



**ALSET INTERNATIONAL LIMITED**

(Incorporated in Singapore)  
(Company Registration No. 200916763W)

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**Unaudited Financial Statement for the Financial Year Ended 31 December 2020**

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1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

Consolidated Statement of Comprehensive Income	12/31/2020	12/31/2019	Increase/ (Decrease)
	Unaudited	Audited	
	S\$'000	S\$'000	%
Revenue	23,377	30,594	(24)
Cost of sales	(22,375)	(28,104)	(20)
Gross profit	1,002	2,490	(60)
<b>Other items of income</b>			
Other income	70,222	1,178	5,861
Finance income	20	71	(72)
		-	
<b>Other items of expense</b>			
Marketing expenses	-	(3)	nm
Administrative expenses	(5,637)	(4,774)	18
Finance costs	(188)	(653)	(71)
Other expenses	(5,061)	(8,746)	(42)
Share of joint venture's results (net of tax)	-	(51)	nm
<b>Profit / (Loss) before tax</b>	60,358	(10,488)	(675)
Income tax expense	(19)	(588)	(97)
<b>Profit from continuing operations, net of tax</b>	60,339	(11,076)	(645)
<b>Discontinued operation</b>			
Loss from discontinued operation, net of tax	(660)	(2,564)	(74)
<b>Profit / (Loss) for the year</b>	59,679	(13,640)	(538)
<b>Attributable to:</b>			
<b>Owners of the Company</b>			
Profit / (Loss) from continuing operations, net of tax	60,359	(10,530)	(673)
Loss from discontinued operation, net of tax	(660)	(2,564)	(74)
	59,699	(13,094)	(556)
<b>Non-controlling interests</b>			
Profit from continuing operations, net of tax	72	531	(86)
Loss from discontinued operation, net of tax	(92)	(1,077)	(91)
	(20)	(546)	(96)
<b>Profit / (Loss) for the year</b>	59,679	(13,640)	(538)
<b>Other comprehensive income / (loss):</b>			
Net change in fair value of financial asset at FVOCI	40	5	700
Foreign currency translation	(5)	(17)	(71)
<b>Other comprehensive income / (loss) for the year, net of tax</b>	35	(12)	(392)
<b>Total comprehensive income / (loss) for the year</b>	59,714	(13,652)	(537)
<b>Total comprehensive income / (loss) attributable to:</b>			
Owners of the Company	59,698	(13,108)	(555)
Non-controlling interests	16	(544)	(103)
<b>Total comprehensive income / (loss) for the year</b>	59,714	(13,652)	(537)

Notes to Consolidated Statement of Comprehensive Income	Group		
	12/31/2020 Unaudited	12/31/2019 Audited	Increase / (Decrease)
	S\$'000	S\$'000	%
Profit for the year is arrived at:			
After charging/(crediting):			
Depreciation of property, plant and equipment	33	37	(11)
Depreciation of right-of-use assets	436	375	16
Gain on disposal of property, plant and equipment	(4)	-	nm
Written down of properties under development	-	7,140	(100)
Gain on disposal of a subsidiary	(69,672)	(396)	17,494
Performance share awards	1,326	-	nm
Finance cost	188	659	(71)
Withholding tax expenses	522	570	(8)
Unrealised foreign exchange loss	2,372	446	432
Net fair value loss on financial assets	2,167	479	352
Allowance for doubtful debts	-	99	(100)
Finance income	(20)	(71)	(72)

