-average number of ordinary shares (diluted)	**3,492,713**	2,666,409

For the purpose of calculating diluted earnings or loss per share, the weighted average number of shares are adjusted for the effects of all dilutive potential ordinary shares. As at 31 December 2022 and 2021, the basic and diluted losses per ordinary share were the same since the outstanding convertibles such as share options were anti-dilutive.

29 Leases

The Group as lessee

(i) *Office and food and beverages premises*

The Group leases several office and food and beverages premises for operation purposes.

(ii) *Motor vehicles*

The Group acquires motor vehicles under hire purchase arrangements to facilitate internal logistics support.

Information regarding the Group's right-of-use assets and lease liabilities are disclosed in Note 6 and Note 18, respectively.

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

	2022	2021
The Group	**$'000**	$'000
Motor vehicles	**54**	33
Premises	**602**	429
	656	462

There are no externally imposed covenants on the above lease arrangements.

The Group as lessor

The Group leases real estate properties to its tenants under leases that are predominately classified as operating leases. Generally, at the end of the lease term, the Group provides the tenants with a one year renewal option, including mostly the same terms and preconditions provided under the initial lease term, subject to rent increase.

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

29 Leases (Cont'd)

Where Group is the lessor

In the last financial year ended 31 December 2021, the Group had the following rentals receivable under non-cancellable operating leases related to investment properties. The following table sets out the maturity analysis of lease payments, showing the undiscounted lease payments to be received during the year.

The Group	**31 December 2021 $'000**
Less than one year	**627**

On 13 January 2023, 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$26,250,000. The Group's rental income are primarily derived from the leasing of properties of AHR and its subsidiaries. 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.*

30 Operating segments

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

(a) Property development and investment, which includes actively acting as a developer for property projects, investing in property development projects and investing in properties to earn rental.

(b) 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;

(c) 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;

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

(e) Food and beverage sales.

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.

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

30 Operating segments (Cont'd)

	Operating segments												Non-operating Segments					
	Property Development		Investment Business		Information Technology Business (Discontinued)		Biomedical Business (Korea)		Property investment (Discontinued)		Food and Beverage Business		Corporate and others		Business Elimination		Total	
	2022 $'000	2021 $'000	**2022 $'000**	2021 $'000	**2022 $'000**	2021 $'000	**2022 $'000**	2021 $'000	**2022 $'000**	2021 $'000	**2022 $'000**	2021 $'000	**2022 $'000**	2021 $'000	**2022 $'000**	2021 $'000	**2022 $'000**	2021 $'000
Revenue	**1,828**	18,275	**–**	–	**13**	–	**773**	7,410	**2,495**	440	**395**	57	**–**	–	**–**	–	**5,504**	26,182
Segment result																		
Segment (loss)/profit from operation	**(2,815)**	9,642	**(34,020)**	(55,532)	**(1,200)**	1,618	**(911)**	3,612	**(4,533)**	4,444	**(342)**	(49)	**(12,768)**	(16,114)	**10,115**	3,873	**(46,474)**	(48,506)
Finance income	**–**	–	**30**	26	**–**	–	**1**	2	**–**	–	**–**	–	**3,541**	2,022	**(3,105)**	(1,851)	**467**	199
Finance expenses	**(3)**	(72)	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**(8)**	(8)	**–**	–	**(11)**	(80)
Net (loss)/ profit before tax	**(2,818)**	9,570	**(33,990)**	(55,506)	**(1,200)**	1,618	**(910)**	3,614	**(4,533)**	4,444	**(342)**	(49)	**(9,235)**	(14,100)	**7,010**	2,022	**(46,018)**	(48,387)
Income tax	**(103)**	40	**–**	–	**–**	–	**(286)**	(594)	**–**	–	**–**	–	**–**	–	**–**	–	**(389)**	(554)
Net (loss)/ profit for the year	**(2,921)**	9,610	**(33,990)**	(55,506)	**(1,200)**	1,618	**(1,196)**	3,020	**(4,533)**	4,444	**(342)**	(49)	**(9,235)**	(14,100)	**7,010**	2,022	**(46,407)**	(48,941)
Additions of property plant and equipment	**–**	575	**218**	–	**–**	–	**–**	–	**–**	–	**218**	53	**309**	13	**–**	–	**745**	641
Additions of investment properties	**–**	–	–	–	–	–	**–**	–	**2,604**	33,519	**–**	–	–	–	–	–	**2,604**	33,519
Additions of right-of-use assets	**–**	–	**–**	105	–	–	**–**	–	**–**	–	**–**	–	–	–	–	–	**–**	105
Investment in convertible promissory notes	**–**	–	**–**	11,704	–	–	**–**	–	**–**	–	**–**	–	–	–	–	–	**–**	11,704
Purchase of other investment	**–**	–	**544**	115	–	–	**–**	–	**–**	–	**–**	–	–	–	–	–	**544**	115
Purchase of investment securities	**–**	–	**74,653**	54,128	–	–	**–**	–	**–**	–	**–**	–	**–**	–	–	–	**74,653**	54,128
Depreciation of plant and equipment	**19**	4	**52**	24	**–**	–	**12**	4	**–**	–	**41**	5	**25**	14	**–**	–	**149**	51
Depreciation of right-of-use assets	**161**	156	**300**	97	**–**	–	**–**	–	**–**	–	**105**	14	**90**	195	**–**	–	**656**	462
Fair value loss/(gain) on investment properties	**–**	–	**–**	–	**–**	–	**–**	–	**1,394**	(4,381)	**–**	–	**–**	–	**–**	–	**1,394**	(4,381)
Impairment on investment properties	**–**	–	**–**	–	**–**	–	**–**	–	**3,807**	–	**–**	–	**–**	–	**–**	–	**3,807**	–
Reversal of impairment losses on properties for sale	**(3,276)**	(3,741)	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**(3,276)**	(3,741)
Net fair value loss/(gain) on equity securities at fair value through profit or loss	**–**	–	**31,382**	54,875	**932**	(1,747)	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**32,314**	53,128
Unrealised loss/(gain)	**–**	–	**–**	–	**–**	61	**13**	(5)	**–**	–	**–**	–	**1,125**	(931)	**–**	(2)	**1,138**	(877)
Gain on disposal of subsidiaries	**–**	–	**–**	–	**3,187**	–	**–**	–	**–**	–	**–**	–	**–**	428	**(3,187)**	(428)	**–**	–
Fair value loss/(gain) on derivative asset	**–**	–	**924**	(223)	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**924**	(223)
Fair value loss on derivative liabilities	**–**	–	**1,714**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**1,714**	–
Fair value gain on convertible promissory note	**–**	–	**242**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**242**	–
Fair value gain on other investments	**–**	–	**720**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**720**	–

30 Operating segments (Cont'd)

	Operating segments						Non-operating segments		
	Property Development $'000	Investment Business $'000	Information Technology Business (Discontinued) $'000	Food and Beverage $'000	Biomedical Business $'000	Property Investment (Discontinued) $'000	Corporate and others $'000	Elimination $'000	Total $'000
Consolidated segment assets									
31 December 2022	**52,849**	**15,833**	**2,094**	**1,108**	**2,844**	**36,719**	**93,511**	**(85,149)**	**119,809**
31 December 2021	42,122	15,816	2,969	370	4,318	38,325	145,535	(84,080)	165,375
Consolidated segment liabilities									
31 December 2022	**94,421**	**23,204**	**3,479**	**426**	**2,586**	**1,493**	**29,129**	**(123,986)**	**30,752**
31 December 2021	84,615	22,221	3,247	428	1,681	117	36,232	(115,213)	33,328

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	South Korea $'000	Hong Kong $'000	United States of America $'000	Australia $'000	Total $'000
31 December 2022						
Revenue	**395**	**773**	**13**	**3,477**	**846**	**5,504**
Non-current assets	**4,223**	**2**	**143**	**834**	**–**	**5,202**
31 December 2021						
Revenue	57	7,410	–	18,715	–	26,182
Non-current assets	956	6	143	38,734	–	39,839

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

There is one major customer (2021 - one major customer) contributing revenue which is greater than 10% of the total revenue for the current financial year.

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31 Related party transactions

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) Accrued performance incentive fee for a director (Note 19)

In the last the financial year ended 31 December 2021, the Group had incurred performance incentive fee of $4,097,000 for Mr. Chan Heng Fai on a discretionary basis to be approved by the Remuneration Committee. No accrual was made in current financial year since the criteria for the performance incentive fee was not met.

