Alset International Limited

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

ENTRY INTO SALE AND PURCHASE AGREEMENT
IN RELATION TO DISPOSAL OF IGALEN INTERNATIONAL INC.

---

1. Entry into Sale and Purchase Agreement

1.1 The Board of Directors (the "**Board**") of Alset International Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that a sale and purchase agreement dated 30 December 2020 (the "**SPA**") has been entered into between David Bryan Price (the "**Purchaser**") and Health, Wealth Happiness Pte. Ltd. (the "**Vendor**"), a direct wholly-owned subsidiary of the Company in relation to, *inter alia*, the proposed disposal of 530,000 shares (the "**Sale Shares**") in the share capital of iGalen International Inc. (the "**Target**"), representing 53% of the total issued and paid-up share capital of the Target for an aggregate consideration of US$100.00 (the "**Proposed Disposal**").

1.2 Two of the relative figures computed on the bases set out in Catalist Rule 1006 exceeds 5% but is less than 50%. Accordingly, the Proposed Disposal is classified as a "discloseable transaction" under Chapter 10 of the Catalist Rules.

2. Information on the Target

2.1 Corporate Information

The Target, iGalen International Inc., is an indirect 53%-owned subsidiary of the Company.

The Target is a company incorporated in Delaware, the United States of America on 3 September 2015 and as at the date of this announcement, has:

(a) an issued and paid-up share capital of US$100.00 comprising 1,000,000 shares; and

(b) an authorised capital of 100,000,000 shares, each with a par value of US$0.0001.

The Target is principally in the business of distributing products through retail, direct selling, network marketing and e-commerce platforms.

2.2 Financial Information

Based on the unaudited consolidated financial statements of the Group for the financial period ended 30 June 2020 ("**HY2020**"):

(a) the book value of the Sale Shares, representing 53% of the total issued and paid-up share capital of the Target, was approximately negative S$2.54 million as at 30 June 2020;

(b) the net liability value represented by the Sale Shares, representing 53% of the total issued and paid-up share capital of the Target, was approximately S$2.54 million as at 30 June 2020; and

(c) the net loss attributable to the Sale Shares, representing 53% of the total issued and paid-up share capital of the Target, was approximately S$0.04 million as at 30 June 2020.

2.3 Valuation

No valuation was commissioned by the Group in respect of the Proposed Disposal.

3. 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 announcement.

3.1 The Group was introduced to the Purchaser through a mutual acquaintance. There are no introducer fees paid or to be paid by the Group in connection with the Proposed Disposal.

3.2 The Purchaser, David Bryan Price, is an American Citizen who is resident in Utah, the United States of America. David Bryan Price is principally in the investment business and the multilevel marketing business. David Bryan Price is not an "interested person" under Chapter 9 of the Catalist Rules.

4. Rationale

4.1 The Board is of the view that the continued investment in the Target is unlikely to reap any material benefits in the foreseeable future without significant additional financial and capital investment. The Proposed Disposal will thus allow the Group to focus on its other businesses, and re-strategise and re-allocate its financial and capital resources resulting in more working capital for the expansion of the Group's other businesses or into new businesses. This may, in turn, enhance long-term shareholders' value of the Company.

5. Consideration

5.1 The aggregate consideration for the Sale Shares is US$100.00 (the "**Consideration**").

5.2 The Consideration shall be paid by the Purchaser to the Vendor in immediately available funds by way of wire transfer to an account designated by the Vendor in writing to the Purchaser at least 10 business days prior to the payment or by way of cheque, banker's draft of cashier's order, as mutually agreed between the Purchaser and the Vendor.

5.3 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 book value of the Sale Shares, representing 53% of the total issued and paid-up share capital of the Target;

(b) the net liability value represented by the Sale Shares, representing 53% of the total issued and paid-up share capital of the Target; and

(c) prevailing economic conditions.

6. Intended Use of Proceeds

6.1 The Consideration represents an excess of approximately S$2.54 million over the book value of the Sale Shares, representing 53% of the total issued and paid-up share capital of the Target, as at 30 June 2020.

6.2 The costs and expenses incurred or to be incurred in connection with the Proposed Disposal is approximately S$0.01 million which shall be partially funded by the Consideration and partially funded through the Group's internal resources. As the entire Consideration of US$100.00 (equivalent to approximately S$134.00) will be utilised to defray a portion of the costs and expenses incurred or to be incurred in connection with the Proposed Disposal, there are no proceeds from the Proposed Disposal.

7. Principal Terms of the SPA

7.1 According to the SPA,

(a) The obligations of the Vendor and the Purchaser (collectively, the "**Parties**") under the SPA are conditional upon, and completion shall not take place until, all of the following conditions have been fulfilled on or prior to the completion date:

(i) The Target obtaining such approval(s) from its board of directors and/or shareholders in connection with the SPA and the transactions contemplated therein as may be necessary;

(ii) The Purchaser obtaining all relevant approval(s) in connection with the SPA and the transactions contemplated therein as may be necessary;

(iii) The Parties executing the share transfer forms in relation to the Sale Shares in favour of the Purchaser and/or his nominee(s);

(iv) Each of the warranties and undertakings remaining true and not misleading in any respect at completion, as if repeated at completion and at all times between the date of the SPA and completion; and

(v) All necessary third party, governmental and regulatory consents, approvals and waivers, including approvals, waivers and clearance where required for the transactions contemplated thereunder having been obtained by the Target, and such consents, approvals and waivers not having been amended or revoked before the completion date, and if any such consents, approvals or waivers are subject to conditions, such conditions being acceptable to the Purchaser.