**1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year**

	Group		Company	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Balance Sheets	Unaudited	Audited	Unaudited	Audited
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Non-current assets</b>				
Property, plant and equipment	113	108	21	1
Right-Of-Use Asset	257	272	74	74
Other Investment	55,527	450	-	-
Investment in subsidiaries	-	-	210	-
Investment in an associate	3	-	-	-
	55,900	830	305	75
<b>Current assets</b>				
Trade and other receivables	3,549	1,312	31	31
Prepaid operating expenses	94	143	37	34
Properties under development	29,365	34,553	-	-
Investment securities	10,180	577	21	21
Amounts due from subsidiaries	-	-	44,391	40,157
Bank deposits pledged	7,624	5,862	-	-
Inventory	119	300	-	-
Cash and cash equivalents	22,365	3,877	16,133	578
	73,296	46,624	60,613	40,821
<b>Total assets</b>	<b>129,196</b>	<b>47,454</b>	<b>60,918</b>	<b>40,896</b>
<b>Current liabilities</b>				
Income tax payable	-	566	-	-
Trade and other payables	13,764	20,776	3,541	10,307
Lease Liability	257	278	74	74
Loans and borrowings	228	211	-	-
	14,249	21,831	3,615	10,381
<b>Net current assets</b>	<b>59,047</b>	<b>24,793</b>	<b>56,998</b>	<b>30,440</b>
<b>Non-current liability</b>				
Loans and borrowings	841	-	-	-
Other payables	-	694	-	-
	841	694	-	-
<b>Total liabilities</b>	<b>15,090</b>	<b>22,525</b>	<b>3,615</b>	<b>10,381</b>
<b>Net assets</b>	<b>114,106</b>	<b>24,929</b>	<b>57,303</b>	<b>30,515</b>
<b>Equity attributable to owners of the Company</b>				
Share capital	131,985	104,924	131,985	104,924
Other reserves	3,308	3,647	(902)	173
Foreign currency translation reserve	(87)	(46)	-	-
Accumulated losses	(23,516)	(83,215)	(73,780)	(74,582)
	111,690	25,310	57,303	30,515
Non-controlling interests	2,416	(381)	-	-
<b>Total equity</b>	<b>114,106</b>	<b>24,929</b>	<b>57,303</b>	<b>30,515</b>
<b>Total equity and liabilities</b>	<b>129,196</b>	<b>47,454</b>	<b>60,918</b>	<b>40,896</b>

**1(b)(ii) Aggregate amount of group's borrowings and debt securities**

	As at 13/31/2020 (Unaudited)		As at 12/31/2019 (Audited)	
	Secured S\$'000	Unsecured S\$000	Secured S\$'000	Unsecured S\$000
<b>Amount repayable in one year or less, or on demand</b>				
Floating Rate USD Loan – Ballenger Run	-	-	-	-
Floating Rate AUD Loan	228	-	211	-
Amount repayable in one year or less, or on demand	228	-	211	-
<b>Amount repayable after one year</b>				
Floating Rate USD Loan	841	-	-	-
Amount repayable after one year	841	-	-	-
<b>Total Loans and Borrowings</b>	<b>1,069</b>	<b>-</b>	<b>211</b>	<b>-</b>

The Group's borrowings and debt securities as at 31 December 2020 are as follows:

- On 17 April 2019, for Ballenger Run project, the Group entered into a Development Loan Agreement with Manufacturers and Traders Trust Company ("M&T Bank") in the principal amount not to exceed at any one time outstanding of the sum of US\$8.0 (S\$11.2) million, with a cumulative loan advance amount of US\$18.5 (S\$25.8) million, and is repayable within 36 months. The interest rate is based on one month LIBOR plus 375 basis points. The Group was also provided with a Letter of Credit ("L/C") Facility in an aggregate amount of up to US\$0.9 (S\$1.3) million. The annual L/C commission will be 1.5% per annum on the face amount of the L/C. Other standard lender fees will apply in the event L/C is drawn down. Repayment of the Loan Agreement is secured by US\$ 2.6 (S\$3.6) million collateral fund and a Deed of Trust issued to the Lender on the property owned by the Group. Prior to full settlement of the loan, the Group is required to make principal repayment equal to 75% of property sales. As of 31 December 2020, there is no outstanding loan balance.
- A\$0.6 (S\$0.6) million short-term loan was drawn down from an Australian financial institution for land purchases for the development in Mandurah (South of Perth), Western Australia. In September 2017, one of the property has been sold and A\$0.4 (S\$0.4) million short-term loan has been repaid. As of 31 December 2020, the loan is secured by a mortgage against the land and personal guarantees from the CEO of the Company and the executive director of SeD Perth Pty. Ltd. The loan bears a variable interest rate, currently at 4.5% per annum, determined as a weighted average of various prevailing market rates and in January 2021 the loan was renegotiated to be repayable on 31 March 2021. As of 31 December 2020, the outstanding loan balance is S\$0.2 million.
- On 18 June 2020, Alset iHome Inc. (previously known as SeD Home Inc. and then SeD Home & REITs Inc.), entered into a Loan Agreement with M&T Bank. Pursuant to this Loan Agreement, M&T Bank provided a non-revolving loan to Alset iHome Inc. in an aggregate amount of up to US\$2,990,000. Repayment of this loan is secured by a deed of trust issued to the Lender on the property owned by certain subsidiaries of Alset iHome Inc. The maturity date of the loan is 1 July 2022 and the interest rate is based on one month LIBOR plus 375 basis points. As of 31 December 2020, US\$0.6 (S\$0.8) million has been drawn down.