(b) Amount due to ultimate holding company (Note 19)

In the last financial year ended 31 December 2021, the Group received advances of S$17,542,000 from its ultimate holding company to fund the acquisition of investment properties in Montgomery County, Texas. During the financial year ended 31 December 2022, a sum of $880,000 was repaid to the ultimate holding company.

(c) Convertible promissory note from AMRE

In the last financial year ended 31 December 2021, the Group had subscribed to a convertible promissory note issued by AMRE. The total convertible promissory note amounted to S$11,704,000 as of 31 December 2021 and bore interest at a rate of 8% per annum. Total interest of $452,000 (2021: $162,000) was charged during the year 31 December 2022. On 17 May 2022, the shareholders of DSS Inc. approved the issuance of 21,366,177 of DSS Inc's common stocks to the Company to purchase the convertible promissory note issued by AMRE with a principal sum of US$8,350,000 and accrued but unpaid interest. AMRE is a subsidiary of DSS in which Mr. Chan Heng Fai is a Chairman of DSS.

(d) Consultation fee incurred to a director

During the financial year ended 31 December 2022, the Group incurred consultation fee of US$350,000 (2021- US$360,000) to MacKenzie Equity Partners, which is owned by Charles MacKenzie, a director of LiquidValue Development Inc., a subsidiary of the Group.

(e) Advances to LiquidValue Assest Management Limited ("LVD HK")

This relates to amount advanced to an entity in which Mr. Chan Heng Fai is the Chairman of the parent entity.

(f) Disposal of DSS Common Stock to Alset Inc.

During the year, the Group sold 1.5 million of DSS common stocks to Alset Inc. for a consideration of US$555,000.

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.

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

32 Financial risk management (Cont'd)

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 risks. 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.

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

The Group	**31 December 2022 $'000**	31 December 2021 $'000
Financial assets at fair value through profit or loss		
Quoted equity securities (Note 12a)	**13,546**	24,221
Convertible promissory notes (Note 12b)	**–**	11,704
Derivative asset (Note 13)	**439**	1,363
Unquoted equity instrument (Note 7)	**1,848**	–
	15,833	37,288
Financial assets at amortised cost		
Trade and other receivables (Note 10)	**7,612**	5,785
Cash and bank deposits (Note 14)	**13,679**	55,111
	21,291	60,896
Financial assets at fair value through OCI		
Equity instruments at FVOCI (Note 7)	**236**	318
Financial liabilities at amortised cost		
Trade and other payables* (Note 19)	**19,520**	25,826
Loans and borrowings (Note 17)	**–**	312
Lease liabilities (Note 18)	**1,282**	823
	20,802	26,961
Financial liabilities at fair value through profit or loss		
Derivative liabilities (Note 13)	**1,714**	–

* exclude deposits received, withholding tax payable and contract liabilities.

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For the financial year ended 31 December 2022

32 Financial risk management (Cont'd)

The Company	**31 December 2022 $'000**	31 December 2021 $'000
Financial assets at amortised cost		
Trade and other receivables (Note 10)	**80,332**	75,898
Cash and bank deposits (Note 14)	**9,024**	40,333
	89,356	116,231
Financial assets at fair value through profit or loss		
Quoted equity securities (Note 12a)	**11,833**	12,431
Convertible promissory notes (Note 12b)	**–**	11,430
	11,833	23,861
Financial liabilities at amortised cost		
Trade and other payables*(Note 19)	**16,837**	21,529
Lease liabilities (Note 18)	**601**	215
	17,438	21,744
Financial liabilities at fair value through profit or loss		
Derivative liabilities (Note 13)	**1,714**	–

* exclude deposits received, withholding tax payable and contract liabilities.

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 its floating rate loans and borrowings. As at the reporting date, the Group is not exposed to any significant interest rate risk.

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

32 Financial risk management (Cont'd)

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 2022		
Financial assets		
Trade and other receivables	**6,100**	6,100
Cash and cash equivalents	**5,987**	5,987
Quoted equity securities	**13,524**	13,524
Finance liabilities		
Amount due to related parties	**(17,189)**	(17,189)
Net financial assets	**8,422**	8,422
At 31 December 2021		
Financial assets		
Trade and other receivables	4,377	4,377
Cash and cash equivalents	15,014	15,014
Quoted equity securities	20,266	20,266
Convertible promissory notes	11,704	11,704
Finance liabilities		
Amount due to related parties	(17,542)	(17,542)
Net financial assets	33,819	33,819

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For the financial year ended 31 December 2022

32 Financial risk management (Cont'd)

32.2 Currency risk (Cont'd)

The Company	**USD $'000**	**Total $'000**
At 31 December 2022		
Financial assets		
Trade and other receivables	**76,603**	76,603
Quoted equity securities	**11,813**	11,813
Cash and cash equivalents	**2,178**	2,178
Finance liabilities		
Amount due to ultimate holding company	**(16,675)**	(16,675)
Net financial assets	**73,919**	73,919
At 31 December 2021		
Financial assets		
Trade and other receivables	**63,847**	63,847
Quoted equity securities	**12,410**	12,410
Convertible promissory notes	**11,430**	11,430
Cash and cash equivalents	**14,962**	14,962
Finance liabilities		
Amount due to ultimate holding company	**(17,542)**	(17,542)
Net financial assets	**85,107**	85,107

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 profit or 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 2022**		31 December 2021	
	Profit before tax $'000	**Equity $'000**	Profit before tax $'000	Equity $'000
	(Decrease)/Increase		(Decrease)/Increase	
USD				
- strengthened 5% (2021 - 5%) against SGD	**421**	**421**	1,691	1,691

The Company	**31 December 2022**		31 December 2021	
	Profit before tax $'000	**Equity $'000**	Profit before tax $'000	Equity $'000
	(Decrease)/Increase		(Decrease)/Increase	
USD				
- strengthened 5% (2021 - 5%) against SGD	**3,696**	**3,696**	4,255	4,255

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.

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

32 Financial risk management (Cont'd)

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 a 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 $'000	Total $'000	Less than 1 year $'000	Between 2 and 5 years $'000	Over 5 years $'000
The Group					
As at 31 December 2022					
Trade and other payables*	**19,520**	**19,520**	**19,520**	**–**	**–**
Lease liabilities	**1,282**	**1,302**	**833**	**416**	**53**
Derivative liabilities	**1,714**	**1,714**	**1,714**	**–**	**–**
	22,516	**22,536**	**22,067**	**416**	**53**
As at 31 December 2021					
Trade and other payables*	25,826	25,826	25,826	–	–
Loans and borrowings	312	323	323	–	–
Lease liabilities	823	838	727	104	7
	26,961	26,987	26,876	104	7

		Contractual undiscounted cash flows			
	Carrying amount $'000	Total $'000	Less than 1 year $'000	Between 2 and 5 years $'000	Over 5 years $'000
The Company					
As at 31 December 2022					
Trade and other payables*	**16,837**	**16,837**	**16,837**	**–**	**–**
Lease liabilities	**601**	**619**	**286**	**280**	**53**
Derivative liabilities	**1,714**	**1,714**	**1,714**	**–**	**–**
	19,152	**19,170**	**18,837**	**280**	**53**
As at 31 December 2021					
Trade and other payables*	21,529	21,529	21,529	–	–
Lease liabilities	215	230	119	104	7
	21,744	21,759	21,648	104	7

* exclude deposits received, withholding tax payable and contract liabilities

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

32 Financial risk management (Cont'd)

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.

Exposure to credit risk

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statements of financial position.

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 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 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 past due and/or impaired

Information regarding financial assets that are impaired is disclosed in Note 10. 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.

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

32 Financial risk management (Cont'd)

32.4 Credit risk (Con't)

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 2022				
Trade receivables	**Lifetime ECL**	**59**	**–**	**59**
Other receivables	**12-month ECL**	**8,906**	**(1,353)**	**7,553**
	12-month/ Lifetime ECL	Gross carrying amount $'000	Loss allowance $'000	Net carrying amount $'000
At 31 December 2021				
Trade receivables	**Lifetime ECL**	53	–	53
Other receivables	**12-month ECL**	5,732	–	5,732

The Company	**12-month/ Lifetime ECL**	**Gross carrying amount $'000**	**Loss allowance $'000**	**Net carrying amount $'000**
At 31 December 2022				
Other receivables-related parties	**12-month ECL**	**3,370**	**(1,353)**	**2,017**
Other receivables	**12-month ECL**	**61**	**–**	**61**
Amounts due from subsidiaries (non-trade)	**12-month ECL**	**123,426**	**(45,172)**	**78,254**
		126,857	**(46,525)**	**80,332**
At 31 December 2021				
Other receivables	12-month ECL	33	–	33
Amounts due from subsidiaries (non-trade)	12-month ECL	114,065	(38,200)	75,865
		114,098	(38,200)	75,898

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

32 Financial risk management (Cont'd)

32.4 Credit risk (Cont'd)

(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 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) Other receivables

The expected credit loss on other receivables is estimated by reference to payment history, current financial situation of the borrower, borrower-specific information obtained directly from the borrower and public domain, where available, and an assessment of the current and future wider economic conditions and outlook for the industry in which the borrower operates at the reporting date.

