

Circular dated 1 November 2024

This Circular is important and requires your immediate attention. Please read it carefully.

If you are in doubt about its contents or the action that you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other independent professional adviser immediately.

If you have sold or transferred all your ordinary shares in the share capital of Alset International Limited (the “**Company**”), you should forward this Circular together with the Notice of Extraordinary General Meeting and the attached Proxy Form immediately to the purchaser or the transferee or to the stockbroker, bank or agent through whom the sale or transfer was effected for onward transmission to the purchaser or the transferee.

This Circular has been prepared by the Company and its contents have been reviewed by Hong Leong Finance Limited (the “**Sponsor**”) for compliance with the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalyst. This Circular has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular.

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



Alset International Limited

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

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED DISPOSAL OF HWH INTERNATIONAL, INC.

**Independent Financial Adviser in relation to the
Proposed Disposal of HWH International, Inc.**



W Capital Markets Pte. Ltd.
(Incorporated in the Republic of Singapore)
(Company Registration Number 201813207E)

Important Dates and Times:

Last date and time for lodgement of Proxy Form : 15 November 2024 at 10:30 a.m. (Singapore Time)

Date and time of Extraordinary General Meeting : 18 November 2024 at 10:30 a.m. (Singapore Time)

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CORPORATE INFORMATION

- Board of Directors** : Chan Heng Fai (Executive Chairman, Executive Director and Chief Executive Officer)
Chan Tung Moe (Executive Director and Co-Chief Executive Officer)
Lui Wai Leung Alan (Executive Director and Chief Financial Officer)
Lim Sheng Hon, Danny (Executive Director and Senior Vice President of Business Development)
Tang Yeng Yuen (Lead Independent Non-Executive Director)
Wong Tat Keung (Independent Non-Executive Director)
Chan King Fai (Independent Non-Executive Director)
Wong Shui Yeung (Independent Non-Executive Director)
- Company Secretary** : Gn Jong Yuh Gwendolyn (LLB Hons)
- Registered Office** : 9 Temasek Boulevard
#16-04 Suntec Tower Two
Singapore 038989
- Share Registrar and Share Transfer Office** : **Boardroom Corporate & Advisory Services Pte. Ltd.**
1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632
- Sponsor** : **Hong Leong Finance Limited**
16 Raffles Quay
#01-05 Hong Leong Building
Singapore 048581
- Auditors** : **Foo Kon Tan LLP**
1 Raffles Place
#04-61 One Raffles Place
Singapore 048616
- Legal Adviser to the Company on Singapore Law for the Proposed Disposal** : **Shook Lin & Bok LLP**
1 Robinson Road
#18-00 AIA Tower
Singapore 048542

DEFINITIONS

In this Circular, the following definitions apply throughout unless the context requires otherwise or unless otherwise stated:

- “Agreement” : The stock purchase agreement entered into between the Company and the Purchaser
- “associate” : (a) In relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means:
- (i) his immediate family;
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more;
- (b) In relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
- “Audit and Risk Management Committee” : The audit and risk management committee of the Company comprising Mr Wong Shui Yeung (Chairman), Mr Wong Tat Keung and Mr Chan King Fai
- “Board” : The board of directors of the Company as at the date of this Circular or from time to time, as the case may be
- “Catalist Rules” : The SGX-ST Listing Manual Section B: Rules of Catalist, as may be amended, supplemented or modified from time to time
- “Catalist” : The sponsor-supervised listing platform of the SGX-ST
- “CDP” : The Central Depository (Pte) Limited
- “Circular” : This circular to Shareholders dated 1 November 2024 in relation to the Proposed Disposal
- “Companies Act” : The Companies Act 1967 of Singapore, as may be amended, supplemented or modified from time to time
- “Company” : Alset International Limited
- “Consideration” : US\$4,095,000
- Further details on the Consideration are set out in **Section 2.5** of this Circular
- “Constitution” : The constitution of the Company, as may be amended, supplemented or modified from time to time
- “controlling shareholder” : A person who:
- (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in a company. The SGX-ST may determine

DEFINITIONS

- that a person who satisfies this paragraph is not a controlling shareholder; or
- (b) in fact exercises control over a company
- “Debt to Equity Conversion” : Has the definition as ascribed to it in **Section 2.3.1** of this Circular
- “Director” : A director of the Company as at the date of this Circular or from time to time, as the case may be
- “EGM” : The extraordinary general meeting of the Company to be convened and held, notice of which is set out on pages N-1 to N-2 of this Circular
- “EPS/(LPS)” : Earnings/(loss) per Share
- “FY” : Financial year ended or ending 31 December, as the case may be
- “Group” : The Company and its subsidiaries collectively
- “IFA Letter” : The letter dated 1 November 2024 issued by the IFA containing the opinion of the IFA on whether the Proposed Disposal is on normal commercial terms and prejudicial to the interests of the Company and its minority Shareholders as set out in **Appendix C** to this Circular
- “IFA” : W Capital Markets Pte. Ltd., the independent financial adviser, appointed by the Company to opine on whether the Proposed Disposal is on normal commercial terms and prejudicial to the interests of the Company and its minority Shareholders
- “Independent Valuer” : ValueScope, LLC, the independent valuer, commissioned by the Company to perform a valuation of the 100% equity interest in the Target based on generally accepted valuation methodologies
- “Latest Practicable Date” : 23 October 2024, being the latest practicable date prior to the issue of this Circular
- “Notice of EGM” : The notice of EGM which is set out on pages N-1 to N-2 of this Circular
- “NAV” : Net asset value
- “NTA” : Net tangible assets
- “Ordinary Resolution” : The ordinary resolution as set out in the Notice of EGM
- “Promissory Note” : Has the definition as ascribed to it in **Section 2.5.1** of this Circular
- “Proposed Disposal” : The proposed disposal of an aggregate of 6,500,000 shares of common stock in the share capital of the Target
Further details on the Proposed Disposal are set out in **Section 2** of this Circular
- “Proxy Form” : The proxy form in respect of the EGM which is attached to this Circular

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“Purchaser”	: Alset Inc.
“Recommending Directors”	: Mr Tang Yeng Yuen and Mr Chan King Fai
“S\$” and “Singapore cents”	: Singapore dollars and cents respectively, the lawful currency of Singapore
“Securities Accounts”	: The securities accounts maintained by Depositors with CDP, but not including the securities accounts maintained with a Depository Agent
“SFA”	: The Securities and Futures Act 2001 of Singapore, as may be amended, supplemented or modified from time to time
“SGX-ST”	: Singapore Exchange Securities Trading Limited
“Shareholders”	: The registered holders of Shares, except that where the registered holder is CDP, the term “Shareholders” in relation to Shares held by CDP shall mean the persons named as Depositors in the Depository Register maintained by CDP and to whose Securities Accounts such Shares are credited
“Shares”	: Ordinary shares in the share capital of the Company
“Sponsor”	: Hong Leong Finance Limited
“Substantial Shareholder”	: A person who has an interest or interests in one or more voting Shares in the Company and the total votes attached to that Share, or those Shares, is not less than 5% of the total votes attached to all the voting Shares in the Company
“Target”	: HWH International, Inc.
“US\$”	: United States dollars, the lawful currency of the United States of America
“Valuation Report”	: The valuation report issued by the Independent Valuer on 27 September 2024 A summary of the Valuation Report is set out in Appendix B to this Circular
“%”	: Per centum or percentage

The terms “Depositor”, “Depository Agent” and “Depository Register” shall have the same meanings ascribed to them respectively in Section 81SF of the SFA.

The terms “associated company” and “subsidiary” shall have the same meanings ascribed to them in the Catalist Rules and the Companies Act, as the case may be.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word or term defined under the Companies Act, the SFA, the Catalist Rules or any statutory modification thereof and used in this Circular shall, where applicable, have the same meaning ascribed to it under the Companies Act, the SFA, the Catalist Rules or any statutory modification thereof, as the case may be, unless the context requires otherwise.

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Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to “persons” shall, where applicable, include corporations.

Any reference to a time of day or date in this Circular shall be a reference to Singapore time and dates, unless otherwise stated.

Any discrepancies in the figures in this Circular between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

LETTER TO SHAREHOLDERS



Alset International Limited

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

Board of Directors:

Chan Heng Fai	(Executive Chairman, Executive Director and Chief Executive Officer)
Chan Tung Moe	(Executive Director and (Executive Director and Co-Chief Executive Officer)
Lui Wai Leung Alan	(Executive Director and Chief Financial Officer)
Lim Sheng Hon, Danny	(Executive Director and Senior Vice President of Business Development)
Tang Yeng Yuen	(Lead Independent Non-Executive Director)
Wong Tat Keung	(Independent Non-Executive Director)
Chan King Fai	(Independent Non-Executive Director)
Wong Shui Yeung	(Independent Non-Executive Director)

Registered Office:

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

1 November 2024

To: The Shareholders of Alset International Limited

Dear Sir/Madam,

THE PROPOSED DISPOSAL OF HWH INTERNATIONAL, INC.

1. INTRODUCTION

1.1 Extraordinary General Meeting

1.1.1 The Board is convening an EGM to seek Shareholders' approval for the Proposed Disposal.

1.1.2 The Proposed Disposal constitutes:

- (a) an "interested person transaction" under Chapter 9 of the Catalist Rules and has a value of more than 5% of the Group's latest NTA. Further details on the Proposed Disposal as an "interested person transaction" under Chapter 9 of the Catalist Rules are set out in **Section 2.8** of this Circular; and
- (b) a "major transaction" under Chapter 10 of the Catalist Rules. Further details on the relative figures in respect of the Proposed Disposal computed on the bases set out in Rule 1006 of the Catalist Rules are set out in **Section 2.9** of this Circular.

1.1.3 In this regard, as the Proposed Disposal (i) is an "interested person transaction" under Chapter 9 of the Catalist Rules, and (ii) is a "major transaction" under Chapter 10 of the Catalist Rules,

LETTER TO SHAREHOLDERS

in view of the relative figures computed on the bases set out in Rule 1006(a) and 1006(b) of the Catalyst Rules involving negative figures, as set out in **Section 2.9** of this Circular, the Proposed Disposal is conditional upon approval by Shareholders at the EGM.

1.2 Circular

- 1.2.1 The purpose of this Circular is to provide Shareholders with relevant information relating to, and to seek Shareholders' approval for the Proposed Disposal. Shareholders' approval will be sought at the EGM to be convened and held, notice of which is set out on pages N-1 to N-2 of this Circular.
- 1.2.2 The SGX-ST assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular.

2. THE PROPOSED DISPOSAL OF HWH INTERNATIONAL, INC.

2.1 Introduction

- 2.1.1 On 28 September 2024, the Company announced, *inter alia*, that a stock purchase agreement (the "**Agreement**") dated 26 September 2024 has been entered into between the Company and Alset Inc. (the "**Purchaser**"). Pursuant to the terms of the Agreement, the Company has agreed to sell to the Purchaser an aggregate of 6,500,000 shares of common stock (the "**Sale Shares**") in the share capital of HWH International, Inc. (the "**Target**" and together with its subsidiaries, the "**Target Group**"), for an aggregate consideration of approximately US\$4.10 million (equivalent to approximately S\$5.25 million¹) (the "**Consideration Sum**") (the "**Proposed Disposal**").
- 2.1.2 On 28 September 2024, the Company announced, *inter alia*, that the Company had appointed W Capital Markets Pte. Ltd. (the "**IFA**"), as the independent financial adviser to opine on whether the Proposed Disposal is on normal commercial terms and prejudicial to the interests of the Company and its minority Shareholders.
- 2.1.3 Following the Proposed Disposal, the Group will continue its operations in property development and related services, and investment activities while the licensing and distribution of biomedical products, along with the food and beverage businesses, will be operated by the Target, as an associate of the Company after the Proposed Disposal.

2.2 Information on the Purchaser

The information on the Purchaser provided below was provided to the Company by the Purchaser. In respect of such information, the Board has not conducted an independent review or verification of the accuracy and correctness of the statements and information below. The Board's responsibility is limited to the proper extraction and reproduction herein in the context that is being disclosed in this Circular.

- 2.2.1 The Purchaser, Alset Inc., is a company incorporated in Texas, the United States of America, and as at the Latest Practicable Date, has:
- (a) an issued and paid-up share capital of US\$9,235 comprising 9,235,119 shares; and
 - (b) an authorised capital of 275,000,000 shares of capital stock, of which 250,000,000 shares are common stock having a par value of US\$0.001 per share, and 25,000,000 shares are preferred stock having a par value of US\$0.001 per share.

¹Based on the exchange rate of US\$1 : S\$1.2828 as at 25 September 2024, being the business day preceding the date of the Agreement as set out in the Company's announcement dated 28 September 2024.

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2.2.2 The Purchaser is (1) an associate of both Mr Chan Heng Fai, the Executive Chairman, an Executive Director and the Chief Executive Officer of the Company, and Mr Chan Tung Moe², the Executive Director and Co-Chief Executive Officer of the Company, and (2) a controlling shareholder of the Company.

2.2.3 As at the Latest Practicable Date, the Purchaser, together with its subsidiaries owns 2,991,751,765 ordinary shares in the share capital of the Company, representing approximately 85.66% of the total issued and paid-up share capital of the Company.

2.2.4 Save for Mr Chan Heng Fai and Mr Chan Tung Moe, none of the Directors and/or substantial shareholders of the Company have any interest (direct or indirect) in the Proposed Disposal other than through their respective shareholdings in the Company and Alset Inc., if any.

2.2.5 Board composition and key management of the Company and the Purchaser

Mr Chan Heng Fai, Mr Chan Tung Moe, Mr Wong Shui Yeung, Mr Wong Tat Keung and Mr Lim Sheng Hon, Danny are common directors of the Company and the Purchaser. In addition, Mr Lui Wai Leung Alan, who is a Director of the Company, is also the Co-Chief Financial Officer of the Purchaser.

Accordingly, for good corporate governance, the aforesaid directors of the Company (i.e., Mr Chan Heng Fai, Mr Chan Tung Moe, Mr Wong Shui Yeung, Mr Wong Tat Keung, Mr Lim Sheng Hon, Danny and Mr Lui Wai Leung Alan) have abstained from all internal/Board deliberations and decisions in relation to the Proposed Disposal.

2.3 Information on the Target

2.3.1 Corporate Information

The Target is a company incorporated in Delaware, the United States of America, on 20 October 2021. The Target is listed on the National Association of Securities Dealers Automatic Quotation System and as at the Latest Practicable Date, is currently a 78.7% owned subsidiary of the Company.

As at the Latest Practicable Date, the Target has:

- (a) an issued and paid-up share capital of US\$2,225.78 comprising 22,257,838 shares; and
- (b) an authorised capital of 50,000,000 shares, each with a par value of US\$0.0001.

As part of an internal restructuring exercise, the Target had entered into two (2) separate debt to equity agreements on 24 September 2024 with the Company and the Purchaser to, *inter alia*, convert approximately US\$3.50 million and US\$0.30 million of amount owing to the Company and the Purchaser respectively, into shares of the Target (the “**Debt to Equity Conversion**”). As at Latest Practicable Date the Debt to Equity Conversion has completed and the total issued and paid-up share capital of the Target had increased from 16,223,301 shares to 22,257,838 shares. The Sale Shares represent approximately 29.2% of the Target’s issued and paid-up share capital.