**1(c) A statement of cash flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial period.**

Consolidated Cash Flow Statement	12/31/2020	12/31/2019
	Unaudited	Audited
	S\$'000	S\$'000
<b>Operating activities</b>		
Profit / (Loss) before tax	60,357	(13,052)
<u>Adjustments for:-</u>		
Depreciation of property, plant and equipment	33	37
Depreciation of right-of-use assets	436	375
Gain on disposal of property, plant and equipment	(4)	-
Written down of properties held for development	-	7,140
Performance Share Awards	1,326	-
Withholding tax expense	522	570
Net fair value loss on investment securities	2,167	479
Gain on disposal of subsidiaries	(69,672)	(396)
Unrealised exchange loss	2,372	446
Gain on disposal of other investment	(3)	-
Finance income	(20)	(71)
Interest expense	188	659
Interest expense on lease liability	1	18
Excess cash consideration paid over net assets acquired written off	-	114
Share of result of joint venture	-	51
Total adjustments	(62,654)	9,422
Operating cash flows before changes in working capital	(2,297)	(3,630)
<u>Changes in working capital:-</u>		
Change in trade and other receivables	(2,039)	209
Change in prepaid operating expenses	49	(17)
Change in inventory	181	(29)
Change in properties under development	4,177	14,765
Change in properties held for sales	-	186
Change in trade and other payables	1,866	(2,303)
<b>Cash flows (used in) generated from operations</b>	<b>1,937</b>	<b>9,181</b>
Interest received	20	71
Interest paid	(8)	-
<b>Net cash flows (used in) generated from operating activities</b>	<b>1,949</b>	<b>9,252</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(29)	(5)
Investment in other investment	(14)	-
Investment in joint venture	-	(48)
Proceeds from partial disposal of subsidiaries, net of cash disposed	696	444
Proceeds from disposal of other investment	416	-
Investment in marketable securities	161	-
Net cash outflow on disposal of subsidiaries	(158)	(42)
Net cash outflow on acquisition of a subsidiary	-	(104)
<b>Net cash flows generated from investing activities</b>	<b>1,072</b>	<b>245</b>

	<u>12/31/2020</u>	<u>12/31/2019</u>
	<u>Unaudited</u>	<u>Audited</u>
	S\$'000	S\$'000
<b>Financing activities</b>		
Proceeds from loans and borrowings	841	-
Proceeds from issuance of ordinary shares	24,660	2,499
Advances from a director	1,861	310
Repayment to a director	(8,675)	(5,744)
Principal element of lease payment	(442)	(369)
Repayment of lease interest	(1)	(18)
Repayment of loans and borrowings	-	(19)
Repayment of corporate bond	-	(1,986)
Dividends paid to non-controlling interests	(544)	(1,439)
Change in bank deposits pledged	(1,863)	(627)
Interest Paid	(180)	(175)
<b>Net cash generated from / (used in) financing activities</b>	<b>15,657</b>	<b>(7,568)</b>
<b>Net increase in cash and cash equivalents</b>	<b>18,678</b>	<b>1,929</b>
<b>Effect of exchange rate changes on cash and cash equivalent</b>	<b>(190)</b>	<b>(105)</b>
<b>Cash and cash equivalents at beginning of financial year</b>	<b>3,877</b>	<b>2,053</b>
<b>Cash and cash equivalents at end of financial year</b>	<b>22,365</b>	<b>3,877</b>