(3) Amounts due from subsidiaries and related parties

The use of loans and advances to assist with the subsidiaries and related parties' 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 related parties, and a forward-looking analysis of the financial performance of investments and projects undertaken by these subsidiaries and related parties. For the amounts due from subsidiaries and related parties which are repayable on demand, expected credit losses are determined based on the availability of accessible and highly liquid assets of the subsidiaries and related parties for repayment if they are demanded at the reporting date. There has been significant increase in the credit risk for certain subsidiaries and related parties. The impairment assessment for ECL is disclosed in Note 10.

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

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:

The Group	Gross carrying amount $'000	Impairment loss allowance $'000	Net carrying amount $'000	Credit Impaired
At 31 December 2022				
Current (not past due)	**8,520**	**(1,353)**	**7,167**	**Yes**
1 - 30 days past due	**60**	**–**	**60**	**No**
31 - 60 days past due	**103**	**–**	**103**	**No**
Past due over 60 days	**282**	**–**	**282**	**No**
	8,965	**(1,353)**	**7,612**	**No**
At 31 December 2021				
Current (not past due)	4,410	–	4,410	No
1 - 30 days past due	117	–	117	No
31 - 60 days past due	158	–	158	No
Past due over 60 days	1,100	–	1,100	No
	5,785	–	5,785	

The Company	Gross carrying amount $'000	Impairment loss allowance $'000	Net carrying amount $'000	Credit Impaired
At 31 December 2022				
Current (not past due)	**3,431**	**(1,353)**	**2,078**	**Yes**
1 - 30 days past due	**–**	**–**	**–**	
31 - 60 days past due	**–**	**–**	**–**	
Past due over 60 days	**123,426**	**(45,172)**	**78,254**	**Yes**
	126,857	**(46,525)**	**80,332**	
At 31 December 2021				
Current (not past due)	33	–	33	No
1 - 30 days past due	–	–	–	
31 - 60 days past due	–	–	–	
Past due over 60 days	114,065	(38,200)	75,865	Yes
	114,098	(38,200)	75,898	

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 12a). The fair value of these financial instruments is quoted from the market.

For investment securities classified as fair value through profit or loss, a 10% increase in the equity price at the reporting date would have increased profit before tax by $1,355,000 (2021 - $2,422,000). Similarly, a decrease of 10% in equity price would have an equal but opposite effect.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

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 2022 $'000**	31 December 2021 $'000
Lease liabilities	**(1,282)**	(823)
Loans and borrowings	**–**	(312)
Total debt	**(1,282)**	(1,135)
Cash and cash equivalents (excluding bank deposit pledged)	**13,264**	49,123
Net debt	**#**	#
Total equity	**89,057**	132,047
Gearing ratio	**#**	#

\# 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).

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

34 Fair value measurement (Cont'd)

Fair values of financial instruments

The following table shows the Levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis:

(a) Financial assets and liabilities measured at fair value

The Group	Note	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
31 December 2022					
Financial assets measured at fair value through profit or loss					
- Quoted equity securities	12a	**13,546**	**–**	**–**	**13,546**
- Derivative asset	13	**–**	**–**	**439**	**439**
- Other investment (unquoted)	7	**–**	**–**	**1,848**	**1,848**
Financial assets at FVOCI					
- Other investment (unquoted)	7	**–**	**–**	**236**	**236**
Financial liability measured at fair value through profit or loss					
- Derivative liabilities	13	**–**	**–**	**(1,714)**	**(1,714)**
		13,546	**–**	**809**	**14,355**
31 December 2021					
Financial assets measured at fair value through profit or loss					
- Quoted equity securities	12a	24,221	–	–	24,221
- Convertible promissory notes	12b	–	–	11,704	11,704
- Derivative asset	13	–	–	1,363	1,363
Financial assets at FVOCI					
- Other investment (unquoted)	7	–	–	318	318
		24,221	–	13,385	37,606

The Company	Note	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
31 December 2022					
Financial assets measured at fair value through profit or loss					
- Quoted equity securities	12a	**11,833**	**–**	**–**	**11,833**
Financial liability measured at fair value through profit or loss					
- Derivative liability	13	**–**	**–**	**(1,714)**	**(1,714)**
		11,833	**–**	**(1,714)**	**10,119**
31 December 2021					
Financial assets measured at fair value through profit or loss					
- Quoted equity securities	12a	12,431	–	–	12,431
- Convertible promissory notes (unquoted)	12b		–	11,430	11,430
		12,431	–	11,430	23,861

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34 Fair value measurement (Cont'd)

Fair values of financial instruments (Cont'd)

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

Fair value measurement of financial assets and liabilities

Level 1 fair value measurements

The fair value of quoted equity securities is determined directly by reference to their published market price at the balance sheet date.

Level 3 fair value measurements

Description	Valuation technique	Significant unobservable inputs		Inter-relationship between significant unobservable inputs and fair value measurement
Convertible promissory notes	Option Pricing Model	Discount for lack of marketability	2022: N.A. (2021: 18.46%)	The estimated fair value would increase/ decrease if discount for non-marketability was lower/ higher
Derivative asset	Binomial Option Pricing Model	Discount for lack of marketability	2022: 44.64% (2021: 29.95%)	The estimated fair value would increase/ decrease if discount for non-marketability was lower/ higher
Derivative liabilities:				
- Derivative contract 1	Barrier Option Model	Adjusted volatility	2022: 81.28% (2021: N.A.)	The estimated fair value would increase/ decrease if volatility was higher/lower
		Risk-free interest rate	2022: 4.50% (2021: N.A.)	The estimated fair value would increase/ decrease if risk-free interest rate was lower/ higher
- Derivative contract 2	Barrier Option Model	Adjusted volatility	2022: 74.79% (2021: N.A.)	The estimated fair value would increase/ decrease if volatility was higher/lower
		Risk-free interest rate	2022: 4.50% (2021: N.A.)	The estimated fair value would increase/ decrease if risk-free interest rate was lower/ higher

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

34 Fair value measurement (Cont'd)

Fair values of financial instruments (Cont'd)

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

Level 3 fair value measurements (Cont'd)

Description	**Valuation technique**	**Significant unobservable inputs**		**Inter-relationship between significant unobservable inputs and fair value measurement**
- Derivative contract 3	Barrier Option Model	Adjusted volatility	2022: 81.43% (2021: N.A.)	The estimated fair value would increase/ decrease if volatility was higher/lower
		Risk-free interest rate	2022: 4.50% (2021: N.A.)	The estimated fair value would increase/ decrease if risk-free interest rate was lower/ higher
Other investments - FVOCI	Net Asset Value ("NAV")	Value of the underlying net asset value of the entities		The estimated fair value would increase/ decrease if NAV was higher/ lower
Other investments - FVTPL	Price-to-book approach	Discount for lack of marketability	2022: 15.70% (2021: N.A.)	The estimated fair value would increase/ decrease if discount for non-marketability was lower/ higher

In last financial year ended 31 December 2021, for the convertible promissory note measured at fair value through profit or loss, a reasonably possible change in the key assumption used i.e. discount for the lack of marketability to the fair value of the convertible promissory note from management's estimates would not result in a material impact to the Group's result.

For the derivative asset and liabilities that measured at fair value through profit or loss, a reasonably possible change in the key assumption used i.e. discount for the lack of marketability, adjusted volatility and risk-free interest rate to the fair value of the derivative from management's estimates would not result in a material impact to the Group's result for the current and previous financial years.

For financial assets at FVOCI (level 3), increasing the significant unobservable input by 5% at the reporting date would have increased equity by $12,000 (2021 - $16,000). 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.