Following completion of the Proposed Disposal, the effective enlarged shareholding interest of the Company in the Target is expected to drop from 78.7% to 49.5% of the total issued and paid-up share capital of the Target.

²Mr Chan Tung Moe is the son of Mr Chan Heng Fai. Accordingly, Mr Chan Tung Moe is an associate/immediate family of Mr Chan Heng Fai.

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The Target is a holding company for a lifestyle business operating through a membership model, where individuals pay an upfront membership fee to become members (“**Members**”). Members are given the rights and access to a direct selling model that offers discounted prices for various products and services that the Target provides. These products and services include but are not limited to, discounted health products, access to a travel booking platform and wealth and investment related educational materials. The Target also operates a food and beverage business under its subsidiaries.

Details of the Target’s subsidiaries are set out in **Appendix A** of this Circular. For more information about the Target, shareholders may access the Nasdaq website at www.nasdaq.com.

2.3.2 Financial Information of the Target

Based on the unaudited consolidated financial statements of the Target Group for the half year ended 30 June 2024:

- (a) the book value and NTA of the Sale Shares, was approximately S\$(1.07) million and S\$(1.37) million, respectively; and
- (b) the net loss attributable to the Sale Shares, was approximately S\$0.47 million as at 30 June 2024.

2.3.3 Valuation of the Target

The Company has commissioned an independent valuer, ValueScope, LLC (the “**Independent Valuer**”) to perform a valuation of the 100% equity interest in the Target based on generally accepted valuation methodologies.

According to the valuation report issued by the Independent Valuer (the “**Valuation Report**”), taking into consideration the Debt to Equity Conversion, the estimated fair market value of the 100% equity interest in the Target as at 31 August 2024 was between US\$8.64 million and US\$10.68 million. The summary of the Valuation Report of the 100% equity interest in the Target is set out in **Appendix B** to this Circular.

The Independent Valuer has considered three (3) conceptually distinct methodologies that can be applied to determine the fair market value of a business or asset: (a) the income approach, (b) the market approach and (c) the cost approach.

(a) Income Approach

The income approach was selected as it best captures the expected growth and future cash flows of the Target. A discounted cash flow valuation allows for projecting future store openings and membership growth as well as improving margin as the Target matures and begins to achieve positive stable cash flow.

(b) Market Approach

The Independent Valuer considered and rejected the market approach as the historical financials of the Target were not representative of future expectations and the market lacked meaningful forward multiples for the guideline public companies. The Independent Valuer has relied on the market multiples for their terminal value in the income approach.

(c) Cost Approach

The Independent Valuer also considered and rejected the cost approach because this approach tends to misstate the fundamental economic value of an ongoing business

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enterprise. For a company in the Target's industry and at their current life cycle stage utilising the cost approach would result in a material understatement of value.

2.4 Rationale for the Proposed Disposal

2.4.1 The Target has been loss making since the financial year ended 31 December 2023 and half year ended 30 June 2024 and is in a net liabilities position as at 30 June 2024. In addition, taking into consideration the Target's price performance and economic environment of the US market, the Board (comprising the Recommending Directors and excluding Mr Chan Heng Fai, Mr Chan Tung Moe, Mr Wong Shui Yeung, Mr Wong Tat Keung, Mr Lim Sheng Hon, Danny and Mr Lui Wai Leung Alan) is of the view that it is in the best interest of the Company to divest part of the Target to reduce the price and volatility risk in the Target.

2.4.2 Accordingly, the Company intends to divest the Target in order to improve the Group's financial position, operational performance, and to maximise shareholders' value.

2.5 Consideration

2.5.1 The Consideration Sum of US\$4,095,000 (equivalent to approximately S\$5,253,066) shall be satisfied through the issuance of a promissory note (the "**Promissory Note**") at the Closing (as defined below).

2.5.2 The Consideration was arrived at arm's length and on a willing-buyer-willing-seller basis, after taking into account, *inter alia*, the following:

- (a) the historical trading performance of the Sale Shares;
- (b) the valuation of the Target;
- (c) the net asset value of the Target; and
- (d) the prevailing economic conditions.

2.5.3 The principal terms of the Promissory Note are as follows:

(a) Payment of Interest and Principal

The Purchaser issues to the Company the Promissory Note and promises to repay to the order of the Company, the Consideration Sum (the "**Principal**") in accordance with the terms and conditions set out in the Promissory Note.

- (i) Interest: The parties agree that interest at the rate of five percent (5%) per annum which shall be charged on the Principal balance from time to time remaining unpaid prior to maturity until paid in full by the Maturity Date (as defined below) (the "**Interest**") unless otherwise waived by the Company. In no event shall the Interest rate on the Principal exceed the maximum rate allowed by law.
- (ii) Repayment: The Purchaser shall, on the earlier of (the earlier of such events being the "**Maturity Date**") (a) two (2) years from the date of the Promissory Note; or (b) upon the occurrence of an event of default (as stipulated in the Promissory Note), pay the Principal and Interest accrued on the Principal to the Company's designated bank account (to be provided by the Company) via wire transfer.
- (iii) Prepayment: The Purchaser shall have the right to prepay all or any portion of the Principal and Interest accrued on the Principal, without premium and penalty, upon ten (10) days' notice to the Company.

LETTER TO SHAREHOLDERS

(b) Security

The Promissory Note is given pursuant to the terms of the Agreement and is secured under the terms of a security agreement between the Company and the Purchaser (“**Security Agreement**”), wherein the Purchaser granted and assigned a security interest in all the assets in the Purchaser’s brokerage account, which the Sale Shares will be deposited into, in favour of the Company.

(c) Governing Law

The Promissory Note shall be interpreted under, and governed by, the laws of the State of Maryland, United States of America, without reference to any conflict or choice of law rules or doctrines of the State of Maryland, United States of America.

2.6 Intended Use of Proceeds

2.6.1 The Consideration Sum arising from the Proposed Disposal, after taking into consideration the Debt to Equity Conversion, represents an estimated gain on disposal of S\$6.21 million, being an excess over the unaudited book value of the Sale Shares as at 30 June 2024.

2.6.2 The costs and expenses incurred or to be incurred in connection with the Proposed Disposal are to be paid by the respective party incurring such expenses, whether or not the Proposed Disposal is consummated. The costs and expenses incurred or to be incurred by the Group are not material and shall be funded through the Group’s internal resources.

2.6.3 As disclosed in **Section 2.5.1** of this Circular, the Consideration Sum shall be satisfied through the issuance of the Promissory Note at the Closing (as defined below). As such, there will only be proceeds which can potentially be deployed for investment opportunities and general working capital purposes upon payment of the Promissory Note in accordance with the terms as stated therein.

2.7 Principal Terms of the Agreement

2.7.1 According to the Agreement:

(a) Closing

The closing (the “**Closing**”) of the purchase of the Sale Shares by the Purchaser shall occur at the Company’s registered office address at 9 Temasek Boulevard, #16-04, Suntec Tower Two, Singapore 038989. The date of Closing (the “**Closing Date**”) shall be twenty-one (21) calendar days from the date of the Agreement and when the conditions to the Closing set forth in **Section 2.7.1(b)** of this Circular below are satisfied or waived (or such later date as is mutually agreed to by the Company and the Purchaser).

(b) Conditions Precedent

(i) The obligation of the Company to sell the Sale Shares to the Purchaser at the Closing is subject to the satisfaction, at or before the Closing Date, of each of the following conditions, provided that these conditions are for the Company’s sole benefit and may be waived by the Company at any time in its sole discretion by providing the Purchaser with prior written notice thereof:

(aa) The Purchaser shall have executed the Agreement and each of the other transaction documents (i.e., apart from the Agreement, the Promissory Note and each of the other agreements and instruments entered into or delivered by any of the parties in connection with the transactions

LETTER TO SHAREHOLDERS

contemplated by the Agreement, as may be amended from time to time) to which it is a party and delivered the same to the Company;

- (bb) The Purchaser shall have delivered to the Company the Consideration Sum in the form of the Promissory Note for the Sale Shares being purchased by the Purchaser at the Closing;
 - (cc) The representations and warranties of the Purchaser shall be true and correct in all material respects as of the date when made and as of the Closing Date as though originally made at that time (except for representations and warranties that speak as of a specific date, which shall be true and correct as of such date), and the Purchaser shall have performed, satisfied and complied in all material respects with the covenants, agreements and conditions required by the Agreement to be performed, satisfied or complied with by such Purchaser at or prior to the Closing Date;
 - (dd) No statute, rule, regulation, executive order, decree, ruling or injunction shall have been enacted, entered, promulgated or endorsed by any court or governmental authority of competent jurisdiction that prohibits the consummation of any of the transactions contemplated by the transaction documents;
 - (ee) The Purchaser shall have delivered to the Company such other documents, instruments or certificates relating to the transactions contemplated by the Agreement as the Company or its counsel may reasonably request; and
 - (ff) The Company shall have obtained approval of the transactions contemplated by the Agreement by its shareholders in accordance with Singapore's listing rules prior to the Closing.
- (ii) The obligation of the Purchaser to purchase the Sale Shares at the Closing is subject to the satisfaction, at or before the Closing Date, of each of the following conditions, provided that these conditions are for the Purchaser's sole benefit and may be waived by the Purchaser at any time in its sole discretion by providing the Company with prior written notice thereof:
- (aa) The Company shall have duly executed and delivered to the Purchaser the Agreement and each of the other transaction documents to which it is a party and the Company shall have duly issued and delivered the Sale Shares being purchased by the Purchaser at the Closing pursuant to the Agreement;
 - (bb) Each and every representation and warranty of the Company shall be true and correct as of the date when made and as of the Closing Date as though originally made at that time (except for representations and warranties that speak as of a specific date, which shall be true and correct as of such date) and the Company shall have performed, satisfied and complied in all respects with the covenants, agreements and conditions required to be performed, satisfied or complied with by the Company at or prior to the Closing Date;
 - (cc) No statute, rule, regulation, executive order, decree, ruling or injunction shall have been enacted, entered, promulgated or endorsed by any court or governmental authority of competent jurisdiction that prohibits the consummation of any of the transactions contemplated by the transaction documents;

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- (dd) Since the date of execution of the Agreement, no event or series of events shall have occurred that reasonably would have or result in a material adverse effect; and
- (ee) The Company shall have delivered to the Purchaser such other documents, instruments or certificates relating to the transactions contemplated by the Agreement as the Purchaser or its counsel may reasonably request.

(c) Governing Law and Jurisdiction

All questions concerning the construction, validity, enforcement and interpretation of the Agreement shall be governed by the State of Maryland, United States of America, without giving effect to any choice of law or conflict of law provision or rule that would cause the application of the laws of any jurisdictions other than the State of Maryland, United States of America.

Each party hereby irrevocably submits to the exclusive jurisdiction of the courts sitting in the State of Maryland, United States of America for the adjudication of any dispute hereunder or under any of the other transaction documents or in connection herewith or with any transaction contemplated hereby or thereby or discussed herein or therein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper.

Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof to such party at the address for such notices to it under the Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall limit, or be deemed to limit, in any way any right to serve process in any manner permitted by law.

2.8 The Proposed Disposal as an “Interested Person Transaction” under Chapter 9 of the Catalist Rules

- 2.8.1 The Purchaser is an associate (as defined under the Catalist Rules) of Mr Chan Heng Fai, who is the Executive Chairman, an Executive Director, the Chief Executive Officer and a controlling shareholder of the Company, and Mr Chan Tung Moe, the Executive Director and Co-Chief Executive Officer of the Company. Accordingly, the Purchaser is an “interested person” as defined under Rule 904(4)(b) of the Catalist Rules. For the avoidance of doubt, the “entity at risk” is the Company.

In light of the above, the Proposed Disposal constitutes an “interested person transaction” under Chapter 9 of the Catalist Rules.

Based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2023, the Group’s latest audited NTA is approximately S\$84.6 million.

The current total of all interested person transactions (excluding interested person transactions less than S\$100,000) for the period from 1 January 2024 up to the Latest Practicable Date is set out in the table below:

LETTER TO SHAREHOLDERS

Description of Transaction	Before Completion of the Proposed Disposal		After completion of the Proposed Disposal	
	Amount (\$'000)	As a percentage of the Group's latest audited NTA	Amount (\$'000)	As a percentage of the Group's latest audited NTA
Provision of a US\$250,000 convertible promissory note by HWH (i.e., the Target) to Sharing Services Global Corporation ("SHRG") on 18 March 2024	398.5	0.47%	398.5	0.47%
Provision of a second US\$250,000 convertible promissory note by HWH to SHRG on 9 May 2024	418.7	0.50%	418.7	0.50%
Provision of a US\$1,000,000 credit line by the Company to Alset Inc. (i.e., the Purchaser)	1,445.2	1.71%	1,445.2	1.71%
Provision of a third US\$250,000 convertible promissory note by HWH to SHRG on 6 June 2024	418.7	0.50%	418.7	0.50%
Provision of a US\$100,000 convertible promissory note by HWH to SHRG on 13 August 2024	164.2	0.19%	164.2	0.19%
Conversion of US\$300,000 debt payable by HWH to Alset Inc. into HWH shares	387.5	0.46%	387.5	0.46%
Proposed Disposal	-	-	5,253.1	6.21%
Total	3,232.8	3.83%	8,485.9	10.04%

As the value of the Proposed Disposal as an "interested person transaction" under Chapter 9 of the Catalist Rules is more than 5% of the Group's latest audited NTA as at the Latest Practicable Date, the Proposed Disposal is conditional upon approval by Shareholders at the EGM pursuant to Rule 906(1)(a) of the Catalist Rules.

2.8.2 Opinion of the IFA

On 28 September 2024, the Company announced, *inter alia*, that the Company had appointed W Capital Markets Pte. Ltd., as the independent financial adviser to opine on whether the Proposed Disposal is on normal commercial terms and prejudicial to the interests of the Company and its minority Shareholders.

The IFA Letter issued by the IFA containing the opinion of the IFA on whether the Proposed Disposal is on normal commercial terms and prejudicial to the interests of the Company and its minority Shareholders is set out in **Appendix C** to this Circular. The following is an extract from the IFA Letter and should be read by Shareholders in conjunction with, and in the context of, the full text of the IFA Letter. All capitalised terms used in the extract below shall have the

LETTER TO SHAREHOLDERS

meanings ascribed to them in the IFA Letter, unless the context requires otherwise or unless otherwise stated.