**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

The Group (Unaudited)	Attributable to owners of the Company								Non-controlling interests	Total equity
	Share capital	Other reserves				Foreign currency translation reserve	Accum'd losses	Equity attributable to owners of the Company		
		Merger reserve	Other reserve	Fair value reserve	Share option reserve					
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
<i>Balance at 1 January 2020</i>	104,924	1,480	2,034	(40)	173	(46)	(83,215)	25,310	(381)	24,929
Profit for the year	-	-	-	-	-	-	59,699	59,699	(20)	59,679
Net change in fair value of financial asset at FVOCI	-	-	-	40	-	-	-	40	-	40
Foreign currency translation	-	-	-	-	-	(41)	-	(41)	36	(5)
Total comprehensive income (loss) for the period	-	-	-	40	-	(41)	59,699	59,698	16	59,714
Share Awards to Employees and Directors	2,401	-	(1,075)	-	-	-	-	1,326	-	1,326
Issuance of new ordinary shares pursuant to exercise of 2016 warrants	11,868	-	-	-	-	-	-	11,868	-	11,868
Issuance of new ordinary shares pursuant to exercise of 2017 warrants	12,792	-	-	-	-	-	-	12,792	-	12,792
Cash distribution to non-controlling interests	-	-	-	-	-	-	-	-	(544)	(544)
Disposal of a subsidiary without loss in control	-	-	696	-	-	-	-	696	-	696
Disposal of a subsidiary	-	-	-	-	-	-	-	-	3,325	3,325
<i>Balance at 31 Dec 2020</i>	<b>131,985</b>	<b>1,480</b>	<b>1,655</b>	<b>-</b>	<b>173</b>	<b>(87)</b>	<b>(23,516)</b>	<b>111,690</b>	<b>2,416</b>	<b>114,106</b>
<i>Balance at 1 January 2019</i>	102,425	1,480	1,653	(45)	173	10	(70,121)	35,575	1,539	37,114
Loss for the year	-	-	-	-	-	-	(13,094)	(13,094)	(546)	(13,640)
Net change in fair value of financial asset at FVOCI	-	-	-	5	-	-	-	5	-	5
Foreign currency translation	-	-	-	-	-	(19)	-	(19)	2	(17)
Total comprehensive income (loss) for the period	-	-	-	5	-	(19)	(13,094)	(13,108)	(544)	(13,652)
Issuance of new ordinary shares pursuant to exercise of 2016 warrants	2,499	-	-	-	-	-	-	2,499	-	2,499
Cash distribution to non-controlling interests	-	-	-	-	-	-	-	-	(1,439)	(1,439)
Disposal of a subsidiary without loss in control	-	-	381	-	-	-	-	381	63	444
Disposal of a subsidiary	-	-	-	-	-	(37)	-	(37)	-	(37)
<i>Balance at 31 December 2019</i>	<b>104,924</b>	<b>1,480</b>	<b>2,034</b>	<b>(40)</b>	<b>173</b>	<b>(46)</b>	<b>(83,215)</b>	<b>25,310</b>	<b>(381)</b>	<b>24,929</b>



The Company (Unaudited)	Share capital (Note)	Other reserve	Share option reserve	Accum'd losses	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance at 1 January 2020</b>	104,924	-	173	(74,582)	30,515
<i>Profit net of tax, representing total comprehensive income for the period</i>	-	-	-	802	802
<i>Share Awards to Employees and Directors</i>	2,401	(1,075)	-	-	1,326
<i>Issuance of new ordinary shares pursuant to exercise of 2016 warrants</i>	11,868	-	-	-	11,868
<i>Issuance of new ordinary shares pursuant to exercise of 2017 warrants</i>	12,792	-	-	-	12,792
<b>Balance at 31 December 2020</b>	<b>131,985</b>	<b>(1,075)</b>	<b>173</b>	<b>(73,780)</b>	<b>57,303</b>
<b>Balance at 1 January 2019</b>	102,425	-	173	(67,094)	35,504
<i>Loss net of tax, representing total comprehensive income for the period</i>	-	-	-	(7,488)	(7,488)
<i>Issuance of new ordinary shares pursuant to exercise of 2016 warrants</i>	2,499	-	-	-	2,499
<b>Balance at 31 December 2019</b>	<b>104,924</b>	<b>-</b>	<b>173</b>	<b>(74,582)</b>	<b>30,515</b>

