



## Alset International Limited

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

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### DISSOLUTION OF SALE AND PURCHASE AGREEMENT IN RELATION TO THE PROPOSED ACQUISITION OF DOCUMENT SECURITY SYSTEMS, INC. SHARES

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#### 1. Dissolution of Sale and Purchase Agreement in relation to the Proposed Acquisition of Document Security Systems, Inc. Shares

- 1.1 The Board of Directors (the “**Board**”) of Alset International Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the announcement made by the Company on 6 January 2021 relating to, *inter alia*, the entry into a sale and purchase agreement dated 6 January 2021 between the Company and Mr Chan Heng Fai, Heng Fai Holdings Limited and Hengfai Business Development Pte. Ltd. (collectively, the “**Vendors**”) in relation to, *inter alia*, the proposed acquisition of 748,492 shares in the share capital of Document Security Systems, Inc. (“**DSS**”), representing approximately 12.82% of the total issued and paid-up share capital of DSS (the “**Proposed Acquisition**”).
- 1.2 The Company had a dialogue with the SGX-ST, through its Sponsor, with regard to the Proposed Acquisition and after such dialogue, the SGX-ST has advised that the Proposed Acquisition constitutes a “very substantial acquisition” under Catalist Rule 1015 and the Company would be required to comply with the additional disclosure requirements set out in Catalist Rule 1015 if the Company decides to proceed with the Proposed Acquisition.
- 1.3 The Company and the Vendors have deliberated the matter taking into consideration the advice from the SGX-ST and have mutually agreed to dissolve the sale and purchase agreement in relation to the Proposed Acquisition. The Company and the Vendors have nevertheless agreed to explore the possibility of entering into a similar transaction at an appropriate time in the future.
- 1.4 Given the preliminary stage of the Proposed Acquisition:
  - (a) The dissolution of the sale and purchase agreement in relation to the Proposed Acquisition 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 2021.
  - (b) The Board is of the view that the dissolution of the sale and purchase agreement in relation to the Proposed Acquisition is not prejudicial to the interests of shareholders of the Company.

## 2. The Proposed Disposal as an Interested Person Transaction

- 2.1 The Board refers the announcement made by the Company on 6 January 2020 relating to, *inter alia*, the entry into a legally term sheet dated 6 January 2021 (the “**Term Sheet**”) between the Company, DSS, Health Wealth Happiness Pte. Ltd. (the “**Vendor**”), a direct wholly-owned subsidiary of the Company, and HWH World Inc. (the “**Target**”), a direct wholly-owned subsidiary of the Vendor in relation to, *inter alia*, the proposed disposal of 100,500 shares in the share capital of the Target, representing the entire issued and paid-up share capital of the Target (the “**Proposed Disposal**”).
- 2.2 Following the dissolution of the sale and purchase agreement in relation to the Proposed Acquisition, the current total of all transactions (excluding transactions less than S\$100,000) with Mr Chan Heng Fai and his associates (as defined under the Catalist Rules) for the period from 1 January 2021 up to the date of this announcement is set out in the table below.

Description of Transaction	Before Completion of the Proposed Disposal		After completion of the Proposed Disposal	
	Amount	As a percentage of the Group’s latest audited NTA	Amount	As a percentage of the Group’s latest audited NTA
Proposed Disposal	-	-	S\$19,518,240	78.30%
<b>Total</b>	<b>-</b>	<b>-</b>	<b>S\$19,518,240</b>	<b>78.30%</b>

- 2.3 Following the dissolution of the sale and purchase agreement in relation to the Proposed Acquisition, the current total of all interested person transactions (excluding interested person transactions less than S\$100,000) for the period from 1 January 2021 up to the date of this announcement is set out in the table below.

Description of Transaction	Before Completion of the Proposed Disposal		After completion of the Proposed Disposal	
	Amount	As a percentage of the Group’s latest audited NTA	Amount	As a percentage of the Group’s latest audited NTA
Proposed Disposal	-	-	S\$19,518,240	78.30%
<b>Total</b>	<b>-</b>	<b>-</b>	<b>S\$19,518,240</b>	<b>78.30%</b>

- 2.4 The above tables were, presented based on the Group’s latest audited NTA of approximately S\$24.93 million set out in the audited consolidated financial statements of the Group for the financial year ended 31 December 2019.

### **3. The Company's Potential Interest in DSS**

- 3.1 The Company holds, directly and indirectly, 1,162,501 shares in the share capital of DSS, representing approximately 19.92% of the total issued and paid-up share capital of DSS. Assuming that the consideration for the Proposed Disposal is satisfied by way of an allotment and issue of 2,341,772 shares in the share capital of DSS, the Company will hold, directly and indirectly, 3,504,273 shares in the share capital of DSS, representing approximately 42.85% of the enlarged issued and paid-up share capital of DSS comprising 8,177,984 shares.

### **4. Cautionary Statement**

- 4.1 **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 Term Sheet is subject to conditions which may or may not be fulfilled.**
- 4.2 **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

8 January 2021

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*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.*