“In arriving at our opinion, we have taken into account, inter alia, the following key considerations which we consider to be pertinent to our assessment of the Proposed Disposal:

(a) *The rationale for the Proposed Disposal, details of which are set out in Section 5.1 of this IFA Letter;*

(b) *The analysis of historical financial performance and position of the Target, details of which are set out in Section 5.2 of this IFA Letter.*

(c) *Assessment on the fairness of the Consideration for the Proposed Disposal, details of which are set out in Section 5.3 of this IFA Letter;*

(d) *Assessment on the reasonableness of the Interest Rate on the Promissory Note, details of which are set out in Section 5.4 of this IFA Letter;*

(e) *Financial effects of the Proposed Disposal, details of which are set out in Section 5.5 of this IFA Letter; and*

(f) *Other relevant considerations, details of which are set out in Section 5.6 of this IFA Letter.*

Having regard to the foregoing considerations set out in this IFA Letter and information available to us as at the Latest Practicable Date, we are of the opinion that the Proposed Disposal is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.”

Shareholders are advised to read the IFA Letter set out in Appendix C to this Circular carefully.

2.8.3 Statement by the Audit and Risk Management Committee

The members of the Audit and Risk Management Committee (save for Mr Wong Shui Yeung and Mr Wong Tat Keung) is considered independent for the purposes of the Proposed Disposal³.

Mr Chan King Fai (i.e., the remaining member of the Audit and Risk Management Committee who is considered independent for the purposes of the Proposed Disposal), on behalf of the Audit and Risk Management Committee, having considered, *inter alia*, the rationale and information relating to the Proposed Disposal as set out in **Section 2** of this Circular and the opinion of the IFA contained in the IFA Letter, concurs with the opinion of the IFA and is of the view that the Proposed Disposal is on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders.

2.8.4 Abstention from Voting

Pursuant to Rule 921 of the Catalist Rules, the circular to shareholders must include a statement that the interested person will abstain and has undertaken to ensure that its associates will abstain from voting on the resolution approving the transaction.

Alset Inc. (i.e., the Purchaser), as the “interested person” under Chapter 9 of the Catalist Rules, shall abstain, and has undertaken to ensure that its associates shall abstain, from voting on the

³ As disclosed in **Section 2.2.5** of this Circular, given that Mr Wong Shui Yeung and Mr Wong Tat Keung are directors of the Company and of the Purchaser, both Mr Wong Shui Yeung and Mr Wong Tat Keung are not considered independent for the purposes of the Proposed Disposal.

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Ordinary Resolution relating to the Proposed Disposal. Alset Inc. and its associates shall also refrain from accepting nominations as proxy or otherwise vote at the EGM in respect of the Ordinary Resolution relating to the Proposed Disposal unless the relevant Proxy Forms contain specific instructions directing the manner in which the votes are to be cast.

The Company will disregard any votes cast on the Ordinary Resolution relating to the Proposed Disposal by Alset Inc. and its associates (comprising Mr Chan Heng Fai, Mr Chan Tung Moe, Alset Business Development Pte. Ltd., Liquidvalue Development Pte. Ltd. and DSS, Inc.).

For avoidance of doubt, Mr Chan Heng Fai does not hold any direct interest in the share capital of the Company. As disclosed in **Section 4** of the Circular, Mr Chan Heng Fai is deemed to have an interest in the Shares held by Alset Business Development Pte. Ltd., Liquidvalue Development Pte. Ltd. and DSS, Inc.

2.9 Relative Figures computed on the bases set out in Rule 1006 of the Catalist Rules relating to the Proposed Disposal

2.9.1 The relative figures computed on the bases set out in Rule 1006 of the Catalist Rules for the Proposed Disposal are as follows:

Rule 1006(a) of the Catalist Rules	The net asset value of the assets to be disposed of, compared with the Group's net asset value. This basis is not applicable to an acquisition of assets. ^(A)	(1.34)% ^(B)
Rule 1006(b) of the Catalist Rules	The net profits attributable to the assets acquired or disposed of, compared with the Group's net profits.	9.22% ^(C)
Rule 1006(c) of the Catalist Rules	The aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued Shares excluding treasury shares.	5.19% ^(D)
Rule 1006(d) of the Catalist Rules	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not Applicable ^(E)
Rule 1006(e) of the Catalist Rules	The aggregate volume or amount proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil or gas company, but not to an acquisition of such assets. If the reserves are not directly comparable, the SGX-ST may permit valuations to be used instead of volume or amount.	Not Applicable ^(F)

Notes:

- (A) "Net assets" means total assets less total liabilities.
- (B) Based on the unaudited consolidated financial statements of the Target for the financial period ended 30 June 2024, the net asset value represented by the Sale Shares is approximately S\$(1.07) million which represents approximately (1.34)% of the Group's net asset value of approximately S\$79.7 million as at 30 June 2024.
- (C) Based on the unaudited consolidated financial statements of the Target for the half year ended 30 June 2024, the net loss attributable to Sale Shares amounts to approximately S\$0.47 million which represents approximately 9.22% of the Group's net loss of approximately S\$5.0 million for the half year ended 30 June 2024.
- (D) The Consideration Sum to be received by the Company in connection with the Proposed Disposal is US\$4.10 million (equivalent to approximately S\$5.25 million) which represents approximately 5.19% of the Company's market capitalisation of approximately S\$101.3 million on 25 September 2024, being the last full market day on

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which trades were done preceding the date of the Agreement. The Company's market capitalisation was determined by multiplying the number of shares in issue (3,492,713,362 shares) by the weighted average price of such shares transacted on 25 September 2024 (\$0.029).

(E) The Proposed Disposal is a disposal of assets not an acquisition of assets. No equity securities will be issued by the Company in connection with the Proposed Disposal.

(F) The Company is not a mineral, oil and gas company.

2.9.2 As the relative figure computed under Rule 1006(a) and 1006(b) of the Catalist Rules involves a negative figure and the Proposed Disposal does not fall within the relevant situations provided for in paragraphs 4.3 and 4.4 of Practice Note 10A of the Catalist Rules, pursuant to paragraph 4.6 of Practice Note 10A of the Catalist Rules, the Disposal is a "major transaction" under Rule 1014 of the Catalist Rules and is accordingly subject to the approval of the shareholders.

2.10 Financial Effects of the Proposed Disposal

2.10.1 The financial effects of the Proposed Disposal on the NTA per share and the loss/profit per share ("LPS") of the Group have been prepared based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2023.

2.10.2 For illustrative purpose, the financial effects of the Proposed Disposal have been prepared based on, *inter alia*, the following assumptions:

- (a) the completion of the Debt to Equity Conversion;
- (b) the financial effects on the NTA per share of the Group are computed assuming that the Proposed Disposal was completed on 31 December 2023;
- (c) the financial effects on the LPS of the Group are computed assuming that the Proposed Disposal was completed on 1 January 2023; and
- (d) the costs and expenses incurred or to be incurred in connection with the Proposed Disposal shall be disregarded.

2.10.3 Financial Effects on the NTA per Share of the Group

	Before Completion of the Proposed Disposal	After Completion of the Proposed Disposal
NTA as at 31 December 2023 (S\$'000)	84,954	90,269
Number of Shares in the issued and paid-up share capital of the Company, excluding treasury shares and subsidiary holdings ('000)	3,492,713	3,492,713
NTA per Share (Singapore cents)	2.43	2.58

2.10.4 Financial Effects on the EPS of the Group

	Before Completion of the Proposed Disposal	After Completion of the Proposed Disposal
(Loss) / Profit before tax for FY2023 (S\$'000)	(4,540)	1,033

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Weighted average number of Shares in the issued and paid-up share capital of the Company, excluding treasury shares and subsidiary holdings ('000)	3,492,713	3,492,713
(LPS)/EPS of the Group (Singapore cents)	(0.13)	0.03

2.10.5 The financial effects presented above are for illustrative purposes only and are not intended to reflect the actual future results and/or financial position of the Company and/or the Group. No representation is made as to the actual future results and/or financial position of the Company and/or the Group.

2.11 Service Contracts in connection with the Proposed Disposal

No person is proposed to be appointed as a director of the Company in connection with the Proposed Disposal and no service contracts in relation thereto is proposed to be entered into by the Company.

2.12 Confirmation by the Company

The Company confirms that the Proposed Disposal does not contravene any laws and regulations governing the Company and the Constitution of the Company.

3. CONSENTS

3.1 Independent Valuer

The Independent Valuer has given and has not before the date of this Circular withdrawn its written consent to (i) the issue of this Circular with the inclusion herein of its name in the form and context in which it appears in this Circular, and (ii) the summary of the Valuation Report dated 27 September 2024 as set out in **Appendix B** to this Circular.

3.2 IFA

The IFA has given and has not before the date of this Circular withdrawn its written consent to (i) the issue of this Circular with the inclusion herein of its name in the form and context in which it appears in this Circular, and (ii) the IFA Letter dated 1 November 2024 as set out in **Appendix C** to this Circular.

4. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The interests of the Directors and the Substantial Shareholders in the Shares as at the Latest Practicable Date are set out below:

	Direct Interest		Deemed interest		Total interest	
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾
Directors						
Chan Heng Fai ⁽²⁾	-	-	3,118,931,076	89.3	3,118,931,076	89.3
Chan Tung Moe	1,500,000	0.043	-	-	1,500,000	0.043
Lui Wai Leung Alan	-	-	-	-	-	-

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	Direct Interest		Deemed interest		Total interest	
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾
Lim Sheng Hon, Danny	-	-	-	-	-	-
Tang Yeng Yuen	-	-	-	-	-	-
Wong Tat Keung	-	-	-	-	-	-
Chan King Fai	1,700,000	0.049	-	-	1,700,000	0.049
Wong Shui Yeung	-	-	-	-	-	-
Substantial Shareholders (other than Directors)						
Alset Business Development Pte. Ltd.	2,988,750,665	85.57	-	-	2,988,750,665	85.57

Notes:

- (1) Based on 3,492,713,362 Shares in the issued and paid-up share capital of the Company, excluding treasury shares and subsidiary holdings, as at the Latest Practicable Date.
- (2) Alset Business Development Pte. Ltd., Liquidvalue Development Pte. Ltd. and DSS, Inc. hold 2,988,750,665, 3,001,100 and 127,179,311 Shares in the issued and paid-up share capital of the Company respectively. Mr Chan Heng Fai is deemed to have an interest in the Shares held by Alset Business Development Pte. Ltd., Liquidvalue Development Pte. Ltd. and DSS, Inc..

Save as disclosed in this Circular, none of the Directors and/or the Substantial Shareholders have any interest, direct or indirect, in the Proposed Disposal other than through their respective shareholdings in the Company and the Purchaser, if any.

5. DIRECTORS' RECOMMENDATION

Having considered, *inter alia*, (a) the rationale and information relating to the Proposed Disposal as set out in **Section 2.4** of this Circular; (b) the opinion of the IFA set out in the IFA Letter that the Proposed Disposal is on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders as set out in **Section 2.8.2** of this Circular; and (c) the view of the Audit and Risk Management Committee (excluding Mr Wong Shui Yeung and Mr Wong Tat Keung) that the Proposed Disposal is on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders as set out in **Section 2.8.3** of this Circular, the Board (comprising the Recommending Directors and excluding Mr Chan Heng Fai, Mr Chan Tung Moe, Mr Wong Shui Yeung, Mr Wong Tat Keung, Mr Lim Sheng Hon, Danny and Mr Lui Wai Leung Alan) is of the opinion that the Proposed Disposal is in the best interests of the Company. Accordingly, the Board (comprising the Recommending Directors and excluding Mr Chan Heng Fai, Mr Chan Tung Moe, Mr Wong Shui Yeung, Mr Wong Tat Keung, Mr Lim Sheng Hon, Danny and Mr Lui Wai Leung Alan) recommends that Shareholders vote in favour of the Ordinary Resolution relating to the Proposed Disposal.

6. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Disposal, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

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7. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages N-1 to N-2 of this Circular, will be held physically on the date and at the time as set out in the Notice of EGM for the purpose of considering and if thought fit, passing, with or without any modification, the Ordinary Resolution relating to the Proposed Disposal as set out in the Notice of EGM.

8. ACTION TO BE TAKEN BY SHAREHOLDERS

8.1 Date, Time and Conduct of EGM

The EGM will be held physically at 138 Cecil Street #01-02, Cecil Court, Singapore 069538, on 18 November 2024 at 10:30 a.m. (Singapore Time) for the purpose of considering and if thought fit, passing, with or without any modification, the Ordinary Resolution relating to the Proposed Disposal.

8.2 Notice of EGM, Circular and Proxy Form

Printed copies of this Circular will not be sent to Shareholders. Shareholders may request for printed copies of this Circular by completing and returning the request form (sent to them by post together with printed copies of the Notice of EGM and the accompanying Proxy Form) no later than 9 November 2024. Printed copies of the Notice of EGM and the Proxy Form will be sent to Shareholders. In addition, the Notice of EGM, this Circular, the Proxy Form, and the request form may be accessed at the Company's website at the URL <https://www.alsetinternational.com/ai-egm-nov-2024> by clicking on the hyperlink titled "Notice of EGM", "Circular", "Proxy Form" and "Request Form", respectively. The Notice of EGM, this Circular, the Proxy Form and the request form are also available on SGXNET at the URL <https://www.sgx.com/securities/company-announcements>.

8.3 Attendance at the EGM

There will be no option for Shareholders to participate virtually at the EGM. A Shareholder (whether individual or corporate) must vote live at the EGM or must appoint proxy(ies) (including the Chairman of the Meeting), to attend, speak and vote on his/her/its behalf at the EGM if such Shareholder wishes to exercise his/her/its voting rights at the EGM. The Proxy Form may be accessed at the Company's website at the URL <https://www.alsetinternational.com/ai-egm-nov-2024> by clicking on the hyperlink titled "Proxy Form", and is also available on SGXNET at the URL <https://www.sgx.com/securities/company-announcements>.

8.4 Key Dates and Times

Key Dates	Actions to be taken by Shareholders
5.00 p.m. (Singapore Time) on 6 November 2024	Deadline for CPF/SRS investors, including persons who hold Shares through relevant intermediaries (as defined in Section 181 of the Companies Act), who wish to appoint the Chairman of the Meeting as proxy to approach their respective CPF agent banks, SRS operators or relevant intermediaries to submit their votes and/or questions related to the Ordinary Resolution to be tabled for approval at the EGM.
12:00 p.m. on 9 November 2024	Deadline for Shareholders who wish to submit comments, queries and/or questions related to the Ordinary Resolution to be tabled for approval at the EGM of the Company to the Chairman of the Meeting in advance of the EGM of the Company can be done in the following manner:

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Key Dates	Actions to be taken by Shareholders
	<p>(a) By post – Shareholders may submit their comments, queries and/or questions by post to the Company at 9 Temasek Boulevard #16-04 Suntec Tower Two Singapore 038989. Comments, queries and/or questions submitted by Shareholders by post must be accompanied by the Shareholders' full name, address and the manner in which the Shareholder holds Shares in the Company.</p> <p>(b) By electronic means – Shareholders may submit their comments, queries and/or questions by electronic means at the URL https://forms.gle/WrFnqdDFFBGikCTH9.</p> <p>Shareholders may alternatively submit question(s) live at the EGM.</p>
10.30 a.m. on 13 November 2024	<p>The Company will endeavour to address all substantial and relevant questions, comments and/ or queries received from Shareholders relating to the Ordinary Resolution in the Notice of EGM prior to or at the EGM, by publishing its responses to the questions on the Company's website at the URL https://www.alsetinternational.com/ai-egm-nov-2024 and SGXNET at the URL https://www.sgx.com/securities/company-announcements.</p>
10.30 a.m. on 15 November 2024	<p>Deadline for Shareholders to submit Proxy Forms to appoint proxy(ies) (including the Chairman of the Meeting) to attend, submit question(s) and vote at the EGM of the Company.</p> <p>The Proxy Form must be submitted to the Company in the following manner:</p> <p>(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</p> <p>(b) if submitted by way of electronic means, be submitted via email to the Company at alsetegm2024@alsetinternational.com.</p> <p>Shareholders are strongly encouraged to submit the completed Proxy Forms by way of electronic means via email.</p>
10.30 a.m. on 18 November 2024	<p>Shareholders and (where applicable) duly appointed proxies and representatives may participate at the EGM at 138 Cecil Street #01-02, Cecil Court, Singapore 069538. There will be no option for Shareholders to participate virtually.</p>

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company located at 9 Temasek Boulevard #16-04 Suntec Tower Two Singapore 038989 during normal business hours for three (3) months from the date of this Circular:

- (a) the Agreement;

LETTER TO SHAREHOLDERS

- (b) the Promissory Note;
- (c) the Security Agreement;
- (d) the Valuation Report;
- (e) the IFA Letter;
- (f) the letter of consent dated 24 October 2024 from the Independent Valuer;
- (g) the letter of consent dated 1 November 2024 from the IFA;
- (h) the Constitution of the Company; and
- (i) the annual report of the Company for FY2023.