For the unquoted investment at FVTPL, a reasonably possible change in the key assumption used i.e. discount for the lack of marketability to the fair value of the financial asset from management's estimates would not result in a material impact to the Group's result.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

34 Fair value measurement (Cont'd)

Fair values of financial instruments (Cont'd)

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

Level 3 fair value measurements (Cont'd)

For the financial year ended 31 December 2022 and 2021, the reconciliation of the carrying amounts of financial instruments classified within Level 3 is as follows:

The Group	**Convertible promissory notes $'000**	**Convertible Preferred stocks $'000**	**Derivative asset $'000**	**Derivative liabilities $'000**	**Other investments $'000**
Balance at 1 January 2021	–	49,802	–	–	203
Additions	11,542	–	1,140	–	115
Interest income	162	–	–	–	–
Conversion of preferred stocks to common stocks	–	(21,882)	–	–	–
Fair value changes	–	(27,920)	223	–	–
Balance at 1 January 2022	**11,704**	**–**	**1,363**	**–**	**318**
Interest income	**452**	**–**	**–**	**–**	**–**
Addition	**–**	**–**	**–**	**–**	**544**
Fair value changes	**242**	**–**	**(924)**	**(1,714)**	**638**
Disposal	**(12,124)**	**–**	**–**	**–**	**–**
Conversion of promissory notes to common stocks	**(274)**	**–**	**–**	**–**	**584**
Balance at 31 December 2022	**–**	**–**	**439**	**(1,714)**	**2,084**

The Company	**Convertible promissory notes $'000**	**Derivative liabilities $'000**
Balance at 1 January 2021	–	–
Additions	11,430	–
Balance at 1 January 2022	**11,430**	**–**
Interest income	**452**	**–**
Fair value changes	**242**	**(1,714)**
Disposal	**(12,124)**	**–**
Balance at 31 December 2022	**–**	**(1,714)**

There were no transfers between Level 1, Level 2 and Level 3 in 2022 and 2021.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

34 Fair value measurement (Cont'd)

Fair values of financial instruments (Cont'd)

(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 10), bank deposits pledged (Note 14), cash and cash equivalents (Note 14), loans and borrowings (Note 17) and trade and other payables (Note 19). The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values due to their short-term nature.

In the last fiancial year ended 31 December 2021, the carrying amount of the long-term loans and borrowings was a reasonable approximation of fair value as the loans are floating rate loans that re-priced to market interest rate quarterly. For fixed rate borrowing loan, the interest continues to approximate the prevailing interest rates as at the reporting date.

In respect of the financial years ended 31 December 2022 and 2021, the fair value disclosure of lease liabilities is not required as lease liabilities are measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the incremental borrowing rate applicable to the leased asset.

(c) Non-financial assets measured at fair value

The Group	Note	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
31 December 2022					
Investment properties, as remeasured before classification as held-for-sale	15	**–**	**–**	**38,874**	**38,874**
31 December 2021					
Investment properties	5	–	–	37,900	37,900

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

34 Fair value measurement (Cont'd)

Fair values of financial instruments (Cont'd)

Fair value measurement of investment properties

(c) Non-financial assets measured at fair value

Description	Valuation technique	Significant unobservable inputs		Inter-relationship between significant unobservable inputs and fair value measurement
Investment Properties	Income Capitalisation Approach	Expected rental rate US$ per unit per month	Woodland Lakes $1,655 - $2,195 (2021: $1,750 - $2,100)	*The estimated fair value would increase (decrease) if:*
			Northpark Woods $1,695 - $2,400 (2021: $1,750 - $2,200)	Expected rental rate per unit was higher (lower)
			Sorrento Bay $1,495 - $1,510 (2021: $1,495 - $1,550)	
			Santa Fe $1,395 - $1,555 (2021: $1,495 - $1,500)	
		Operating expense ratio	Woodland Lakes 47.4% (2021: 43.6%)	Operating expense ratio was lower (higher)
			Northpark Woods 45.7% (2021: 43.9%)	
			Sorrento Bay 40.0% (2021: 40.0%)	
			Santa Fe 40.3% (2021: 39.5%)	
		Vacancy rate	5% for all four subdivisions (2021: 5%)	Vacancy rate was lower (higher)
		Capitalisation rate	4.75% for all four subdivisions (2021: 4.75%)	Capitalisation rate was lower (higher)

For investment properties that are measured at fair value, a 0.25% reasonably possible change in the capitalisation rate will result in variance ranging from $76,000 to $770,000 (2021: $80,000 to $750,000) to the Group's result for the financial year ended 31 December 2022 on the subdivisions Woodland Lakes, Northpark Woods, Sorrento Bay and Santa Fe.

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

35 Subsequent events

(i) Disposal of subsidiary

On 9 December 2022, Alset Ehome Inc., a subsidiary of the LiquidValue Development Inc., entered into an agreement with the Company and Alset Inc. pursuant which Alset Ehome Inc. agreed to sell its subsidiary American Home REIT Inc., which owns 112 single-family rental homes, to Alset Inc. for a consideration of US$26.25 million. The closing of the transaction contemplated by this agreement was completed on 13 January 2023.

(ii) Purchase and sale agreement entered to sell 110 residential lots

On 16 March 2023, 150 CCM Black Oak Ltd ("CCM")., a subsidiary of the LiquidValue Development Inc., entered into a 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, CCM has agreed to sell approximately 110 single-family detached residential lots which comprise a section of the Lakes at Black Oak. The price of the lots and certain community enhancement fees CCM will be entitled to receive are anticipated to equal an aggregate of US$6,586,250.

The closing of the sale of these 110 lots depends on the satisfaction of certain conditions set forth in the Purchase and Sale Agreement.

CCM shall be required to complete certain improvements at the property at CCM's cost prior to the closing.

(iii) Purchase and sale agreement entered to sell 189 residential lots

On March 17, 2023, CCM entered into a Contract of Sale with Davidson Homes, LLC, an Alabama limited liability company ("Davidson Homes"). Pursuant to the terms of the Contract of Sale, CCM has agreed to sell approximately 189 single-family detached residential lots comprising an additional section of the Lakes at Black Oak. The price of the lots and certain community enhancement fees CCM will be entitled to receive are anticipated to equal an aggregate of US$10,022,500.

The closing of the transactions described in the Contract of Sale depends on the satisfaction of certain conditions set forth therein. Davidson Homes has agreed to purchase the lots in stages, comprising an initial closing of 94 lots, the remaining lots to be purchase on or before December 29, 2023.

CCM shall be required to complete certain improvements at the property at CCM's cost prior to the closing.

STATISTICS OF **SHAREHOLDINGS**

As at 31 March 2023

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	104	4.93	4,323	0.00
100 - 1,000	311	14.73	172,568	0.01
1,001 - 10,000	413	19.56	2,266,640	0.06
10,001 - 1,000,000	1,223	57.94	174,706,695	5.00
1,000,001 AND ABOVE	60	2.84	3,315,563,136	94.93
TOTAL	**2,111**	**100.00**	**3,492,713,362**	**100.00**

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	PHILLIP SECURITIES PTE LTD	3,002,112,991	85.95
2	DSS, INC.	127,179,311	3.64
3	MAYBANK SECURITIES PTE. LTD.	25,366,184	0.73
4	TEH WING KWAN	11,946,000	0.34
5	DBS NOMINEES (PRIVATE) LIMITED	10,691,636	0.31
6	TEO CHOR KOK	7,878,750	0.23
7	RAFFLES NOMINEES (PTE.) LIMITED	6,384,150	0.18
8	LEE EE @ LEE ENG	6,272,300	0.18
9	LOH YIH	6,000,620	0.17
10	CITIBANK NOMINEES SINGAPORE PTE LTD	5,691,300	0.16
11	LIM & TAN SECURITIES PTE LTD	5,103,700	0.15
12	LEE WEE NGAM	4,900,000	0.14
13	TAN TONG CHEE	4,700,000	0.13
14	TAN KAH HENG (CHEN JIAXING)	4,217,900	0.12
15	IFAST FINANCIAL PTE. LTD.	4,180,850	0.12
16	CHEAN SOCK HOON	3,350,000	0.10
17	OCBC SECURITIES PRIVATE LIMITED	3,290,670	0.09
18	ANG HAY KIM	3,150,000	0.09
19	LAM LEE G OR CHUNG YUEN YEE KATHY	3,000,000	0.09
20	LIM TZE KERN (LIN SIGEN)	3,000,000	0.09
	TOTAL	**3,248,416,362**	**93.01**

The Company does not have treasury shares or subsidiary holdings. Only ordinary shares of the Company have voting rights. Each ordinary share has one vote.