**Note:**

On 21 October 2016, 139,098,617 Rights Shares and 695,493,085 Warrants were allotted and issued by the Company pursuant to the renounceable non-underwritten rights issue at an issue price of S\$0.04 for each rights share, on the basis of one (1) rights share for every three (3) existing shares held by the shareholders of the Company as at the books closure date, and the issue of free detachable warrants, each carrying the right to subscribe for one (1) new ordinary share at an exercise price of S\$0.04 for each exercised share, on the basis of five (5) warrants for every one (1) rights share subscribed for.

The Company has on 5 April 2017 completed the Proposed Conversion following the allotment and issuance of 372,855,000 Conversion Shares at the Conversion Price of S\$0.040 for each Conversion Share and the issuance of 1,864,275,000 free detachable 2017 Warrants, each carrying the right to subscribe for one (1) Exercised Share at an Exercise Price of S\$0.048 for each Exercised Share, on the basis of five (5) 2017 Warrants for every one (1) Conversion Share allotted and issued to Hengfai Business Development Pte. Ltd., an associate of Mr Chan Heng Fai, a Director and Controlling Shareholder of the Company.

The Company has granted 42,778,600 share awards to eligible participants under the Singapore eDevelopment Limited Performance Share Plan. The 42,778,600 share awards granted under the Singapore eDevelopment Limited Performance Share Plan comprise 35,278,600 share awards granted to Directors of the Company and 7,500,000 share awards granted to employees of the Group. 7,500,000 new ordinary shares in the capital of the Company has been allotted and issued to employees of the Group without any cash consideration on 11 May 2020 under the Company's Performance Share Plan. The share awards granted to employees of the Group under the Performance Share Plan has vested on the same date. 35,278,600 new ordinary shares in the capital of the Company has been allotted and issued to Directors of the Group without any cash consideration on 8 June 2020 under the Company's Performance Share Plan. The share awards granted to Directors of the Group under the Performance Share Plan has vested on the same date.

The Company has proposed to grant 1,500,000 share awards to Mr. Chan Tung Moe and it was approved by the shareholders on 9 September 2020. There are some criteria needed to be met before granting the share and the vesting period is six months.

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial year reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Number of shares	Share Capital (S\$'000)
As at 31 December 2020 (Unaudited)	1,769,909,946	131,985
As at 30 June 2020 (Unaudited)	1,225,212,884	108,197

(Please refer to paragraph 1(d)(i) above for information in relation to changes in the Company's share capital.)

Type of Convertibles	Number of Outstanding Convertibles	Number of Shares that may be issued on conversion of all outstanding convertibles
<b>As at 31 December 2020</b>		
1. Share Options under ESOS	1,061,333	1,061,333
2. 2016 Warrants	164,111,206	164,111,206
3. 2017 Warrants	1,597,775,000	1,597,775,000
<b>As at 31 December 2019</b>		
1. Share Options under ESOS	1,061,333	1,061,333
2. 2016 Warrants	460,808,268	460,808,268
3. 2017 Warrants	1,864,275,000	1,864,275,000

The Company did not have any treasury shares and subsidiary holdings held against the total number of the shares outstanding as at 31 December 2020 and 31 December 2019.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	Number of shares
As at 31 December 2020 (Unaudited)	1,769,909,946
As at 31 December 2019 (Audited)	1,163,934,284

1(d)(iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. The Company did not have treasury shares during and as at the end of the current financial period reported on.

**1(d)(v) A statement showing all sales, transfers, disposals, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable.

**2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice**

The figures have not been audited or reviewed by the Company's auditors.

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)**

Not applicable.