10. CAUTIONARY STATEMENT

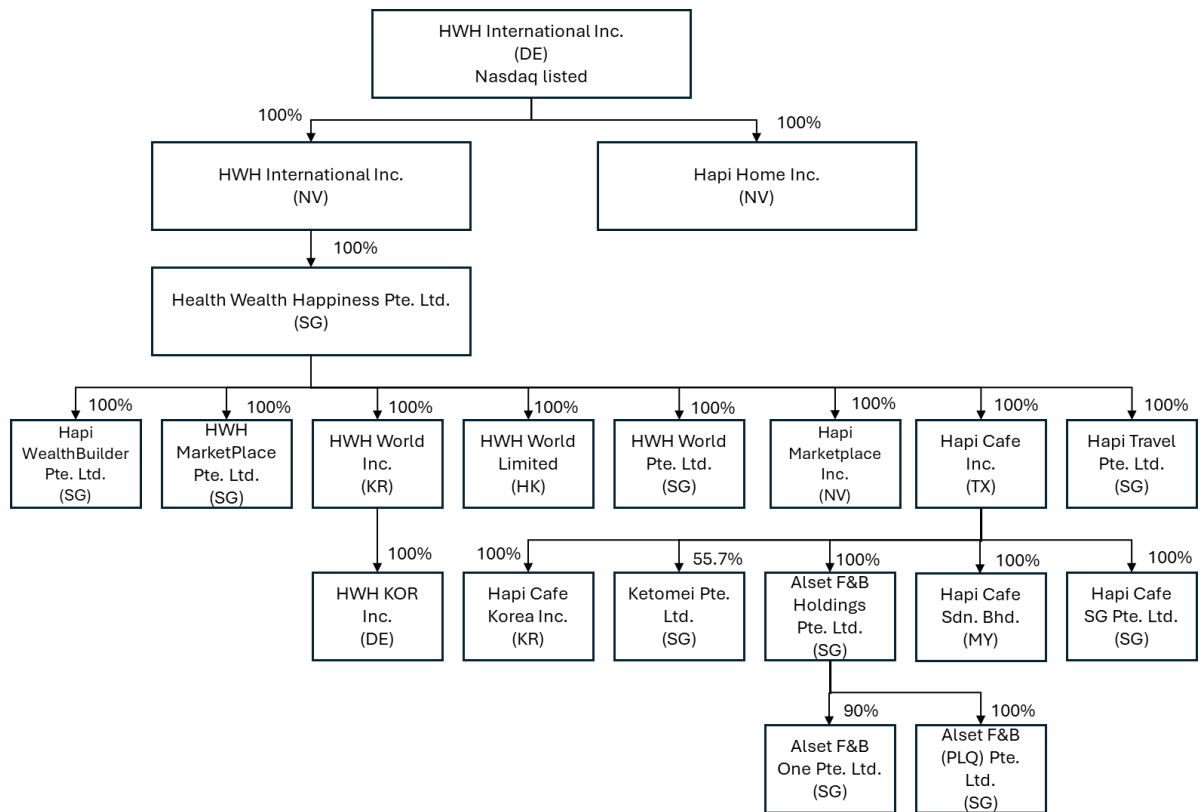
Shareholders and potential investors of the Company should note that there is no certainty or assurance as at the date of this Circular that the Proposed Disposal will be completed. In particular, the Agreement is subject to conditions which may or may not be fulfilled.

Shareholders and potential investors of the Company are advised to read this Circular and any further announcements made by the Company carefully. Shareholders and potential investors of the Company are advised to refrain from taking any action with respect to their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. Shareholders and potential investors of the Company should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

Yours faithfully,
For and on behalf of the Board of Directors of
Alset International Limited

Chan Tung Moe
Executive Director and Co-Chief Executive Officer

APPENDIX A
DETAILS OF TARGET'S SUBSIDIARIES



APPENDIX B
SUMMARY OF THE VALUATION REPORT



September 27, 2024

Board of Directors
c/o Mr. Danny Lim
Executive Director, SVP Business Development
Alset International Limited
9 Temasek Boulevard #16-04 – Suntec Tower Two
Singapore 038989

RE: Fair Market Value Analysis of HWH International Inc.

Dear Board of Directors:

ValueScope, LLC (“**ValueScope**”) was retained by Alset International Limited, a Singapore Exchange Ltd (“SGX”) listed company (referred to herein as the “Company” or the “Client”) to provide a conclusion of value opinion (the “FMV Opinion”) of 100% of the equity interest in HWH International, Inc. (“HWH”) and the common stock of HWH on a per share basis in connection with a possible sale of six million five hundred thousand (6,500,000) common shares of HWH (the “HWH Shares”) to Alset Inc (“AI”). We are being engaged to perform an analysis of the reasonable range of the fair market value for such HWH Shares in support of the transaction between the Company and Alset Inc.

Purpose and Scope

The purpose of the engagement was to provide an independent valuation as to the reasonable range of the fair market value of the HWH Shares. We understand that our analysis may be provided to your board of directors and management team, other advisors, and regulatory agencies.

ValueScope’s procedures, investigations, and financial analyses included, but were not limited to the following:

- Reported financial statements for fiscal years ended December 31, 2020 through December 31, 2023
- Reported financial statements as of June 30, 2024¹

¹ December 31, 2023 – June 30, 2024 historical balance sheets are adjusted for cash held in trust related to SPAC. June 30, 2024 balance sheet includes the impact of September 2024 debt-to-equity conversion.

- HWH management (“Management”) financial projections for 2024 – 2028
- Discussions with Management regarding the Company’s historical and projected operational and financial outlook
- IBISWorld Industry Report, Global Fast Food Restaurants, August 2024
- Market data as of August 31, 2024
- Other market and industry related data

Definition and Premise of Value

The standard of value is fair market value. Fair market value is defined as:

“The price at which the shares would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of relevant facts.”

The premise of value followed herein is going concern. The liquidation premise of value (both orderly and fixed) was considered and rejected because the going-concern value results in the “highest and best use” for the Company.

Reasonable Test Analysis

This valuation analysis was conducted in accordance with generally accepted valuation procedures.

1. **INTENDED USERS:** Our analysis may be provided to your board of directors and management team, other advisors, and regulatory agencies.
2. **THE PURPOSE:** The purpose of the engagement was to provide an independent valuation as to the reasonable range of the fair market value of the HWH Shares.
3. **APPROACH ADOPTED:** The income approach was used for the determination of value of HWH. We relied on market multiples for the terminal exit value.
4. **METHOD ADOPTED:** A discounted cash flow model (DCF) was used for the determination of value of HWH.
5. **KEY INPUTS AND ASSUMPTIONS:** The key revenue inputs and assumptions are presented in Schedule B.1. The key cost inputs and assumptions are presented in Schedule B.2.
6. **CONCLUSION OF VALUE:** The concluded reasonable range of HWH per share price is \$0.39 - \$0.48. This results in a reasonable range of total equity value for HWH of \$8.64 million to \$10.68 million.

7. **PRINCIPAL REASON FOR CONCLUSION OF VALUE:** The conclusion of range of value was based on our discounted cash flow model. We sensitized certain market assumptions including discount rate and residual EBITDA exit multiple.
8. **VALUATION DATE:** August 31, 2024.
9. **ASSESSMENT OF REASONABILITY OF FORECAST:** We reviewed certain revenue and margin assumptions against guideline companies and deemed them to be reasonable.
10. **JUSTIFICATION FOR EXIT MULTIPLE:** The base EBITDA exit multiple was the average of the guideline public company EBITDA multiple for the selected industries was selected.

Valuation Methodology

There are three conceptually distinct methodologies that can be applied to estimate indications of value of a business or asset: (a) the income approach, (b) the market approach and (c) the cost approach.

Income Approach

The income approach quantifies the present value of anticipated future income generated by a business or an asset. Forecasts of future income require analyses of variables that influence income, such as revenues, expenses, and taxes. One form of the income approach, the discounted cash flow (DCF) analysis, defines future economic income as net cash flow and considers not only the profit-generating abilities of a business but also the investment in capital equipment and working capital required to sustain the projected net cash flow. The forecasted net cash flow is then discounted to present value using an appropriate rate of return or discount rate. The income approach is unique in its ability to account for the specific contribution to the overall value of various factors of production.

Market Approach

The market approach considers the implied pricing in third-party transactions of comparable businesses or assets. Transactions and guideline public company (GPC) data are analyzed in order to identify pricing patterns or trends that can be used to infer value on the subject business or asset. Adjustments are made to the transaction or GPC data to account for relative differences between the subject and the comparable data. The primary strength of the market approach is that it offers relatively objective pricing evidence from the market at large and, aside from certain adjustments to the data,

requires few assumptions to be made. The market approach is most applicable to highly homogeneous assets or businesses for which a ready market exists.

Cost Approach

The cost approach considers replacement cost as the primary indicator of value. The cost approach is based on the reasoning that a prudent investor would not pay more for the subject business or an asset than the cost to the investor to replace or re-create it. Historical cost data is often used to indicate the current cost of replacement or recreation, with certain adjustments made for physical deterioration or obsolescence. Like the market approach, the cost approach makes fewer assumptions than the income approach, but the primary limitation inherent in the cost approach is its inability to capture the value of many categories of intangible assets.

Selected Methodology

In our valuation of HWH International, Inc., we considered all three approaches to value. Under the income approach, we utilized the DCF method.

We considered and rejected the cost approach because this approach tends to misstate the fundamental economic value of an ongoing business enterprise. For a company in HWH's industry and at their current life cycle stage utilizing the cost approach would result in a material understatement of value.

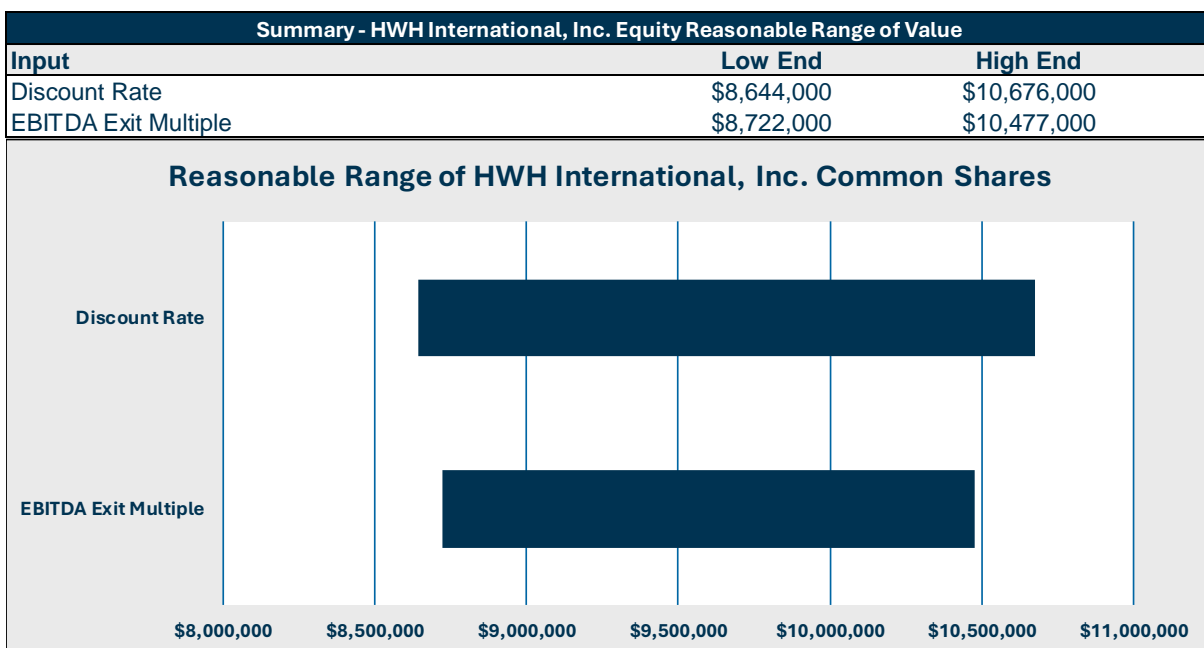
We considered and rejected the market approach as the historical financials of HWH were not representative of future expectations and the market lacked meaningful forward multiples for the guideline public companies. We do rely on the market multiples for our terminal value in the income approach.

The income approach was selected as it best captures the expected growth and future cash flows of HWH. A DCF allows for projecting future store openings and membership growth as well as improving margin as HWH matures and begins to achieve positive stable cash flow.