STATISTICS OF **SHAREHOLDINGS**

As at 31 March 2023

PERCENTAGE OF SHAREHOLDING HELD IN THE NAME OF PUBLIC

As at 31 March 2023, approximately 10.57% 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	%
Alset Business Development Pte. Ltd.	2,980,917,165	85.35%	–	–
Liquidvalue Development Pte. Ltd.	3,001,100	0.08%	–	–
DSS, Inc.	127,179,311	3.64%	–	–
Chan Heng Fai[(1)]	–	–	3,111,097,576	89.07%

Note:

(1) Mr Chan Heng Fai and his associates are treated as having an interest in the shares held directly by Alset Business Development Pte. Ltd., Liquidvalue Development Pte. Ltd. and DSS, Inc. as they are entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares in the respective companies pursuant to Section 4 of the Securities and Futures Act, Cap. 289 of Singapore.

NOTICE OF **ANNUAL GENERAL MEETING**

Notice is hereby given that the Annual General Meeting of **Alset International Limited** (the "**Company**") will be held by way of electronic means on Saturday, 29 April 2023 at 9.30 a.m. (Singapore Time) for the following purposes:

As Ordinary Business

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2022 together with the Auditors' Report thereon. **(Ordinary Resolution 1)**

2. To approve the payment of Directors' fees of up to S$200,000 and for payment of such Directors' fees half yearly in arrears for the financial year ending 31 December 2023 (2022: S$200,000). **(Ordinary Resolution 2)**

3. To re-appoint Foo Kon Tan LLP as the Company's Auditors for the financial year ending 31 December 2023 and to authorise the Directors of the Company to fix their remuneration. **(Ordinary Resolution 3)**

4. To re-elect Mr. Chan King Fai, who is retiring by rotation pursuant to Regulation 89 of the Company's Constitution, and who, being eligible, offers himself for re-election, as a Director of the Company.
[See Explanatory Note (i)] **(Ordinary Resolution 4)**

5. To re-elect Mr. Lui Wai Leung Alan, who is retiring pursuant to Regulation 89 of the Company's Constitution, and who, being eligible, offers himself for re-election, as a Director of the Company.
[See Explanatory Note (ii)] **(Ordinary Resolution 5)**

6. To re-elect Mr. Lim Sheng Hon, Danny, who is retiring pursuant to Regulation 89 of the Company's Constitution, and who, being eligible, offers himself for re-election, as a Director of the Company.
[See Explanatory Note (iii)] **(Ordinary Resolution 6)**

7. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

As Special Business

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

8. **Authority to allot and issue shares in the capital of the Company - Share Issue Mandate**

That, pursuant to Section 161 of the Companies Act 1967 (the "**Companies Act**") and Rule 806 of the Catalist Rules, authority be and is hereby given to the Directors of the Company to:

(a) (i) allot and issue new shares in the capital of the Company ("**Shares**") (whether by way of rights, bonus or otherwise); and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require the Shares to be allotted and issued, including but not limited to the creation, allotment and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

(b) notwithstanding that the authority conferred by this Resolution may have ceased to be in force, allot and issue Shares in pursuance of any Instrument made or granted by the Directors of the Company while this Resolution is in force,

NOTICE OF **ANNUAL GENERAL MEETING**

provided that:

(1) the aggregate number of new Shares (including Shares to be allotted and issued in pursuance of the Instruments made or granted pursuant to this Resolution) to be allotted and issued pursuant to this Resolution shall not exceed one hundred per cent. (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of new Shares to be allotted and issued other than on a *pro rata* basis to the members of the Company (including Shares to be allotted and issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed fifty per cent (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (calculated in accordance with sub-paragraph (2) below);

(2) subject to such calculation as may be prescribed by the SGX-ST, for the purpose of determining the aggregate number of new Shares that may be allotted and issued under sub-paragraph (1) above, the percentage total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

(i) new shares arising from the conversion or exercise of convertible securities;

(ii) new Shares arising from exercising of share options or vesting of share awards, provided that the share options or the share awards are granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

(iii) any subsequent bonus issue, consolidation or sub-division of Shares;

Any adjustments made in accordance with sub-paragraphs 2(i) or (2)(ii) above shall only be made in respect of new Shares arising from convertible securities and Instruments which were issued and outstanding and/or subsisting at the time of passing this Resolution;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Company's Constitution for the time being; and

(4) unless revoked or varied by the Company in a general meeting, such authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

[See Explanatory Note (iv)]. **(Ordinary Resolution 7)**

9. **Authority to offer and grant share options and to allot and issue Shares in accordance with the Alset Share Option Scheme**

That the Directors of the Company be and are hereby authorized to offer and grant share options in accordance with the Alset Share Option Scheme adopted on 20 November 2013 (the "**Option Scheme**") and to allot and issue such Shares as may be required to be allotted and issued pursuant to the exercise of the share options under the Option Scheme, provided always that the aggregate number of Shares to be allotted and issued pursuant to the Option Scheme, the Share Plan (as defined in Ordinary Resolution 9 below) and any other share based incentive schemes of the Company shall not exceed twenty per cent. (20%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time.

[See Explanatory Note (v)] **(Ordinary Resolution 8)**

NOTICE OF **ANNUAL GENERAL MEETING**

10. **Authority to offer and grant share awards and to allot and issue Shares in accordance with the Alset Performance Share Plan**

    That the Directors of the Company be and are hereby authorized to offer and grant share awards in accordance with the Alset Performance Share Plan adopted on 23 October 2014 (the "**Share Plan**") and to allot and issue such Shares as may be required to be allotted and issued under the Share Plan, provided always that the aggregate number of Shares to be allotted and issued pursuant to the Share Plan, the Option Scheme and any other share based incentive schemes of the Company shall not exceed twenty per cent. (20%) of the total issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time.
    [See Explanatory Note (vi)] **(Ordinary Resolution 9)**

By Order of the Board of Directors of
Alset International Limited

Chan Tung Moe
Executive Director and Co-Chief Executive Officer
14 April 2023
Singapore

NOTICE OF **ANNUAL GENERAL MEETING**

Explanatory Notes:

(i) Mr. Chan King Fai will, if re-elected as a Director of the Company, will remain as the Independent Non-Executive Director and a member of the Audit and Risk Management Committee, Nominating Committee and Remuneration Committee. Mr. Chan King Fai is considered independent for the purposes of Rule 704(7) of the Catalist Rules. Further information relating to Mr. Chan King Fai as required under Rule 720(5) of Section B: Rules of Catalist of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") ("**Catalist Rules**") in relation to his re-election may be found under the sections entitled "Board of Directors", "Corporate Governance Report" and "Additional Information on Directors seeking re-election" in the Annual Report for the financial year ended 31 December 2022 (the "**FY2022 Annual Report**").

(ii) Mr. Lui Wai Leung Alan will, if re-elected as a Director of the Company, remain as an Executive Director and the Chief Financial Officer of the Company. Further information relating to Mr. Lui Wai Leung Alan as required under Rule 720(5) of the Catalist Rules in relation to his re-election may be found under the sections entitled "Board of Directors", "Corporate Governance Report", and "Additional information on Directors seeking re-election" in the FY2022 Annual Report.

(iii) Mr. Lim Sheng Hon, Dany will, if re-elected as a Director of the Company, remain as an Executive Director and the Senior Vice President of Business Development of the Company. Further information relating to Mr. Lim Sheng Hon, Danny as required under Rule 720(5) of the Catalist Rules in relation to his re-election may be found under the sections entitled "Board of Directors", "Corporate Governance Report", and "Additional information on Directors seeking re-election" in the FY2022 Annual Report.

(iv) The Ordinary Resolution 7 proposed in item 8 above, if passed, will empower the Directors of the Company from the date of the passing of Ordinary Resolution 7 until the date of the next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier, to allot and issue new Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments. The aggregate number of new Shares (including Shares to be allotted and issued in pursuance of the Instruments made or granted pursuant to Ordinary Resolution 7) to be allotted and issued pursuant to Ordinary Resolution 7 shall not exceed one hundred per cent. (100%) of the total number of issued Shares excluding treasury shares and subsidiary holdings of the Company as at the date of the passing of Ordinary Resolution 7. For the allotment and issue of new Shares other than on a pro-rata basis to existing members of the Company, the aggregate number of new Shares (including Shares to be allotted and issued in pursuance of the Instruments made or granted pursuant to Ordinary Resolution 7) to be allotted and issued pursuant to Ordinary Resolution 7 shall not exceed fifty per cent. (50%) of the total number of issued Shares excluding treasury shares and subsidiary holdings of the Company as at the date of the passing of Ordinary Resolution 7. This authority will, unless previously revoked or varied by the Company in general meeting, expire at the next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

(v) The Ordinary Resolution 8 proposed in item 9 above, if passed, will empower the Directors of the Company, to offer and grant share options and to allot and issue such Shares as may be required to be allotted and issued pursuant to the exercise of the share options under the Option Scheme.