(b) The Parties have represented and warranted, on behalf of their respective capacities, that they have the full legal rights and capacities to enter into the SPA and that they are not in violation of any laws or any courts.

(c) The Parties have irrevocably undertaken, acknowledged, confirmed and agreed that:

(i) The inter-company balances between the Vendor and the Target as at the date of the SPA amounted to US$0.00 comprising an amount due and owing to the Vendor of US$0.00 and shall include other payments made on behalf of the Target by the Vendor;

(ii) The loan balances between SeD Capital Pte. Ltd. and the Target as at the date of the SPA amounted to US$411,945.21 comprising an amount due and owing to SeD Capital Pte. Ltd. of US$411,945.21 and shall include other payments made on behalf of the Target by SeD Capital Pte. Ltd.;

(iii) The loan balances between HotApp International Limited and the Target as at the date of the SPA amounted to US$39,427.50 comprising an amount due and owing to HotApp International Limited of US$39,427.50 and shall include other payments made on behalf of the Target by HotApp International Limited;

(iv) There shall be no recourse and/or any further claims by the Purchaser and the Target against the Vendor, its directors and shareholders after completion in relation to any liabilities, losses, damages, whether liquidated or at large and/or calls on performance bonds of the Target howsoever arising, whether before, on or after the execution of the SPA and until completion;

(v) Subsequent to completion, the Purchaser shall procure the Target to provide full and prompt co-operation and assistance to the Vendor and its auditors and/or internal auditors with any audit, consolidation and/or accounting matters of the Vendor by the Vendor's auditors and/or internal auditors; and

(vi) Pending completion, the Vendor and its subsidiaries shall not advance any additional loans to, or pay any expenses on behalf of, the Target.

(d) The SPA shall be governed by, and construed in accordance with, the laws of Singapore.

8. Relative Figures computed on the bases set out in Catalist Rule 1006

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

Catalist Rule 1006(a)	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.(1)	(9.73)%(2)
Catalist Rule 1006(b)	The net profits attributable to the assets acquired or disposed of, compared with the Group's net profits.(3)	(42.71)%(4)
Catalist Rule 1006(c)	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.	Not Meaningful(5)
Catalist Rule 1006(d)	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(6)
Catalist Rule 1006(e)	The aggregate volume or amount of 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 and 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(7)

Notes:

(1) "Net assets" means total assets less total liabilities.

(2) Based on the unaudited consolidated financial statements of the Group for HY2020, the net liability value represented by the Sale Shares was approximately S$2.54 million as at 30 June 2020 which represents approximately (9.73)% of the Group's net asset value of approximately S$26.13 million as at 30 June 2020.

(3) "Net profits" means profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests.

(4) Based on the unaudited consolidated financial statements of the Group for HY2020, the net loss attributable to the Sale Shares was approximately S$0.04 million as at 30 June 2020 which represents approximately 42.71% of the Group's net loss of approximately S$0.10 million as at 30 June 2020.

(5) The Consideration is US$100.00 (equivalent to approximately S$134.00). The Consideration expressed as a percentage of the Company's market capitalisation of approximately S$103.84 million on 29 December 2020, being the last full market day on which trades were done preceding the date of the SPA. The Company's market capitalisation was determined by multiplying the number of shares in issue (1,549,909,946 shares) by the weighted average price of such shares transacted on 29 December 2020 (S$0.067).

(6) 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.

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

9. Financial Effects

9.1 Based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2019 and assuming, *inter alia*, that (a) the completion of the Proposed Disposal was completed on 31 December 2019 for computing the financial effects on the net tangible assets per share of the Company, (b) the completion of the Proposed Disposal was completed on 1 January 2019 for computing the financial effects on the earnings per share of the Company and (c) the costs and expenses incurred or to be incurred in connection with the Proposed Disposal was disregarded, the Proposed Disposal has no material impact on the net tangible assets per share and the earnings per share of the Company for the financial year ended 31 December 2019.

9.2 The Proposed Disposal is not expected to have a material impact on the net tangible assets per share and the earnings per share of the Company for the current financial year ending 31 December 2020.

10. Service Contracts

10.1 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.

11. Interests of Directors and Substantial Shareholders

11.1 None of the directors and/or the substantial shareholders of the Company have any interest, direct or indirect, in the Proposed Disposal, other than through their respective shareholdings in the Company, if any.

12. Documents Available for Inspection

12.1 A copy of the SPA may be inspected at the registered office of the Company located at 7 Temasek Boulevard #29-01B Suntec Tower One Singapore 038987 during normal business hours for three months from the date of this announcement.

13. Cautionary Statement

13.1 **Shareholders and potential investors of the Company should note that there is no certainty or assurance as at the date of this announcement that the Proposed Disposal will be completed. In particular, the SPA is subject to conditions precedent which may or may not be fulfilled by the Purchaser and/or the Vendor.**

13.2 **Shareholders and potential investors of the Company are advised to read this announcement 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.**

By Order of the Board

Chan Heng Fai
Executive Chairman, Executive Director and Chief Executive Officer

30 December 2020

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

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