Range of Value Conclusion

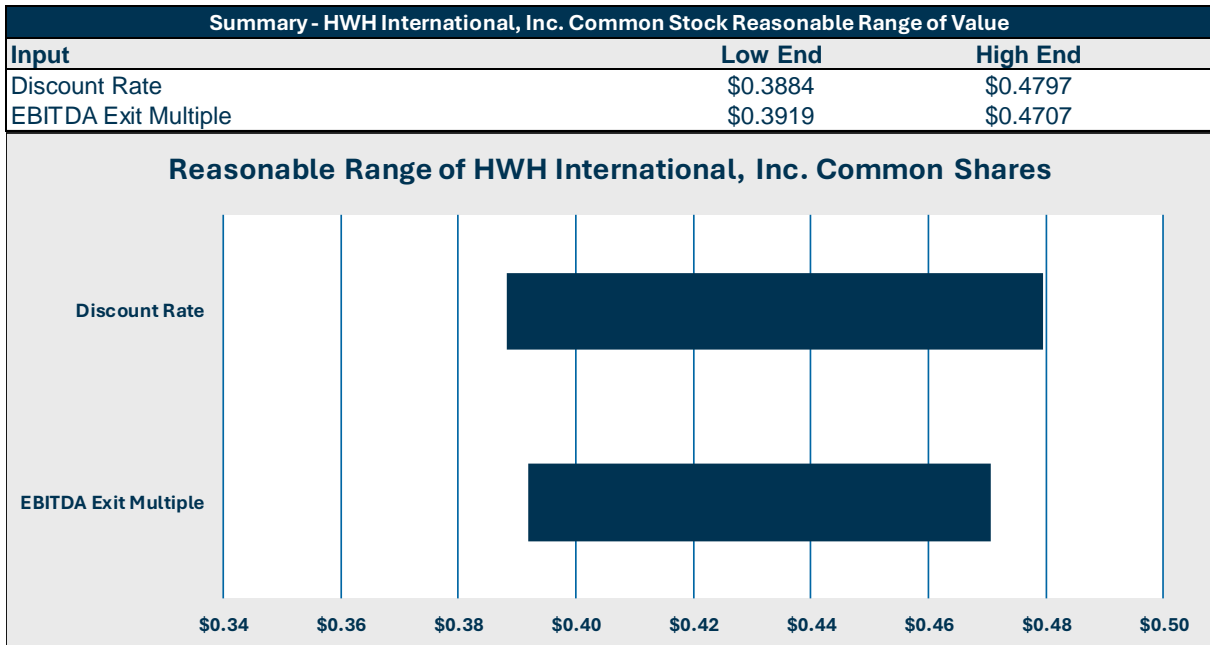
Based on the procedures and corresponding analyses as described in this report, it is our opinion that the reasonable fair market value range of HWH's equity can be reasonably stated as between:

\$8.64 MILLION TO \$10.68 MILLION



Based on the procedures and corresponding analyses as described in this report, it is our opinion that the reasonable fair market value range of the common stock of HWH can be reasonably stated as between:

\$0.39 to \$0.48
THIRTY-NINE CENTS TO FOURTY-EIGHT CENTS



Statement of Independence

ValueScope is independent of the Company, HWH, and AI and has no current or prospective economic interest in the entities that are the subject of this analysis. This letter and our analysis are subject to and governed by the statement and limiting conditions provided in the presentation to Management and in the engagement letter. Our fee for these valuation services was in no way influenced by the results of our analysis. Should you have questions regarding this report, please contact Martin D Hanan, CFA at 817-481-4900.

Very truly yours,

ValueScope, LLC

Martin D. Hanan, CFA
 President

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W CAPITAL MARKETS PTE. LTD.
(Incorporated in the Republic of Singapore)
(Company Registration Number: 201813207E)
65 Chulia Street
#43-01 OCBC Centre
Singapore 049513

1 November 2024

The Directors of Alset International Limited who are considered independent in relation to the Proposed Disposal (The “**Recommending Directors**”)

Tang Yeng Yuen (Lead Independent Non-Executive Director)
Chan King Fai (Independent Non-Executive Director)

Dear Sirs,

THE PROPOSED DISPOSAL OF HWH INTERNATIONAL, INC. AS AN INTERESTED PERSON TRANSACTION

*Unless otherwise defined or the context otherwise requires, all terms defined in the circular dated 1 November 2024 (“**Circular**”) issued by Alset International Limited (the “**Company**”, and together with its subsidiaries the “**Group**”) shall have the same meanings herein.*

1. INTRODUCTION

On 28 September 2024 (“**Announcement Date**”), the Company announced, *inter alia*, that a stock purchase agreement (the “**Agreement**”) dated 26 September 2024 has been entered into between the Company and Alset Inc, (the “**Purchaser**”). Pursuant to the terms of the Agreement, the Company has agreed to sell to the Purchaser an aggregate of 6,500,000 shares of common stock (the “**Sale Shares**”) in the share capital of HWH International, Inc. (the “**Target**” and together with its subsidiaries, the “**Target Group**”), for an aggregate consideration of approximately US\$4.1 million (equivalent to approximately S\$5.25 million¹) (the “**Consideration Sum**”) (the “**Proposed Disposal**”).

As at the Latest Practicable Date, the Purchaser is a controlling shareholder of the Company which owns approximately 85.66% of the total and issued and paid-up share capital of the Company. The Purchaser is also an associate of (i) Mr Chan Heng Fai, who is the Executive Chairman, an Executive Director and the Chief Executive Officer of the Company, and (ii) Mr Chan Tung Moe, who is the Executive Director and Co-Chief Executive Officer of the Company.

The Proposed Disposal is an “interested person transaction” under Chapter 9 of the Catalist Rules which has a value of more than 5% of the Group’s latest audited net tangible assets (“**NTA**”) and is classified as a “major transaction” under Chapter 10 of the Catalist Rules in view of the relative figures computed on the bases set out in Rule 1006(a) and 1006(b) of the Catalist Rules involving negative figures, as set out in Section 2.9 of the Circular. Accordingly, the Proposed Disposal is conditional upon approval by Shareholders at the extraordinary general meeting (“**EGM**”) of the Company to be convened and held.

¹ All USD/SGD exchange rate used for the relevant Singapore Dollars equivalent is based on an exchange rate of US\$1 : S\$1.2828 as at 25 September 2024 being the business day preceding the date of the Agreement.

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The Company has appointed W Capital Markets Pte. Ltd. (“**W Capital**”) as the independent financial adviser (“**IFA**”) to express an opinion on whether the Proposed Disposal, being an interested person transaction (“**IPT**”), is on normal commercial terms and whether the Proposed Disposal will be prejudicial to the interests of the Company and its minority Shareholders, as well as advise the Recommending Directors who will be making recommendations to the Shareholders in respect of the Proposed Disposal. This letter (“**IFA Letter**”) sets out, *inter alia*, our evaluation and opinion on the Proposed Disposal and forms part of the Circular issued by the Company to its Shareholders in connection with the Proposed Disposal.

2. TERMS OF REFERENCE

W Capital has been appointed as the IFA pursuant to Rule 921(4)(a) of the Catalist Rules as well as to advise the Recommending Directors in respect of the Proposed Disposal as an IPT. We were not involved in or responsible for the discussions relating to the Proposed Disposal, nor were we involved in the deliberation leading up to the decision on the part of the directors of the Company (“**Directors**”) to enter into the Proposed Disposal. Further, we do not warrant the merits of the Proposed Disposal, other than to express an opinion on whether the Proposed Disposal as an IPT is on normal commercial terms and whether the Proposed Disposal will be prejudicial to the interests of the Company and its minority Shareholders, and our terms of reference do not require us to evaluate or comment on the legal, strategic, commercial and financial merits and/or risks (if any) of the Proposed Disposal.

In the course of our evaluation, we have held discussions with the management of the Company (“**Management**”) and have examined and relied to a considerable extent on publicly available information collated by us, as well as information provided and representations made to us, both written and verbal, by the Directors and/or the Management, including information contained in the Circular. We have not independently verified such information or representations, whether written or verbal, and accordingly cannot and do not make any representation or warranty, express or implied, in respect of, and do not accept any responsibility for the accuracy, completeness or adequacy of such information or representations. Whilst care has been exercised in reviewing the information on which we have relied on, we have not independently verified the information but nevertheless have made such reasonable enquiries and exercised our judgment on the reasonable use of such information and have found no reason to doubt the accuracy or reliability of the information. In this regard, we noted that the Directors have collectively and individually accepted full responsibility for the accuracy of the information given in the Circular as set out in the “Directors’ Responsibility Statement” in Section 6 of the Circular.

For the purpose of assessing the terms of the Proposed Disposal as an IPT, we have not relied upon any financial projections in respect of the Company and/or the Group and we have not conducted a comprehensive review of the business, operations and financial condition of the Group. We have not made any independent appraisal of the assets, liabilities and/or profitability of the Group and we do not express a view on the financial position, future growth prospects and earning potential of the Group after the completion of the Proposed Disposal in accordance with the terms of the Agreement. As such, we have relied on the disclosures and representations made by the Company on the value of the assets and liabilities and/or profitability of the Target and/or the Group. In this respect, we have been furnished with, *inter alia*, a valuation report dated 27 September 2024 (“**Valuation Report**”) prepared ValueScope, LLC (the “**Independent Valuer**”) who has been commissioned by the Company to carry out an independent valuation on (i) the 100% equity interest in the Target; and (ii) the common stock of the Target on a per share basis, as at a valuation date of 31 August 2024. As we are not experts in the evaluation or appraisal of the assets as set out in the Valuation Report, we have placed sole reliance on the appraisal in relation to the fair market value of the Target as assessed by the Independent Valuer and as set out in the Valuation Report.

Our opinion as set out in this IFA Letter is based on market, economic, industry, monetary and other conditions (if applicable) prevailing as of 23 October 2024 (“**Latest Practicable Date**”) and the information and representations provided to us as of the Latest Practicable Date. We assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein. Shareholders

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should take note of any announcement relevant to the Proposed Disposal, which may be released by the Company after the Latest Practicable Date.

In rendering our opinion and advice in relation to the Proposed Disposal, we did not have regard to the specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any individual Shareholder or any specific group of Shareholders. Accordingly, any individual Shareholder or group of Shareholders who may require specific advice in relation to his or their investment portfolio(s) should consult his or their legal, financial, tax or other professional adviser.

The Company has been separately advised by its own professional advisers in the preparation of the Circular (other than this IFA Letter). We have had no role or involvement, and do not provide any advice (financial or otherwise), in the preparation, review and verification of the Circular (other than this IFA Letter). Accordingly, we take no responsibility for and express no views, whether express or implied, on the contents of the Circular (other than this IFA Letter).

Our opinion in relation to the Proposed Disposal should be considered in the context of the entirety of this IFA Letter and the Circular.

3. INFORMATION ON THE TARGET AND THE PURCHASER

3.1 Information relating to the Target

The Target, HWH International, Inc., is a company incorporated in Delaware, the United States of America, on 20 October 2021. The Target is listed on the National Association of Securities Dealers Automatic Quotation System (“**NASDAQ**”) and as at the Latest Practicable Date, is currently a 78.7% owned subsidiary of the Company.

As at the Latest Practicable Date, the Target has:

- (a) an issued and paid-up share capital of US\$2,225.78 comprising 22,257,838 shares; and
- (b) an authorised capital of 50,000,000,000 shares, each with a par value of US\$0.0001.

The Target is a holding company for a lifestyle business operating through a membership model, where individuals pay an upfront membership fee to become members (“**Members**”). Members are given the rights and access to a direct selling model that offers discounted prices for various products and services that the Target provides. These products and services include but are not limited to, discounted health products, access to a travel booking platform and wealth and investment related educational materials. The Target also operates a food and beverage business under its subsidiaries. Details of the Target’s subsidiaries are set out in Appendix A of the Circular. For more information about the Target, shareholders may access the Nasdaq website at www.nasdaq.com.

3.2 Information on the Purchaser

The Purchaser, Alset Inc., is a company incorporated in Texas, the United States of America, and as at the Latest Practicable Date has:

- (a) an issued and paid-up share capital of US\$9,235 comprising 9,235,119 shares; and
- (b) an authorised capital of 275,000,000 shares of capital stock, of which 250,000,000 shares are common stock having a par value of US\$0.001 per share, and 25,000,000 shares are preferred stock having a par value of US\$0.001 per share.

The Purchaser is (1) an associate of both Mr Chan Heng Fai, the Executive Chairman, an Executive Director and the Chief Executive Officer of the Company, and Mr Chan Tung Moe, the Executive Director and Co-Chief Executive Officer of the Company, and (2) a controlling shareholder of the Company. In view of the foregoing, the Purchaser, together with its subsidiaries owns 2,991,751,765 ordinary shares in the share capital of the Company,

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representing approximately 85.66% of the total issued and paid-up share capital of the Company as at the Latest Practicable Date.

Save for Mr Chan Heng Fai and Mr Chan Tung Moe, none of the Directors and/or substantial shareholders of the Company have any interest (direct or indirect) in the Proposed Disposal other than through their respective shareholdings in the Company and the Purchaser, if any.

Mr Chan Heng Fai, Mr Chan Tung Moe, Mr Wong Shui Yeung, Mr Wong Tat Keung and Mr Lim Sheng Hon, Danny are common directors of the Company and the Purchaser. In addition, Mr Lui Wai Leung Alan, who is a Director of the Company, is also the Co-Chief Financial Officer of the Purchaser.

Accordingly, for good corporate governance, the aforesaid directors of the Company (i.e., Mr Chan Heng Fai, Mr Chan Tung Moe, Mr Wong Shui Yeung, Mr Wong Tat Keung, Mr Lim Sheng Hon, Danny and Mr Lui Wai Leung Alan) have abstained from all internal/Board deliberations and decisions in relation to the Proposed Disposal.

4. SALIENT TERMS OF THE PROPOSED DISPOSAL

The detailed terms of the Proposed Disposal have been set out in Section 2 of the Circular. A summary of the salient terms is set out below for your reference:

4.1 Consideration for the Proposed Disposal

The Consideration Sum of US\$4,095,000 (equivalent to approximately S\$5,253,066 shall be satisfied through issuance of a promissory note (the "**Promissory Note**") at the Closing (as defined in Section 4.2 of this IFA Letter. The Consideration Sum translates to a per share sale price of US\$0.630 ("**Per Share Consideration**").

The Consideration Sum was arrived at arm's length and on a willing-buyer-willing-seller basis after taking into account, *inter alia*, the following:

- (a) the historical trading performance of the Sale Shares;
- (b) the valuation of the Target;
- (c) the net asset value of the Target; and
- (d) the prevailing economic conditions.

Principal Terms of the Promissory Note

According to the Promissory Note:

(a) Payment of Interest and Principal

The Purchaser issues to the Company the Promissory Note and promises to repay to the order of the Company, the Consideration Sum (the "**Principal**") in accordance with the terms and conditions set out in the Promissory Note.

- (i) Interest: The parties agree that interest at the rate of five percent (5%) per annum which shall be charged on the Principal balance from time to time remaining unpaid prior to maturity until paid in full by the Maturity Date (as defined below) (the "**Interest**") unless otherwise waived by the Company. In no event shall the Interest rate on the Principal exceed the maximum rate allowed by law.
- (ii) Repayment: The Purchaser shall, on the earlier of (the earlier of such events being the "**Maturity Date**") (a) two (2) years from the date of the Promissory Note; or (b) upon the occurrence of an event of default (as stipulated in the Promissory Note),

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pay the Principal and Interest accrued on the Principal to the Company's designated bank account (to be provided by the Company) via wire transfer.

- (iii) Prepayment: The Purchaser shall have the right to prepay all or any portion of the Principal and Interest accrued on the Principal, without premium and penalty, upon ten (10) days' notice to the Company.

- (b) Security

The Promissory Note is given pursuant to the terms of the Agreement and is secured under the terms of a security agreement between the Company and the Purchaser ("**Security Agreement**"), wherein the Purchaser granted and assigned a security interest in all the assets in the Purchaser's brokerage account, which the Sale Shares will be deposited into, in favour of the Company.