(vi) The Ordinary Resolution 9 proposed in item 10 above, if passed, will empower the Directors of the Company, to offer and grant share awards and to allot and issue such Shares as may be required to be allotted and issued under the Share Plan.

Notes:

1. Pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, the Annual General Meeting will be held by way of electronic means on Saturday, 29 April 2023 at 9.30 a.m. (Singapore Time) for the purpose of considering and if thought fit, passing, with or without any modification, the Ordinary Resolutions in this Notice of Annual General Meeting.

2. Printed copies of this Notice of Annual General Meeting, the FY2022 Annual Report and the Proxy Form will not be sent to members. Instead, this Notice of Annual General Meeting, the FY2022 Annual Report and the Proxy Form may be accessed at the Company's website at the URL https://www.alsetinternational.com/ai-agm-apr-2023 by clicking on the hyperlink titled "Notice of AGM", "Annual Report 2022", "Proxy Form" and "Accompanying Announcement", respectively. This Notice of Annual General Meeting, the FY2022 Annual Report and the Proxy Form are also available on SGXNET at the URL https://www.sgx.com/securities/company-announcements.

3. Alternative arrangements relating to attendance at the Annual General Meeting of the Company via electronic means (including arrangements by which the proceedings of the Annual General Meeting of the Company may be electronically accessed via live audio-visual webcast or live audio-only stream), submission of comments, queries and/or questions to the Chairman of the Meeting in advance of and live at the Annual General Meeting of the Company, addressing of substantial and relevant comments, queries and/or questions before and live at the Annual General Meeting of the Company, and voting live at the Annual General Meeting, or voting by appointing proxy(ies) (other than the Chairman of

NOTICE OF **ANNUAL GENERAL MEETING**

the Meeting) or by appointing the Chairman of the Meeting as proxy at the Annual General Meeting of the Company, are set out in the Company's accompanying announcement dated 14 April 2023. This announcement may be accessed at the Company's website at the URL https://www.alsetinternational.com/ai-agm-apr-2023 by clicking on the hyperlink titled "Notice of AGM", "Annual Report 2022", "Proxy Form" and "Accompanying Announcement", and is also available on SGXNET at the URL https://www.sgx.com/securities/company-announcements.

4. **As the Annual General Meeting will be held by way of electronic means, members will not be able to attend the Annual General Meeting in person. A member (whether individual or corporate) must vote live at the Annual General Meeting or must appoint proxy(ies) (other than the Chairman of the Meeting), or appoint the Chairman of the Meeting as his/her/its proxy to attend, submit question(s) and vote on his/her/its behalf at the Annual General Meeting in accordance with the instructions on the Proxy Form if such member wishes to exercise his/her/its voting rights at the Annual General Meeting.** The Proxy Form may be accessed at the Company's website at the URL https://www.alsetinternational.com/ai-agm-apr-2023 by clicking on the hyperlink titled "Annual Report 2022", "Notice of AGM", "Proxy Form" and "Accompanying Announcement", and is also available on SGXNET at the URL https://www.sgx.com/securities/company-announcements. Where a member (whether individual or corporate) appoints proxy(ies) (including the Chairman of the Meeting), he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the appointment of the proxy(ies) for that resolution will be treated as invalid. To participate in the AGM, shareholders are required to register at the URL https://conveneagm.com/sg/alsetAGM2023 by 9.30 a.m. Wednesday, 26 April 2023.

5. CPF/SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF agent banks, SRS operators or relevant intermediaries to submit their votes and/or questions relating to the resolutions tabled for approval at the Annual General Meeting by Thursday, 20 April 2023 at 9.30 a.m..

6. Duly appointed proxy(ies), including the Chairman of the Meeting acting as proxy, need not be a member of the Company.

7. The Proxy Form must be submitted to the Company in the following manner:

   (a) if submitted by post, be lodged with the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, Keppel Bay Tower, #14-07, Singapore 098632; or

   (b) if submitted by way of electronic means, be submitted via email to the Company at alsetagm2023@alsetinternational.com or via the website at the URL https://conveneagm.com/sg/alsetAGM2023,

   in either case, by 9.30 a.m. on Wednesday, 26 April 2023. A member who wishes to submit the Proxy Form must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or by scanning and submitting it by way of electronic means via email to the email address provided above. **Members are strongly encouraged to submit the completed Proxy Forms by way of electronic means via email.**

Personal Data Privacy:

By submitting the Proxy Form appointing proxy(ies) (other than the Chairman of the meeting) or the Chairman of the Meeting as proxy to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of proxy(ies) for the Annual General Meeting and/or any adjournment thereof, and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting and/or any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Details	Name of Director		
	Chan King Fai	**Lui Wai Leung Alan**	**Lim Sheng Hon, Danny**
Date of appointment	2 May 2017	2 July 2020	2 July 2020
Date of last re-appointment	26 June 2020	28 April 2021	28 April 2021
Age	52	52	31
Country of principal residence	Hong Kong	Hong Kong	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	The Board of Directors, having considered the recommendation of the Nominating Committee and having reviewed and considered the qualifications, working experience and suitability of Mr. Chan King Fai, is of the view that Mr. Chan King Fai has the requisite experience and capability to assume the responsibility as an Independent Non-Executive Director of the Company. Accordingly, the Board of Directors approved the appointment of Mr. Chan King Fai as an Independent Non-Executive Director of the Company.	The Board of Directors, having considered the recommendation of the Nominating Committee and having reviewed and considered the qualifications, working experience and suitability of Mr. Lui Wai Leung Alan, is of the view that Mr. Lui Wai Leung Alan has the requisite experience and capability to assume the responsibility as the Executive Director and Chief Financial Officer of the Company. Accordingly, the Board of Directors approved the appointment of Mr. Lui Wai Leung Alan as an Executive Director and Chief Financial Officer of the Company.	The Board of Directors, having considered the recommendation of the Nominating Committee and having reviewed and considered the qualifications, working experience and suitability of Mr. Lim Sheng Hon, Danny, is of the view that Mr. Lim Sheng Hon, Danny has the requisite experience and capability to assume the responsibility as the Executive Director and Senior Vice President of Business Development of the Company. Accordingly, the Board of Directors approved the appointment of Mr. Lim Sheng Hon, Danny as the Executive Director and Senior Vice President of Business Development of the Company.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Details	Name of Director		
	Chan King Fai	**Lui Wai Leung Alan**	**Lim Sheng Hon, Danny**
Whether the appointment is executive and if so, please state the area of responsibility	Non-Executive	Yes. Mr. Lui Wai Leung Alan oversees the Company's and its subsidiaries' (collectively, the "**Group**") financial and management reporting, focusing on financing operations and treasury investment. Mr. Lui Wai Leung Alan manages all financial forecasts and planning, and evaluates new investment opportunities on an ad-hoc basis. Mr. Lui Wai Leung Alan is also responsible for developing and recommending the overall financial strategy for the Group to capture maximum value for its stakeholders. Mr. Lui Wai Leung Alan is also in charge of assessing the operating effectiveness and internal control of the Group.	Yes. Mr. Lim Sheng Hon, Danny has experience in business development, merger & acquisitions, corporate restructuring and strategic planning and execution. Mr. Lim Sheng Hon, Danny manages the Group's business development efforts, focusing on corporate strategic planning, merger and acquisition and capital markets activities. Mr. Lim Sheng Hon, Danny oversees and ensures the executional efficiency of the Group and facilitates internal and external stakeholders on the implementation of the Group's strategies. Mr. Lim Sheng Hon, Danny liaises with corporate partners and investment prospects for potential working/investment collaborations, operational subsidiaries locally and overseas to augment close parent-subsidiary working relationship.
Job title (e.g. Lead ID, AC Chairman, AC member, etc)	Independent Non-Executive Director, and a member of the Audit and Risk Management Committee, Nominating Committee and Remuneration Committee	Executive Director and Chief Financial Officer	Executive Director and Senior Vice President of Business Development