**3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion**

Not applicable.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied**

The Group has adopted the same accounting policies and method of computation in the financial statements for the current financial period as those used in the Group's most recently audited financial statements for the financial year ended 31 December 2019 ("FY2019"), except as disclosed in paragraph 5 below.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group has adopted the new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)") and Interpretations of Financial Reporting Standards ("INT FRS") that are relevant to its operations and are effective for the financial periods beginning on or after 1 January 2019. The adoption of these new and revised SFRS (I) and INT FRS did not result in material adjustments to the Group's financial statements for the financial period ended 31 December 2020.

**6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

Earning / (Loss) Per Ordinary Share	Group	
	12/31/2020 (Unaudited)	12/31/2019 (Audited)
Gain / (Loss) net of tax attributable to the owners of the Company (S\$000)	60,359	(13,094)
Weighted average number of shares ('000)	1,356,239	1,103,875
Basic earnings / (loss) per ordinary share (Singapore cents)	4.450	(1.186)
Earning / (Loss) Per Ordinary Share	Group	
	12/31/2020 (Unaudited)	12/31/2019 (Audited)
Gain / (Loss) net of tax attributable to the owners of the Company (S\$000)	60,359	(13,094)
Weighted average number of shares ('000)	3,119,186	1,103,875
Diluted earnings / (loss) per ordinary share (Singapore cents)	1.935	(1.186)

The basic earnings / (loss) per ordinary share as at 31 December 2020 and 2019 was computed by dividing the loss net of tax attributable to owners of the Company by the weighted average number of ordinary shares.

<sup>†</sup> For the purpose of calculating diluted earnings per share, the weighted average number of shares are adjusted for the effects of all dilutive potential ordinary shares as at 31 December 2020. The basic and diluted losses per ordinary share were the same as the outstanding convertibles as at 31 December 2019 were anti-dilutive.

**7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year**

	Group		Company	
	31/12/2020 (Unaudited)	31/12/2019 (Audited)	31/12/2020 (Unaudited)	31/12/2019 (Audited)
Net Asset Value attributable to owners of the Company per ordinary share (Singapore cents)	6.45	2.14	3.24	2.62

The net asset value per ordinary share as at 31 December 2020 and 2019 was computed based on the net assets value of the Group and the Company as at the end of the respective financial years and based on 1,769,909,946 and 1,163,934,284 ordinary shares in issue as at the end of the respective financial years.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

**Review of Statement of Comprehensive Income  
Financial year ended 31 December 2020 ("FY2020") vs Financial year ended 31 December 2019 ("FY2019")**

**Continuing Operations**

The Group's operations comprise Property Development, Information Technology, Investment and Biomedical Businesses.

In FY2020, the Group's revenue and gross profit is mainly attributable to:

- a. The Group revenue decreased to S\$23.4 million mainly due to nil revenue generated from Black Oak project and the revenue generated from Ballenger Run project decreased to S\$21.2 million in FY2020. It generated S\$2.5 million gross profit from the sale of 121 lots.
- b. The Group's subsidiary, HWH World Inc., ("HWH") conducts the distribution of products through network marketing. HWH recorded S\$2.2 million revenue and S\$1.5 million gross loss in FY2020. The network marketing platform business reported S\$1.8 million net loss in FY2020 because S\$5.1 million revenue was deferred to FY2021 in accordance with the Singapore accounting standards.

Other income increased to S\$70.2 million in FY2020 from S\$1.2 million in FY2019. In FY2019, other income of S\$1.2 million was due to the S\$0.4 million gain on disposal of Guangzhou HotApp in January 2019 and S\$0.8 million front foot benefit fees. In FY2020, other income of S\$70.2 million mainly comprised S\$69.7 million gain on disposal of s Impact Biomedical Inc ("Impact") and iGalen International Inc ("iGalen") and S\$0.5 million front foot benefit fees<sup>1</sup>.

Finance income decreased to S\$0.02 million due to the decrease in interest income received from the bank deposit.

There is no marketing expense as HWH had no events in FY2020. In FY2019, it was mainly due to the promotion of the network marketing business, amounting to S\$0.003 million.