- (c) Governing Law

The Promissory Note shall be interpreted under, and governed by, the laws of the State of Maryland, United States of America, without reference to any conflict or choice of law rules or doctrines of the State of Maryland, United States of America.

4.2 Principal Terms of the Agreement

According to the Agreement:

- (a) Closing

The closing (the "**Closing**") of the purchase of the Sale Shares by the Purchaser shall occur at the Company's registered office address at 9 Temasek Boulevard, #16-04, Suntec Tower Two, Singapore 038989. The date of Closing (the "**Closing Date**") shall be twenty-one (21) calendar days from the date of the Agreement and when the conditions to the Closing set forth in 4.2(b) below are satisfied or waived (or such later date as is mutually agreed to by the Company and the Purchaser).

- (b) Conditions Precedent

- (i) The obligation of the Company to sell the Sale Shares to the Purchaser at the Closing is subject to the satisfaction, at or before the Closing Date, of each of the following conditions, provided that these conditions are for the Company's sole benefit and may be waived by the Company at any time in its sole discretion by providing the Purchaser with prior written notice thereof:

- (aa) The Purchaser shall have executed the Agreement and each of the other transaction documents (i.e., apart from the Agreement, the Promissory Note and each of the other agreements and instruments entered into or delivered by any of the parties in connection with the transactions contemplated by the Agreement, as may be amended from time to time) to which it is a party and delivered the same to the Company;

- (bb) The Purchaser shall have delivered to the Company the Consideration Sum in the form of the Promissory Note for the Sale Shares being purchased by the Purchaser at the Closing;

- (cc) The representations and warranties of the Purchaser shall be true and correct in all material respects as of the date when made and as of the Closing Date as though originally made at that time (except for representations and warranties that speak as of a specific date, which shall be true and correct as of such date), and the Purchaser shall have performed, satisfied and complied in all material respects with the covenants, agreements and conditions required by the Agreement to be performed, satisfied or complied with by such Purchaser at or prior to the Closing Date;

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- (dd) No statute, rule, regulation, executive order, decree, ruling or injunction shall have been enacted, entered, promulgated or endorsed by any court or governmental authority of competent jurisdiction that prohibits the consummation of any of the transactions contemplated by the transaction documents;
 - (ee) The Purchaser shall have delivered to the Company such other documents, instruments or certificates relating to the transactions contemplated by the Agreement as the Company or its counsel may reasonably request; and
 - (ff) The Company shall have obtained approval of the transactions contemplated by the Agreement by its shareholders in accordance with Singapore's listing rules prior to the Closing.
- (ii) The obligation of the Purchaser to purchase the Sale Shares at the Closing is subject to the satisfaction, at or before the Closing Date, of each of the following conditions, provided that these conditions are for the Purchaser's sole benefit and may be waived by the Purchaser at any time in its sole discretion by providing the Company with prior written notice thereof:
- (aa) The Company shall have duly executed and delivered to the Purchaser the Agreement and each of the other transaction documents to which it is a party and the Company shall have duly issued and delivered the Sale Shares being purchased by the Purchaser at the Closing pursuant to the Agreement;
 - (bb) Each and every representation and warranty of the Company shall be true and correct as of the date when made and as of the Closing Date as though originally made at that time (except for representations and warranties that speak as of a specific date, which shall be true and correct as of such date) and the Company shall have performed, satisfied and complied in all respects with the covenants, agreements and conditions required to be performed, satisfied or complied with by the Company at or prior to the Closing Date;
 - (cc) No statute, rule, regulation, executive order, decree, ruling or injunction shall have been enacted, entered, promulgated or endorsed by any court or governmental authority of competent jurisdiction that prohibits the consummation of any of the transactions contemplated by the transaction documents;
 - (dd) Since the date of execution of the Agreement, no event or series of events shall have occurred that reasonably would have or result in a material adverse effect; and
 - (ee) The Company shall have delivered to the Purchaser such other documents, instruments or certificates relating to the transactions contemplated by the Agreement as the Purchaser or its counsel may reasonably request.
- (c) Governing Law and Jurisdiction

All questions concerning the construction, validity, enforcement and interpretation of the Agreement shall be governed by the State of Maryland, United States of America, without giving effect to any choice of law or conflict of law provision or rule that would cause the application of the laws of any jurisdictions other than the State of Maryland, United States of America.

Each party hereby irrevocably submits to the exclusive jurisdiction of the courts sitting in the State of Maryland, United States of America for the adjudication of any dispute hereunder or under any of the other transaction documents or in connection herewith or with any transaction contemplated hereby or thereby or discussed herein or therein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any

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claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper.

Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof to such party at the address for such notices to it under the Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall limit, or be deemed to limit, in any way any right to serve process in any manner permitted by law.

5. EVALUATION OF THE PROPOSED DISPOSAL

In arriving at our opinion on whether the Proposed Disposal is on normal commercial terms and whether the Proposed Disposal will be prejudicial to the interests of the Company and its minority Shareholders, we have given due consideration to, *inter alia*, the following:

- (a) Rationale for the Proposed Disposal;
- (b) Historical financial performance and financial position of the Target;
- (c) Assessment of the fairness of the Consideration vis-à-vis:
 - (i) The fair market value of 100% equity interest in the Target as assessed by the Independent Valuer;
 - (ii) Historical share price performance and trading liquidity in respect of the shares of the Target; and
 - (iii) The Debt to Equity Conversion;
- (d) Assessment of the reasonableness of the key terms of the Promissory Note;
- (e) Financial effects of the Proposed Disposal; and
- (f) Other relevant considerations in relation to the Proposed Disposal.

5.1 Rationale for the Proposed Disposal

We have considered the rationale by the Company for the Proposed Disposal as set out in Section 2.4 of the Circular and we have set them out in italics below for your easy reference:

“The Target has been loss making since the financial year ended 31 December 2023 and half year ended 30 June 2024 and is in a net liabilities position as at 30 June 2024. In addition, taking into consideration the Target’s price performance and economic environment of the US market, the Board (comprising the Recommending Directors and excluding Mr Chan Heng Fai, Mr Chan Tung Moe, Mr Wong Shui Yeung, Mr Wong Tat Keung, Mr Lim Sheng Hon, Danny and Mr Lui Wai Leung Alan) is of the view that it is in the best interest of the Company to divest part of the Target to reduce the price and volatility risk in the Target.

Accordingly, the Company intends to divest the Target in order to improve the Group’s financial position, operational performance, and to maximise shareholders’ value.”

5.2 Historical financial performance and financial position of the Target

A summary of the audited consolidated income statements of the Target for the 12 months ended 31 December (“FY”) 2021, 2022 and 2023 and unaudited consolidated income statements and consolidated statement of financial position of the Target for the financial period ended 30 June 2024 (“HY2024”) are set out below.

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Review of financial results of the Target

(US\$'000)	Audited			Unaudited
	FY2021	FY2022	FY2023	HY2024
Revenue	4,912	1,203	831	621
Cost of goods sold	2,608	688	335	293
Gross profit	2,304	515	496	328
Operating expenses	235	1,438	1,817	1,748
Earnings before interest, taxes, depreciation & amortisation ("EBITDA")	2,069	(924)	(1,321)	(1,420)
Depreciation expense	269	34	58	30
Earnings before interest & taxes	1,799	(957)	(1,379)	(1,450)
Other income / (expenses), net	102	11	(276)	(275)
Pretax income / (loss)	1,902	(946)	(1,654)	(1,725)
Provision / (benefit) for income taxes	576	-	-	-
Net income / (loss)	1,325	(946)	(1,654)	(1,725)

Source: Valuation Report

Review of operating results

FY2022 vs FY2021

The Target's revenue had a significant decrease by US\$3.7 million from approximately US\$4.9 million in FY2021 to approximately US\$1.2 million in FY2022 mainly due to decrease in both membership revenue and non-membership revenue. In line with the decrease in revenue during the year, the Target's gross profit reduced by 77.7% or approximately US\$1.8 million from approximately US\$2.3 million in FY2021 to approximately US\$0.5 million in FY2022.

There is also a significant increase in operating expenses by approximately US\$1.2 million, from approximately US\$0.2 million in FY2021 to approximately US\$1.4 million in FY2022. This is mainly due to increase in professional fees related to the special purpose acquisition company ("SPAC") formed, dividend tax paid and salaries in FY2022.

Other income (net) has also decreased by 88.9% or approximately US\$90,850, from approximately US\$0.1 million in FY2021 to approximately US\$11,375 in FY2022. During the year, the Target recognised a US\$30,049 foreign exchange loss in FY2022 as compared to a foreign exchange gain of US\$79,603 in FY2021.

As a result from the above, the Group recorded a net loss after tax of approximately US\$0.9 million in FY2022 as compared to the net profit after tax of approximately US\$1.3 million in FY2021.

FY2022 vs FY2023

The revenue for FY2023 decreased by approximately 31.0% or approximately US\$0.4 million, from approximately US\$1.2 million in FY2022 to approximately US\$0.8 million in FY2023 mainly due to decreased sales of annual memberships as management was in the process of focusing more on sales to the general audience. In line with the decrease in revenue during the year, the Group recorded a slightly lower gross profit of approximately US\$0.50 million in FY2023 as compared to a gross profit of approximately US\$0.51 million in FY2022.

The operating expenses during the year increased by 26.3% or approximately US\$0.4 million, from approximately US\$1.4 million in FY2022 to approximately US\$1.8 million in FY2023. This is

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mainly due to the increase in operating expenses for the food and beverage business in Korea and Singapore and the professional fees related to business combination.

The Target has also incurred other expenses (net) of approximately US\$0.3 million, which relates mainly to a US\$0.5 million increase in impairment of its equity method investment in and convertible note receivable from a related party, Ketomei Pte Ltd.

As a result from the above, the Target recorded a higher net loss after tax of approximately US\$1.7 million in FY2023 as compared to the net loss after tax of approximately US\$0.9 million in FY2022.

HY2024

During the six months ended 30 June 2024, the Target recorded a revenue of approximately US\$0.6 million solely from its food and beverage business and a gross profit of approximately US\$0.3 million.

The operating expenses recorded during the period of approximately US\$1.7 million mainly consist of legal and professional fee of US\$0.9 million, employee wages and salaries of US\$0.2 million, and lease expenses of US\$0.3 million.

The Target has also incurred other expenses (net) of approximately US\$0.3 million, which consists mainly of an impairment loss on goodwill of US\$0.3 million.

As a result from the above, the Target recorded a net loss after tax of approximately US\$1.7 million during the six months period ended 30 June 2024.

Review of financial position of the Target

(US\$'000)	Unaudited As at 30 June 2024
Current Assets	1,977
Non-Current Assets	1,092
Total Assets	3,069
Current Liabilities	5,422
Non-Current Liabilities	1,146
Stockholders' deficit	(3,499)
Total Liabilities and Stockholders' Equity	3,069

Source: SEC Filing Form 10-Q of the Target dated 12 August 2024

Major assets and liabilities

As at 30 June 2024, the assets of the Target totalling approximately US\$3.1 million comprised mainly: (i) convertible loans receivable of approximately US\$0.9 million; (ii) cash of approximately US\$0.8 million; (iii) operating lease right-of-use assets of approximately US\$0.6 million; and (iv) deposits of approximately US\$0.4 million, representing 28.3%, 26.8%, 18.6% and 12.7% of the Target's total assets respectively.

As at 30 June 2024, the liabilities of the Target totalling approximately US\$6.6 million comprised mainly: (i) amount due to related parties of approximately US\$4.2 million; (ii) non-current notes payable of approximately US\$0.9 million; (iii) accounts payable and accrued expenses of approximately US\$0.5 million; and (iv) current operating lease liabilities of approximately US\$0.4 million, representing 63.8%, 14.4%, 8.0% and 5.9% of the Target's total liabilities respectively. The Target is in a net liabilities position of approximately US\$3.5 million as at 30 June 2024.

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On 24 September 2024, the Target had entered into two (2) separate debt to equity agreements with the Company and the Purchaser to, *inter alia*, convert approximately US\$3.5 million and US\$0.3 million of amount owing to the Company and the Purchaser respectively, into shares of the Target (the “**Debt to Equity Conversion**”) in order to strengthen its balance sheet. Taking into account the completion of the Debt to Equity Conversion, the net asset value (“**NAV**”) of the Target as at 30 June 2024 will improve from a net liabilities position of approximately US\$3.5 million to an adjusted NAV (“**Adjusted NAV**”) of approximately US\$0.3 million. Based on the enlarged share capital of the Target after the Debt to Equity Conversion of 22,257,838 shares (“**HWH Enlarged Shares**”), this translates to an Adjusted NAV per share as at 30 June 2024 of approximately US\$0.014 and the Per Share Consideration represents a substantial premium of approximately 4,538.6% over the Adjusted NAV per share as at 30 June 2024.

5.3 Assessment of the fairness of the Consideration

5.3.1 The fair market value of 100% equity interest in the Target as assessed by the Independent Valuer

The Company has commissioned the Independent Valuer, ValueScope, LLC, to perform a fair market valuation of the 100% equity interest in the Target and the common stock of the Target on a per share basis in connection with the Proposed Disposal as at a valuation date of 31 August 2024.

As set out in the Valuation Report, the fair market value is defined as “*The price at which the shares would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of relevant facts.*”

According to the Valuation Report, there are three common valuations approaches to value an operating business: the income approach, the market approach, and the cost approach. The Independent Valuer has considered the application of each approach and the various methods within each approach. The approaches applied in a valuation are based on the nature and characteristics of the subject company together with the availability of applicable information for each approach.

The income approach quantifies the present value of anticipated future income generated by a business or an asset. Forecasts of future income require analyses of variables that influence income, such as revenues, expenses, and taxes. One form of the income approach, the discounted cash flow (“**DCF**”) analysis, defines future economic income as net cash flow and considers not only the profit-generating abilities of a business but also the investment in capital equipment and working capital required to sustain the projected net cash flow. The forecasted net cash flow is then discounted to present value using an appropriate rate of return or discount rate. The income approach is unique in its ability to account for the specific contribution to the overall value of various factors of production.

Whereas, the market approach considers the implied pricing in third-party transactions of comparable businesses or assets. Transactions and guideline public company (GPC) data are analyzed in order to identify pricing patterns or trends that can be used to infer value on the subject business or asset. Adjustments are made to the transaction or GPC data to account for relative differences between the subject and the comparable data. The primary strength of the market approach is that it offers relatively objective pricing evidence from the market at large and, aside from certain adjustments to the data, requires few assumptions to be made. The market approach is most applicable to highly homogeneous assets or businesses for which a ready market exists. The Independent Valuer rejected the market approach as the historical financials of the Target were not representative of future expectations and the market lacked meaningful forward multiples for the guideline public companies. Notwithstanding, the Independent Valuer has relied on the market multiples in deriving the terminal value in the income approach.

Lastly, the cost approach considers replacement cost as the primary indicator of value. The cost approach is based on the reasoning that a prudent investor would not pay more for the subject business or an asset than the cost to the investor to replace or recreate it. Historical cost data is often used to indicate the current cost of replacement or recreation, with certain adjustments

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made for physical deterioration or obsolescence. Similar to the market approach, the cost approach requires fewer assumptions than the income approach, but the primary limitation inherent in the cost approach is its inability to capture the value of many categories of intangible assets. The Independent Valuer has rejected the cost approach because this approach tends to misstate the fundamental economic value of an ongoing business enterprise. For a company in the Target's industry and at their current life cycle stage utilising the cost approach would result in a material understatement of value.