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Details	Name of Director		
	Chan King Fai	Lui Wai Leung Alan	Lim Sheng Hon, Danny
Professional memberships / qualifications	University of Warwick (UK) (Business Administration) Chinese University Hong Kong (Hong Kong) (Master's in Accountancy) 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 Chartered Governance Institute Associate Member of the Chartered Governance Institute Certified Tax Adviser in Hong Kong	Hong Kong Baptist University (Hong Kong) (Bachelor Degree in Business Administration, major in Accounting) (1993) Certified Practising Accountant (Australia)	Nanyang Technological University (Singapore) (Bachelor's Degree with Honours in Business, specialise in Banking and Finance)
Working experience and occupation(s) during the past 10 years	Independent Non-Executive Director of Zensun Enterprises (formerly known as Heng Fai Enterprises Limited) (August 2011 – July 2015) Independent Non-Executive Director of Fire Rock Holdings Limited Partner at Lau Chan and Company, Certified Public Accountants	Financial Controller of Zensun Enterprises (formerly known as Heng Fai Enterprises Limited) (1997-2016) Chief Financial Officer of Alset International Limited (March 2016 to Present)	Oversea-Chinese Banking Corporation (OCBC) Limited – Property Services Pte Ltd – Administrative - Assistant (from March 2013 to May 2013) ShareInvestor Pte Ltd, Singapore – Internship - (Marketing & Sales Department) (June 2014 to August 2014) Keppel DC REIT – Internship (Portfolio - Management Department) (May 2015 to July 2015) Alset International Limited – SVP, Business - Development (June 2016 to Present)

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Details	Name of Director		
	Chan King Fai	**Lui Wai Leung Alan**	**Lim Sheng Hon, Danny**
Shareholding interest in the Company and its subsidiaries	1,700,000 shares of the Company.	1,000,000 shares of the Company	No
Any relationship (including immediate family member relationships) with any existing director, existing executive officer, the Company and/or substantial shareholder of the Company or any of its principal subsidiaries	No	No	Mr. Lim Sheng Hon, Danny, is the son of Ms. Ang Hay Kim, the SVP, Corporate Services, of the Company.
Conflict of Interest (including any competing business)	No	No	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) submitted to the Company?	Yes	Yes	Yes
Other Principal Commitments Including Directorships	**Past (for the past 5 years)** - Promotion Technology Limited (struck-off the Register on 1 November 2022) **Present** - Fire Rock Holdings Limited (listed in HKSE)	**Past (for the past 5 years)** - 廣州熱盛通科技有限公司 (HotApps Information Technology Co Ltd) (July 2016 to May 2019) - 廣州恒輝房產咨詢有限公司 (Guangzhou Heng Hui Real Estate Consulting Ltd) (October 2016 to August 2019) **Present** - BMI Capital Partners International Limited - LiquidValue Asset Management Pte. Ltd. - HWH World Inc. (Korea) - WeBeauty Korea Inc. (Korea) - AMRE Asset Management Inc. - UBeauty Limited - Liquid Value Asset Management Limited - Hapi Travel Limited - Hapi Cafe Korea Inc - Hapi Cafe Limited - MOC HK Limited - 深圳樂忧餐游飲管理有限公司 - New Energy Asia Pacific Company Limited	**Past (for the past 5 years)** - Partners Happy Pte. Ltd. (July to Aug 2021) - Partners HWH Pte. Ltd. (July to Aug 2021) - Veganburg International Pte. Ltd. (struck off from the Register on 8 April 2021) **Present** - LiquidValue Development Pte. Ltd. - DSS Cyber Security Pte. Ltd. - HWH World Pte. Ltd. - SG Smartfilms Pte. Ltd. - Health Wealth Happiness Pte. Ltd. - HWH World Inc. (Korea) - WeBeauty Inc. (Korea) - RBC Life Pte. Ltd. - AMRE Asset Management Inc. - RBC Life Malaysia Sdn. Bhd. - BioHealth Water Inc. - Impact BioHealth Pte. Ltd. - GDC REIT Inc. (formerly known as Alset Payment Inc.)

ADDITIONAL INFORMATION ON **DIRECTORS SEEKING RE-ELECTION**

Details	Name of Director		
	Chan King Fai	Lui Wai Leung Alan	Lim Sheng Hon, Danny
			- HWH KOR Inc. - Hapi Cafe Inc. - Open House Inc. - Open Rental Inc. - OpenBiz Inc. - HWH (S) Pte. Ltd. - Alset F&B (PLQ) Pte. Ltd. - Alset Inc. (Listed in NASDAQ) - Credas Capital GbmH - Credas Capital Pte. Ltd. - Fai Heng Chan DMCC - Hapi Cafe Korea Inc. (Korea) - Hapi Cafe SG Pte. Ltd. - Ketomei Pte. Ltd. - Liquid Value Asset Management Limited - The Happy Co. Korea Limited (Korea)
(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	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Details	Name of Director		
	Chan King Fai	Lui Wai Leung Alan	Lim Sheng Hon, Danny
(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	No
(c) Whether there is any unsatisfied judgment against him?	No	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	No

ADDITIONAL INFORMATION ON **DIRECTORS SEEKING RE-ELECTION**

Details	**Name of Director**		
	Chan King Fai	**Lui Wai Leung Alan**	**Lim Sheng Hon, Danny**
(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	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	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	No

ADDITIONAL INFORMATION ON **DIRECTORS SEEKING RE-ELECTION**

Details	Name of Director		
	Chan King Fai	Lui Wai Leung Alan	Lim Sheng Hon, Danny
(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	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	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	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	No

ADDITIONAL INFORMATION ON **DIRECTORS SEEKING RE-ELECTION**

Details	Name of Director		
	Chan King Fai	Lui Wai Leung Alan	Lim Sheng Hon, Danny
(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	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	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	No
Any prior experience as a director of an issuer listed on the Exchange?	Not applicable. This is a re-election of a Director.	Not applicable. This is a re-election of a Director.	Not applicable. This is a re-election of a Director.
If yes, please provide details or prior experience.	Not applicable	Not applicable	Not applicable
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.	Not applicable	Not applicable	Not applicable

Alset International Limited
(Incorporated in the Republic of Singapore)
(Company Registration Number 200916763W)

Proxy Form

I/We*______________________________ (Name) ____________ (NRIC/Passport/Company Registration Number*)
of ____ (Address)

being a member/members* of **Alset International Limited** (the "**Company**"), hereby appoint __________________ as my/our proxy/proxies to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held by way of electronic means on Saturday, 29 April 2023 at 9.30 a.m. (Singapore Time) and at any adjournment thereof.

I/We direct my/our proxy/proxies to vote for or against the Ordinary Resolutions to be proposed at the Annual General Meeting as indicated hereunder. **If no specific direction as to voting, or abstentions from voting, is given in respect of the Ordinary Resolution(s), the appointment of __________________ as proxy for the Ordinary Resolution(s) shall be treated as invalid.** The Ordinary Resolutions will be put to vote at the Annual General Meeting of the Company by way of poll.

No.	Ordinary Resolutions	Number of Votes For*	Number of Votes Against*
Ordinary Business			
1.	To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2022 together with the Auditors' Report thereon		
2.	To approve the payment of Directors' fees of up to S$200,000 and for payment of such Directors' fees half yearly in arrears for the financial year ending 31 December 2023		
3.	To re-appoint Foo Kon Tan LLP as the Company's Auditors and to authorise the Directors of the Company to fix their remuneration		
4.	To re-elect Mr. Chan King Fai, who is retiring by rotation pursuant to Regulation 89 of the Company's Constitution		
5.	To re-elect Mr, Lui Wai Leung Alan, who is retiring pursuant to Regulation 89 of the Company's Constitution		
6.	To re-elect Mr. Lim Sheng Hon, Danny, who is retiring pursuant to Regulation 89 of the Company's Constitution		
Special Business			
7.	To approve the authority to allot and issue new Shares		
8.	To approve the authority to offer and grant share options, and to allot and issue Shares in accordance with the Alset Share Option Scheme		
9.	To approve the authority to offer and grant share awards, and to allot and issue Shares in accordance with the Alset Performance Share Plan		

* Delete as appropriate.
\# If you wish to exercise all your votes "For" or "Against", please indicate so with a [√] within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this ________ day of ____________ 2023

Total number of shares in:	Number of shares
(a) CDP Register	
(b) Register of Members	

____
Signature(s) or Common Seal of Member

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM

Notes:

1. Pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, the Annual General Meeting will be held by way of electronic means on Saturday, 29 April 2023 at 9.30 a.m. (Singapore Time) for the purpose of considering and if thought fit, passing, with or without any modification, the Ordinary Resolutions in the Notice of Annual General Meeting.

2. Printed copies of the Notice of Annual General Meeting, the Annual Report for the financial year ended 31 December 2022 (the "**FY2022 Annual Report**") and this Proxy Form will not be sent to members. Instead, the Notice of Annual General Meeting, FY2022 Annual Report and this Proxy Form may be accessed at the Company's website at the URL https://www.alsetinternational.com/ai-agm-apr-2023 by clicking on the hyperlink titled "Notice of AGM", "Annual Report 2022", "Proxy Form" and "Accompanying Announcement", respectively. The Notice of Annual General Meeting, the FY2022 Annual Report and this Proxy Form are also available on SGXNET at the URL https://www.sgx.com/securities/company-announcements.