Accordingly, we note that the Independent Valuer has applied the income approach to value the Target as it best captures the expected growth and future cash flows of the Target. The DCF method allows for projecting future store openings and membership growth as well as improving margin as the Target begins to achieve positive stable cash flow in the future.

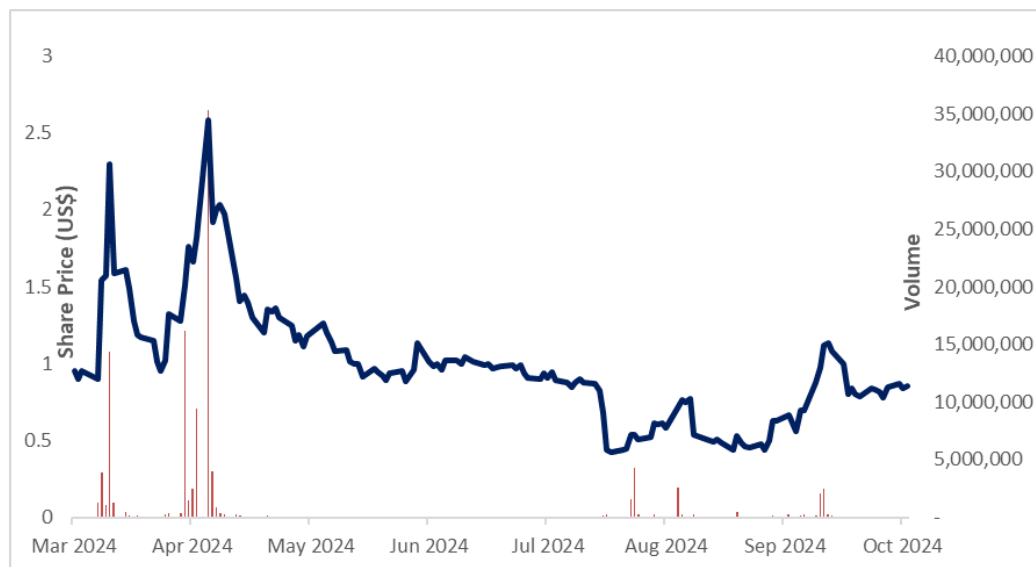
Based on the Valuation Report, the fair market value range of 100% equity interest in the Target as of 31 August 2024 is between US\$8.64 million to US\$10.68 million and the fair market value range of the per share common stock of the Target is between US\$0.3884 to US\$0.4797. Accordingly, the proportionate fair market value range attributable to the Sale Shares would be approximately US\$2.5 million to US\$3.1 million ("**Sale Shares Fair Value Range**") and the Consideration Sum of approximately US\$4.1 million represents a premium range of between 31.3% to 62.2% over the Sale Shares Fair Value Range.

It should be noted that the independent valuation of the Target is based on various assumptions and limitation conditions as set out in the Valuation Report, and Shareholders are advised to read the above in conjunction with the Valuation Report in its entirety as set out in Appendix B to the Circular.

5.3.2 Historical share price performance and trading liquidity in respect of the shares of the Target

The Target's shares are listed and quoted on the NASDAQ and we noted that one of the factors taken into account in arriving at the Consideration Sum is the historical trading performance of the Sale Shares. In this regard, we understand that the Company had considered and made reference to, *inter alia*, the volume weighted average price ("**VWAP**") of the Target's shares over the last ten (10) trading days up to 25 September 2024 (being the last business day preceding the date of the Agreement) ("**10-Day Period**"), and the 1-month and 3-month VWAP of the Target's shares preceding the date of the Agreement.

We set out below a chart showing the closing prices of the Target's shares and the number of shares traded on a daily basis during the period commencing from 26 March 2024 (being the 6-months period prior to the Agreement) and up to the Latest Practicable Date ("**Period Under Review**").



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In addition to the above share price and trading volume chart, we have tabulated below selected statistics on the share price and trading liquidity of the Target's shares for the Period Under Review and the period after the Announcement Date up to the Latest Practicable Date:-

Reference Period	VWAP (US\$) ⁽¹⁾	Premium / (discount) of Per Share Consideration to VWAP ⁽²⁾ (%)	Highest closing price (US\$)	Lowest closing price (US\$)	Average daily trading volume ⁽³⁾ (‘000)	Average daily trading volume as a percentage of free float ⁽⁴⁾ (%)
<u>Period up to 25 September 2024 being the last business day preceding the date of the Agreement</u>						
Last 6 months	2.053	(69.3)	2.580	0.422	847.54	14.647
Last 3 months	0.648	(2.7)	1.045	0.422	187.77	3.245
Last 1 month	0.649	(2.9)	0.770	0.437	208.29	3.600
10-Day Period	0.606	4.0	0.662	0.440	58.60	1.013
As at 25 September 2024 (“Last Business Day”) ⁽⁵⁾	0.560 ⁽⁶⁾	12.6	0.560	0.560	15.88	0.275
From 25 September 2024 to the Announcement Date	0.713	(11.6)	0.699	0.560	130.96	2.263
<u>After the Announcement Date</u>						
From Announcement Date to the Latest Practicable Date	1.193	(47.2)	1.13	0.780	306.01	5.288
Latest Practicable Date	0.8519 ⁽⁶⁾	(26.0)	0.8519	0.8519	10.20	0.176

Source: Bloomberg L.P.

Notes:

- (1) Rounded to the nearest three (3) decimal places;
- (2) The Per Share Consideration of US\$0.63 is calculated based on the Consideration Sum of US\$4,095,000 divided by 6,500,000 Sale Shares.
- (3) The average daily trading volume of the Target's shares is calculated based on the total volume of Shares traded during the relevant periods divided by the number of market trading days during the relevant periods.
- (4) For the purpose of computing the average daily trading volume as a percentage of free float, we have used the free float of approximately 5.8 million shares (or approximately 26.0% of HWH Enlarged Shares) held by public shareholders.
- (5) Being the last business day preceding the date of the Agreement
- (6) Refers to the closing price of the Target's shares on the respective days.

Based on the table above, we note that the following:-

- (i) The share price of the Target's shares has been very volatile during the 6-month period prior to the Announcement Date, with a highest closing price of US\$2.58 and a lowest closing price of US\$0.422, and has been generally on a downtrend since April 2024 up to the Announcement Date;
- (ii) The Per Share Consideration of US\$0.63 is at a premium of approximately 4.0% and 12.6% to the VWAP of the Target's shares for the 10-day period and on the last business day preceding the date of the Agreement respectively;
- (iii) The Per Share Consideration of US\$0.63 is at a discount of approximately 69.3%, 2.7% and 2.9% respectively to the 6-month VWAP, 3-month VWAP and 1-month VWAP respectively and is at a discount of approximately 26.0% to the closing price of the Target's shares as at the Latest Practicable Date;

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- (iv) Daily trading volume of the Target's shares has been highly erratic during the 6-month period up to and including the Last Business Day, with the lowest daily traded volume of less than 2,300 shares and the highest daily traded volume of approximately 35.3 million shares. Average daily trading volume of the Target's shares during this same period however has been generally low and declining, with an average daily trading volume ranging between approximately 16,000 shares to approximately 848,000 shares, while average daily trading volume as a percentage of free float during this period represented between 0.275% to 14.6% of the free float of the Target of approximately 5.8 million shares; and
- (v) Given the highly erratic historical trading volumes observed and generally low average daily trading volume of the Target's shares in the last three months leading up to the Announcement Date, the Company may potentially find it difficult to sell a large block of shares in the open market, as the Sale Shares represent approximately 29.2% of the HWH Enlarged Shares. In this regard, we note that for the period from the Announcement Date to the Latest Practicable Date, average daily trading volume of the Target's shares was approximately 306,000 shares. In addition, being an affiliate of the Target, we understand that under the U.S. Securities and Exchange Commission's regulations, during any three-month period, the Company is restricted to selling only the greater of: (i) 1% of the total outstanding shares of the Target; or (ii) the average of the previous 4-week trading volume of the Target's shares, on the open market.

Recommending Directors should note that the past trading performance for the Target shares may not be relied upon as an indication or promise of its future trading performance.

5.3.3 Debt to Equity Conversion

As set out in Section 5.2 of this IFA Letter, the Target has on 24 September 2024, entered into two (2) separate debt to equity agreements with the Company and the Purchaser to, *inter alia*, convert approximately US\$3.5 million and US\$0.3 million of amount owing to the Company and the Purchaser respectively, into shares of the Target at a price per share of US\$0.630 ("**Debt Conversion Price**"). Accordingly, the Company was issued with 5,558,347 shares of the Target in connection with the Debt to Equity Conversion and the Per Share Consideration of US\$0.630 is equivalent to the Debt Conversion Price.

5.4 **Assessment of the reasonableness of the key terms of the Promissory Note**

5.4.1 Comparison of the Interest Rate of the Promissory Note vis-à-vis the prevailing yields of comparable US\$ denominated corporate bonds

As set out in Section 4.1 of this IFA Letter, we note that the Consideration Sum (the "**Principal**") will be satisfied through the issuance of a Promissory Note from the Purchaser to the Company. The parties agreed that interest at the rate of five percent (5.0%) per annum (the "**Interest Rate**") shall be charged on the remaining unpaid Principal balance from time to time until the entire Principal and Interest are paid in full. The Promissory Note is repayable on the earlier of (i) two (2) years from the date of the Promissory Note; or (ii) upon the occurrence of an event of default (as stipulated in the Promissory Note).

In our assessment, we have made comparisons between the Interest Rate on the Promissory Note to the yield to maturity of US\$ denominated bonds of similar characteristics as the Promissory Note. We wish to highlight that the comparison merely serves as an illustrative reference and each of the issuers in the table below may not be identical to the Purchaser in terms of, *inter alia*, business activities, size and scale of operations, risk profile, operating and financial leverage, track record and future prospects. Information on the unsecured, fixed coupon and non-rated US\$ denominated corporate bonds from issuers in the consumer discretionary sector and with a term to maturity of between one (1) to three (3) years is set out below for reference:

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Issue Name	Bond Type	Bond Sector	Years to Maturity (Approx.)	Bond Seniority	Indicative Yield to Maturity (% p.a)
SJMHOL 4.500% 27Jan2026 Corp (USD)	High Yield Corporate	Consumer Discretionary	1.3	Senior Unsecured	6.0
FOSUNI 5.950% 19Oct2025 Corp (USD)	High Yield Corporate	Consumer Discretionary	1.0	Senior Unsecured	7.9
FOSUNI 5.050% 27Jan2027 Corp (USD)	High Yield Corporate	Consumer Discretionary	2.3	Senior Unsecured	7.9
FOSUNI 5.000% 18May2026 Corp (USD)	Corporate	Consumer Discretionary	1.6	Senior Unsecured	4.8
GENTMK 4.250% 24Jan2027 Corp (USD)	Corporate	Consumer Discretionary	2.3	Senior Unsecured	4.6
HYNMTR 5.500% 30Mar2026 Corp (USD)	Corporate	Consumer Discretionary	1.5	Senior Unsecured	4.4
HYNMTR 4.300% 24Sep2027 Corp (USD)	Corporate	Consumer Discretionary	3.0	Senior Unsecured	4.4
JD 3.875% 29Apr2026 Corp (USD)	Corporate	Consumer Discretionary	1.6	Senior Unsecured	4.6
JFCPM 4.125% 24Jan2026 Corp (USD)	Corporate	Consumer Discretionary	1.3	Senior Unsecured	4.5
LGELEC 5.625% 24Apr2027 Corp (USD)	High Yield Corporate	Consumer Discretionary	2.5	Senior Unsecured	12.8
LIHHK 4.800% 18Jun2026 Corp (USD)	High Yield Corporate	Consumer Discretionary	1.7	Senior Unsecured	6.1
MPEL 5.250% 26Apr2026 Corp (USD)	High Yield Corporate	Consumer Discretionary	1.5	Senior Unsecured	6.4
MPEL 5.625% 17Jul2027 Corp (USD)	Corporate	Consumer Discretionary	2.8	Senior Unsecured	4.5
NHNCOR 1.500% 29Mar2026 Corp (USD)	Corporate	Consumer Discretionary	1.5	Senior Unsecured	4.0
NFLX 4.375% 15Nov2026 Corp (USD)	Corporate	Consumer Discretionary	2.1	Senior Unsecured	5.4
NSANY 5.300% 13Sep2027 Corp (USD)	High Yield Corporate	Consumer Discretionary	2.9	Senior Unsecured	5.1
NSANY 6.950% 15Sep2026 Corp (USD)	Corporate	Consumer Discretionary	1.9	Senior Unsecured	4.5
SKONKR 5.375% 11May2026 Corp (USD)	Corporate	Consumer Discretionary	1.6	Senior Unsecured	4.0
CHITRA 2.950% 01Mar2027 Corp (USD)	Corporate	Consumer Discretionary	2.4	Senior Unsecured	5.0
TTMTIN 4.350% 09Jun2026 Corp (USD)	High Yield Corporate	Consumer Discretionary	1.7	Senior Unsecured	4.9
UA 3.250% 15Jun2026 Corp (USD)	Corporate	Consumer Discretionary	1.7	Senior Unsecured	4.7
EBAY 5.900% 22Nov2025 Corp (USD)	High Yield Corporate	Consumer Discretionary	1.1	Senior Unsecured	6.0
Mean					5.6
Median					4.8

Source: Bondsupermart.com, information obtained as of 7 October 2024

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Based on the above, we note that the Interest Rate payable on the Promissory Note of 5.0% per annum is:

- (a) Within the range of the indicative yield to maturity of unsecured, fixed coupon and non-rated US\$ denominated corporate bonds of between 4.0% and 12.8%; and
- (b) Above the median of the indicative yield to maturity of unsecured, fixed coupon and non-rated US\$ denominated corporate bonds of 4.8% but below the mean indicative yield to maturity of unsecured, fixed coupon and non-rated US\$ denominated corporate bonds of 5.6%. In this regard, it should further be noted that all the corporate bonds in the above table were issued on an unsecured basis, whereas the Promissory Note is secured against all the assets in the Purchaser's brokerage account, which the Sale Shares will be deposited into, in favour of the Company.

5.4.2 Comparison of the terms of the Promissory Note vis-à-vis the previous promissory notes that were entered into by the Company

On 21 November 2023, the Company had entered into two (2) stock purchase agreements with Mr. Teh Wing Kwan ("**TWK**") and Massive Brilliant Limited ("**MBL**"), parties who are not related to any Director or substantial shareholder of the Company, whereby the Company had agreed to sell to TWK and MBL an aggregate of 1,280 shares in the Target for an aggregate consideration of US\$16.0 million. The consideration of US\$16.0 million was satisfied through issuance of two (2) promissory notes (one promissory note issued by TWK and MBL each to the Company) (collectively, the "**TWK-MBL Promissory Notes**"). The interest under each promissory note, is at a rate of 1.5% compounded annually for a term of two (2) years from date of issuance of the TWK-MBL Promissory Notes.