3. Alternative arrangements relating to attendance at the Annual General Meeting of the Company via electronic means (including arrangements by which the proceedings of the Annual General Meeting of the Company may be electronically accessed via live audio-visual webcast or live audio-only stream), submission of comments, queries and/or questions to the Chairman of the Meeting in advance of and live at the Annual General Meeting of the Company, addressing of substantial and relevant comments, queries and/or questions before and live at the Annual General Meeting of the Company, and voting live at the Annual General Meeting, or voting by appointing proxy(ies) (other than the Chairman of the Meeting) or appointing the Chairman of the Meeting as proxy at the Annual General Meeting of the Company, are set out in the Company's accompanying announcement dated 14 April 2023. This announcement may be accessed at the Company's website at the URL https://www.alsetinternational.com/ai-agm-apr-2023 by clicking on the hyperlink titled "Notice of AGM", "Annual Report 2022", "Proxy Form" and "Accompanying Announcement", and is also available on SGXNET at the URL https://www.sgx.com/securities/company-announcements.

4. **As the Annual General Meeting will be held by way of electronic means, members will not be able to attend the Annual General Meeting in person. A member (whether individual or corporate) must vote live at the Annual General Meeting or must appoint proxy(ies) (other than the Chairman of the Meeting), or appoint the Chairman of the Meeting as his/her/its proxy to attend, submit question(s) and vote on his/her/its behalf at the Annual General Meeting in accordance with the instructions on this Proxy Form if such member wishes to exercise his/her/its voting rights at the Annual General Meeting.** This Proxy Form may be accessed at the Company's website at the URL https://www.alsetinternational.com/ai-agm-apr-2023 by clicking on the hyperlink titled "Notice of AGM", "Annual Report 2022", "Proxy Form" and "Accompanying Announcement" and is also available on SGXNET at the URL https://www.sgx.com/securities/company-announcements. Where a member (whether individual or corporate) appoints proxy(ies) (including the Chairman of the Meeting), he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in this Proxy Form, failing which the appointment of the proxy(ies) for that resolution will be treated as invalid.

5. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, this Proxy Form shall be deemed to relate to all the Shares held by you.

6. CPF/SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF agent banks, SRS operators or relevant intermediaries to submit their votes and/or questions relating to the resolutions tabled for approval at the Annual General Meeting by Thursday, 20 April 2023 at 9.30 a.m..

7. Duly appointed proxy(ies), including the Chairman of the Meeting, acting as proxy, need not be a member of the Company.

8. This Proxy Form must be submitted to the Company in the following:

   (a) if submitted by post, be lodged with the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, Keppel Bay Tower, #14-07, Singapore 098632; or

   (b) if submitted by way of electronic means, be submitted via email to the Company at alsetagm2023@alsetinternational.com,

   in either case, by 9.30 a.m. on Wednesday, 26 April 2023. A member who wishes to submit this Proxy Form must first download, complete and sign this Proxy Form, before submitting it by post to the address provided above, or by scanning and submitting it by way of electronic means via email to the email address provided above. **Members are strongly encouraged to submit the completed Proxy Forms by way of electronic means via email.**

9. Where this Proxy Form is executed by an individual, it must be executed under the hand of the individual or his/her attorney duly authorised. Where this Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised.

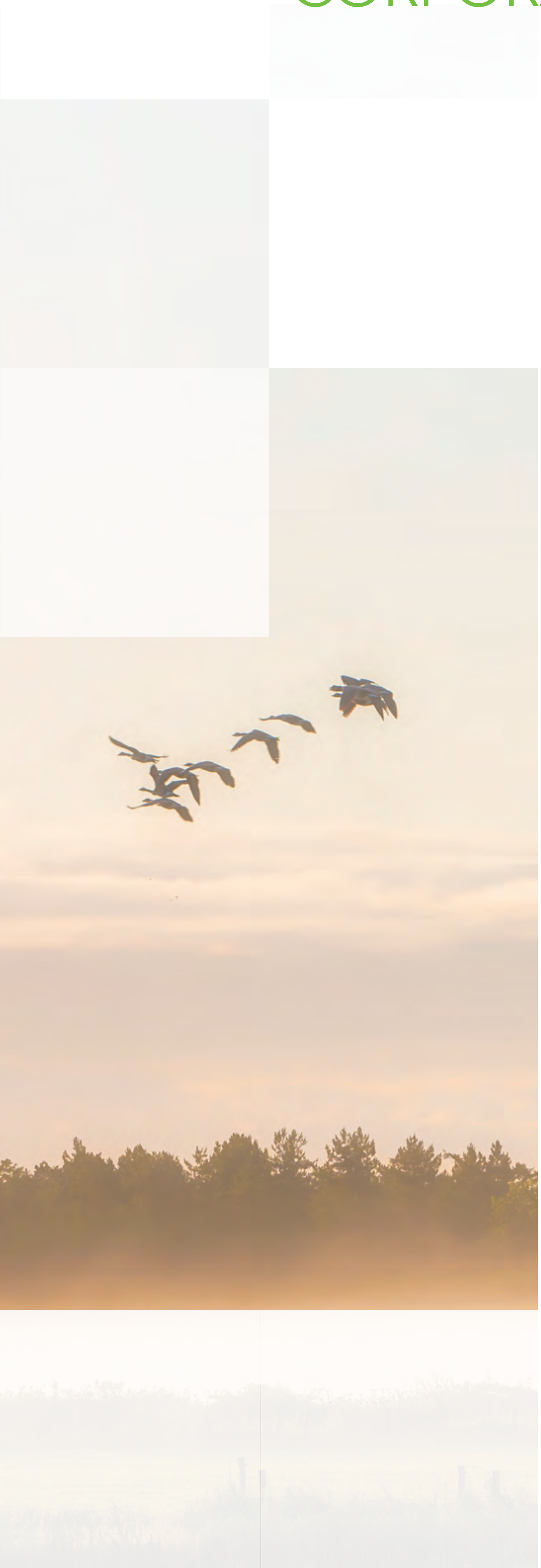
General:

The Company shall be entitled to reject a Proxy Form which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on this Proxy Form. In addition, in the case of Shares entered in the Depository Register, the Company may reject a Proxy Form if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Annual General Meeting of the Company, as certified by The Central Depository (Pte) Limited to the Company. A Depositor shall not be regarded as a member of the Company entitled to attend the Annual General Meeting of the Company and to speak and vote thereat unless his name appears on the Depository Register 72 hours before the time set for the Annual General Meeting of the Company.

Personal Data Privacy:

By submitting this Proxy Form appointing proxy(ies) (other than the Chairman of the meeting) or the Chairman of the Meeting as proxy to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of the proxy(ies) for the Annual General Meeting and/or any adjournment thereof, and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting and/or any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines.

CORPORATE **INFORMATION**



DIRECTORS
Chan Heng Fai
Lam Lee G.
Chan Tung Moe
Lui Wai Leung Alan
Lim Sheng Hon, Danny
Tao Yeoh Chi
Wong Shui Yeung
Wong Tat Keung
Chan King Fai

COMPANY SECRETARY
Gn Jong Yuh Gwendolyn
(LLB Hons)
1 Robinson Road
#18-00 Aia Tower
Singapore 048542

SHARE REGISTRAR
Boardroom Corporate & Advisory
Services Pte Ltd
1 Harbourfront Avenue
Keppel Bay Tower #14-07
Singapore 098632

REGISTERED OFFICE
7 Temasek Boulevard
#29-01B Suntec Tower One
Singapore 038987
Tel: +65 6333 9181
Fax: +65 6333 9164
Email: contact@alsetinternational.com

AUDITORS
Foo Kon Tan LLP
24 Raffles Place
#07-03 Clifford Centre
Singapore 048621
Partner In Charge: Chan Ser
Date of Appointment: Since Financial
Year Ended 31 December 2019
Number of years in-charge: 4 years

SPONSOR
Hong Leong Finance Limited
16 Raffles Quay
#01-05 Hong Leong Building
Singapore 048581

ALSET INTERNATIONAL LTD

www.alsetinternational.com

7 Temasek Boulevard
#29-01B Suntec Tower One
Singapore 038987

Email: contact@alsetinternational.com
Tel : (65) 6333 9181
Fax: (65) 6333 9164