In this regard, we note that the Interest Rate on the Promissory Note of 5.0% is 350 basis points higher than the interest rate payable on the TWK-MBL Promissory Notes. In addition, the term for both the Promissory Notes and the TWK-MBL Promissory Notes are at two (2) years from the date of issuance of the promissory notes and are similarly secured against the brokerage accounts, which the sale shares were deposited into, in favour of the Company.

5.5 Financial effects of the Proposed Disposal

The financial effects of the Proposed Disposal on the NTA per Share and the earnings per Share of the Group are set out in Section 2.10 of the Circular and are based on the audited consolidated financial statements of the Group for FY2023 and are prepared based on various assumptions, including the completion of the Debt to Equity Conversion. The financial effects are for illustrative purposes only and do not purport to be an indication or a projection of the results and financial position of the Company and the Group after the completion of the Proposed Disposal.

In summary, we note that the Proposed Disposal will increase the Group's NTA per Share from 2.43 Singapore cents to 2.58 Singapore cents and improve the EPS from a loss per Share of 0.13 Singapore cents to an earnings per Share of 0.03 Singapore cents, mainly due to the divestment gain arising from the Proposed Disposal and the stake reduction in the Target which was loss-making in FY2023.

5.6 Other Relevant Considerations

5.6.1 No other alternative offers from third parties for the Sale Shares

The Directors have confirmed that, as the Latest Practicable Date, other than the Proposed Disposal, the Company has not received any alternative offers to purchase the equity interest and/or business assets of the Target.

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5.6.2 The Purchaser's financial performance and credit standing

The Purchaser is a company listed on the NASDAQ. As at the Latest Practicable Date, Alset Inc's market capitalisation was approximately US\$17.0 million.

We set out the audited consolidated financial results of Alset Inc for the financial year ended 31 December 2021, 2022 and 2023 as well as its unaudited consolidated financial results for the six-months financial period ended 30 June 2024 as extracted from publicly available information as below:

Consolidated Statement of Operations

(US\$'000)	FY2021	FY2022	FY2023	6M2024
Revenue	19,799	4,480	22,089	7,213
Net Income / (Loss) for the year/period	(119,018)	(46,213)	(61,279)	(8,464)
Net Income / (Loss) applicable to common shareholders	(103,323)	(40,491)	(58,946)	(8,009)

Source: Alset Inc.'s annual and quarterly reports

Latest Consolidated Balance Sheet

(US\$'000)	As at 30 June 2024
Total assets	93,461
Total liabilities	5,765
Total Stockholders' equity	87,696

Source: Alset Inc.'s latest quarterly report

Notwithstanding that the Purchaser has been loss-making over the last three financial years and for the latest half year ended 30 June 2024, we note that the Purchaser has total stockholders' equity of approximately US\$87.7 million as at 30 June 2024 and has minimal borrowings and notes payable of approximately US\$1.41 million as at 30 June 2024.

5.6.3 Abstention from voting

As set out in Section 2.8.4 of the Circular, the Purchaser, as the "interested person" under Chapter 9 of the Catalist Rules, shall abstain, and has undertaken to ensure that its associates shall abstain, from voting on the Ordinary Resolution relating to the Proposed Disposal. The Purchaser and its associates shall also refrain from accepting nominations as proxy or otherwise vote at the EGM in respect of the Ordinary Resolution relating to the Proposed Disposal unless the relevant Proxy Forms contain specific instructions directing the manner in which the votes are to be cast.

The Company will disregard any votes cast on the Ordinary Resolution relating to the Proposed Disposal by the Purchaser and its associates (comprising Mr Chan Heng Fai, Mr Chan Tung Moe, Alset Business Development Pte. Ltd., Liquidvalue Development Pte. Ltd. and DSS, Inc.).

For avoidance of doubt, Mr Chan Heng Fai does not hold any direct interest in the share capital of the Company. As disclosed in Section 4 of the Circular, Mr Chan Heng Fai is deemed to have an interest in the Shares held by Alset Business Development Pte. Ltd., Liquidvalue Development Pte. Ltd. and DSS, Inc.

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6. OPINION

In arriving at our opinion, we have taken into account, *inter alia*, the following key considerations which we consider to be pertinent to our assessment of the Proposed Disposal:

- (a) The rationale for the Proposed Disposal, details of which are set out in Section 5.1 of this IFA Letter;
- (b) The analysis of historical financial performance and position of the Target, details of which are set out in Section 5.2 of this IFA Letter.
- (c) Assessment on the fairness of the Consideration for the Proposed Disposal, details of which are set out in Section 5.3 of this IFA Letter;
- (d) Assessment on the reasonableness of the Interest Rate on the Promissory Note, details of which are set out in Section 5.4 of this IFA Letter;
- (e) Financial effects of the Proposed Disposal, details of which are set out in Section 5.5 of this IFA Letter; and
- (f) Other relevant considerations, details of which are set out in Section 5.6 of this IFA Letter.

Having regard to the foregoing considerations set out in this IFA Letter and information available to us as at the Latest Practicable Date, we are of the opinion that the Proposed Disposal is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

Our opinion is addressed to the Recommending Directors in connection with their consideration of the Proposed Disposal and their advice to the Shareholders arising thereof. The recommendations made by the Recommending Directors to the Shareholders shall remain the responsibility of the Recommending Directors.

Whilst a copy of this IFA Letter may be reproduced in the Circular, neither the Company, the Directors, nor any other persons may reproduce, disseminate or quote this IFA Letter (or any part thereof) for any other purpose at any time and in any manner without our prior written consent in each specific case, except for the purposes of the forthcoming EGM and for the purpose of the Proposed Disposal.

This IFA Letter is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully,

For and on behalf of
W Capital Markets Pte. Ltd.

Foo Say Nam
Partner
Head of Advisory

Alicia Chang
Vice President
Corporate Finance

NOTICE OF EXTRAORDINARY GENERAL MEETING

Alset International Limited

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

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (the “**EGM**”) of **Alset International Limited** (the “**Company**”) will be held at 138 Cecil Street #01-02, Cecil Court, Singapore 069538 on 18 November 2024 at 10:30 a.m. (Singapore Time) for the purpose of considering and, if thought fit, passing with or without any modifications, the following ordinary resolution:

*All capitalised terms used in this notice of EGM which are not defined herein shall have the meanings ascribed to them in the circular to shareholders of the Company dated 1 November 2024 (the “**Circular**”) in relation to the Proposed Disposal of HWH International, Inc.*

Ordinary Resolution: The Proposed Disposal of HWH International, Inc.

That:

- (a) the disposal of an aggregate of 6,500,000 shares of common stock in the share capital of HWH International, Inc. to Alset Inc. (the “**Proposed Disposal of HWH International, Inc.**”) as an “interested person transaction” under Chapter 9 of the Catalist Rules and as a “major transaction” under Chapter 10 of the Catalist Rules, and as set out in **Section 2** of the Circular be and is hereby approved; and
- (b) the Directors and/or any of them be and are hereby authorised and empowered to approve, complete and do all such acts and things (including approving, modifying, ratifying, signing, sealing, executing and delivering all such agreements, contracts, documents, notices, deeds or instruments as may be required) as they and/or he may consider expedient, desirable or necessary or in the interests of the Company to give effect to the matters considered in this Ordinary Resolution.

By Order of the Board of Directors of
Alset International Limited

Chan Tung Moe
Executive Director and Co-Chief Executive Officer

1 November 2024
Singapore

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. The EGM will be held physically at 138 Cecil Street #01-02, Cecil Court, Singapore 069538, on 18 November 2024 at 10:30 a.m. (Singapore Time) for the purpose of considering and if thought fit, passing, with or without any modification, the Ordinary Resolution relating to the Proposed Disposal set out in this Notice of EGM. **There will be no option for Shareholders to participate virtually.**
2. **Printed copies of the Circular will not be sent to Shareholders.** Shareholders may request for printed copies of the Circular by completing and returning the request form (sent to them by post together with printed copies of this Notice of EGM and the accompanying Proxy Form) no later than 9 November 2024. Printed copies of this Notice of EGM and the Proxy Form will be sent to Shareholders. In addition, this Notice of EGM, the Circular, the Proxy Form, and the request form may be accessed at the Company's website at the URL <https://www.alsetinternational.com/ai-egm-nov-2024> by clicking on the hyperlink titled "Notice of EGM", "Circular", "Proxy Form" and "Request Form", respectively. This Notice of EGM, the Circular, the Proxy Form and the request form are also available on SGXNET at the URL <https://www.sgx.com/securities/company-announcements>.
3. Arrangements relating to attendance at the EGM, submission of comments, queries and/or questions to the Chairman of the Meeting in advance of the EGM, addressing of substantial and relevant comments, queries and/or questions before the EGM, and voting by appointing proxy(ies) (including the Chairman of the Meeting), are set out in **Section 8** of the Circular.
4. **There will be no option for Shareholders to participate virtually at the EGM. A Shareholder (whether individual or corporate) must vote live at the EGM or must appoint proxy(ies) (including the Chairman of the Meeting), to attend, speak and vote on his/her/its behalf at the EGM if such Shareholder wishes to exercise his/her/its voting rights at the EGM.** The Proxy Form may be accessed at the Company's website at the URL <https://www.alsetinternational.com/ai-egm-nov-2024> by clicking on the hyperlink titled "Proxy Form", and is also available on SGXNET at the URL <https://www.sgx.com/securities/company-announcements>. Where a Shareholder (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 proxy/proxies will vote or abstain from voting at his/her discretion.

Only Shareholders or their appointed proxy(ies) who have been successfully verified will be entitled to attend the EGM.

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 Ordinary Resolution tabled for approval at the EGM by 6 November 2024 at 5:00 p.m.
6. Duly appointed proxy(ies), including the Chairman of the Meeting acting as proxy, need not be a Shareholder 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 #14-07 Keppel Bay Tower Singapore 098632; or
 - (b) if submitted by way of electronic means, be submitted via email to the Company at alsetegm2024@alsetinternational.com,

in either case, by 10:30 a.m. on 15 November 2024. A Shareholder 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. **Shareholders are strongly encouraged to submit the completed Proxy Forms by way of electronic means via email.**

Personal Data Privacy:

By submitting a Proxy Form appointing a proxy(ies) (including the Chairman of the Meeting) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a Shareholder (i) consents to the collection, use and disclosure of the Shareholder's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of proxy(ies) and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the Shareholder discloses the personal data of the proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the Shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Shareholder's breach of warranty.

PROXY FORM

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 shareholder/shareholders* of **Alset International Limited** (the "Company"), hereby appoint

Name	NRIC/Passport No.	Proportion of Shareholding	
		No. of Shares	%
Address			

and/or*

Name	NRIC/Passport No.	Proportion of Shareholding	
		No. of Shares	%
Address			

or failing him/her*, the Chairman of Meeting, as my/our* proxy/proxies* to attend and vote for me/us* on my/our* behalf at the Extraordinary General Meeting ("**EGM**") to be held at 138 Cecil Street #01-02, Cecil Court, Singapore 069538 on 18 November 2024 at 10:30 a.m. and at any adjournment thereof.

I/We direct my/our proxy/proxies to vote for or against the Ordinary Resolution to be proposed at the Extraordinary General Meeting as indicated hereunder. **If no specific direction as to voting is given or in the event of any other matter arising at the EGM and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion.** The Ordinary Resolution will be put to vote at the Extraordinary General Meeting of the Company by way of poll.

Ordinary Resolution	Number of Votes For [#]	Number of Votes Against [#]
To approve the Proposed Disposal of HWH International, Inc.		

* 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 _____ 2024.

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

Signature or Common Seal of Shareholder

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM

PROXY FORM

Notes:

1. The EGM will be held physically at 138 Cecil Street #01-02, Cecil Court, Singapore 069538, on 18 November 2024 at 10:30 a.m. (Singapore Time) for the purpose of considering and if thought fit, passing, with or without any modification, the Ordinary Resolution relating to the Proposed Disposal set out in this Notice of EGM. **There will be no option for Shareholders to participate virtually.**
2. **Printed copies of the Circular will not be sent to Shareholders.** Shareholders may request for printed copies of the Circular by completing and returning the request form (sent to them by post together with printed copies of the Notice of EGM and the accompanying Proxy Form) no later than 9 November 2024. Printed copies of the Notice of EGM and this Proxy Form will be sent to Shareholders. In addition, the Notice of EGM, the Circular, this Proxy Form, and the request form may be accessed at the Company's website at the URL <https://www.alsetinternational.com/ai-egm-nov-2024> by clicking on the hyperlink titled "Notice of EGM", "Circular", "Proxy Form" and "Request Form", respectively. The Notice of EGM, the Circular, this Proxy Form and the request form are also available on SGXNET at the URL <https://www.sgx.com/securities/company-announcements>.
3. Arrangements relating to attendance at the EGM, submission of comments, queries and/or questions to the Chairman of the Meeting in advance of the EGM, addressing of substantial and relevant comments, queries and/or questions before the EGM, and voting by appointing proxy(ies) (including the Chairman of the Meeting), are set out in **Section 8** of the Circular.
4. **There will be no option for Shareholders to participate virtually at the EGM. A Shareholder (whether individual or corporate) must vote live at the EGM or must appoint proxy(ies) (including the Chairman of the Meeting), to attend, speak and vote on his/her/its behalf at the EGM if such Shareholder wishes to exercise his/her/its voting rights at the EGM.** This Proxy Form may be accessed at the Company's website at the URL <https://www.alsetinternational.com/ai-egm-nov-2024> by clicking on the hyperlink titled "Proxy Form", and is also available on SGXNET at the URL <https://www.sgx.com/securities/company-announcements>. Where a Shareholder (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 proxy/proxies will vote or abstain from voting at his/her discretion.
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 Ordinary Resolution tabled for approval at the Extraordinary General Meeting by 6 November 2024 at 5.00 p.m.
7. Duly appointed proxy(ies), including the Chairman of the Meeting acting as proxy, need not be a Shareholder of the Company.
8. This 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 #14-07 Keppel Bay Tower Singapore 098632; or
 - (b) if submitted by way of electronic means, be submitted via email to the Company at alsetegm2024@alsetinternational.com,in either case, by 10:30 a.m. on 15 November 2024. A Shareholder 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. **Shareholders 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 Shareholder, 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 Extraordinary General Meeting of the Company, as certified by The Central Depository (Pte) Limited to the Company. A Depositor shall not be regarded as a Shareholder of the Company entitled to attend the Extraordinary 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 Extraordinary General Meeting of the Company.

Personal data privacy:

By submitting a Proxy Form appointing a proxy(ies) (including the Chairman of the Meeting) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a Shareholder (i) consents to the collection, use and disclosure of the Shareholder's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of proxy(ies) and representatives appointed for the EGM

PROXY FORM

(including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the Shareholder discloses the personal data of the proxy(ies) and/or representative(s) to the Company (or its agents or services providers), the Shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Shareholder's breach of warranty.