Administrative expenses increased to S\$5.6 million in FY2020 from S\$4.8 million in FY2019 mainly due to an increase in performance share awards of S\$1.3 million, offset by decrease in corporate expense of S\$0.5 million.

Finance cost decreased to S\$0.2 million mainly due to the decrease in interest paid to the loan from director of S\$0.3 million and the decrease in interest paid to the corporate bond of S\$0.2 million.

Other expenses of S\$5.1 million in FY2020 mainly comprised S\$2.4 million unrealized foreign exchange loss, S\$0.5 million withholding tax and S\$2.2 million fair value loss on financial assets. In FY2019, other expenses of S\$8.7 million mainly comprised S\$0.4 million unrealized foreign exchange loss, S\$0.6 million withholding tax, \$0.5 million fair value loss of financial assets, S\$0.1 million allowance for doubtful debts and S\$7.1 million written down of properties under development for the Black Oak project.

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<sup>1</sup> We have established a front foot benefit assessment on all of the NVR lots. This is a 30 year annual assessment allowed in Frederick County which requires homeowners to pay the developer to reimburse the costs of installing public water and sewer to the lots. These assessments become effective as homes are settled at which time we can sell the collection rights to the assessments to investors who will pay a lump sum up front so we can realize the revenue sooner.

Depreciation of right-of-use assets increased to S\$0.44 million in FY2020 from S\$0.37 million in FY2019 due to the increase in right-of-use asset.

**Review of Balance Sheet**  
**As at 31 December 2020 vs 31 December 2019**

a) Property, plant & equipment

The Group purchased additional furniture, computers, printers and monitors totalling S\$0.029 million and the Group's fixed assets depreciated by S\$0.033 million during FY2020.

b) Right-of-use Asset

The operating lease right-of-use asset of S\$0.3 million is the Group's right to use the rental premises over the life of a lease and recorded as asset in accordance with the new accounting standard.

c) Other investment

Other investment increased from S\$0.5 million in FY2019 to S\$55.5 million in FY2020 mainly due to the S\$55.3 million convertible prefer stock acquired from the share swap with Document Security Systems Inc ("DSS").

d) Investment in an associate

Investment in an associate increased to S\$0.003 million due to the partial disposal of AMRE Asset Management Inc ("AAMI") and AAMI became an associate company in FY2020.

e) Trade and other receivables

Trade and other receivables and prepaid operating expenses increased to S\$3.5 million as at 31 December 2020 from S\$1.3 million as at 31 December 2019 mainly due to the increase in receivable from the loan to iGalen of S\$0.6 million and an increase in receivable of S\$1.4 million in network marketing business.

f) Prepaid operating expenses

Prepaid operating expenses decreased to S\$0.09 million as at 31 December 2020 from S\$0.14 million as at 31 December 2019 mainly due to the disposal of the Impact.

g) Properties under development

The Group's properties under development in the U.S. include Black Oak in Houston, Texas and Ballenger Run in Frederick, Maryland. The Group also has a property under development in Mandurah, Western Australia.

Related costs comprised land purchase costs and other costs such as project financing, project management, development and construction.

Properties under development decreased by S\$5.2 million from S\$34.6 million in FY2019 to S\$29.4 million in FY2020 mainly due to the capitalisation of additional development and financing costs of S\$13.4 million and translation gain of S\$0.1 million, offset by the sale of properties amounting to S\$18.7 million.

h) Investment securities

Investment securities increased to S\$10.2 million in FY2020 from S\$0.6 million in FY2019 due to the DSS common stock acquired through the share swap of S\$4.1 million and the conversion of the DSS preferred stock during the year of S\$5.6 million.

The Group has invested in shares in DSS with a fair value of S\$9.8 million as of 31 December 2020. The Group held 19.92% of DSS as of 31 December 2020 and Alset has no representative in DSS board. The investment in DSS is therefore classified as investment in securities.

A promissory note from a company listed in the U.S. OTC market has been received for providing consulting services in FY2016 and it has been converted into shares in FY2017 with a fair value of S\$0.2 million as of 31 December 2020.

The Group has invested another U.S. OTC company of S\$0.2 million during the year.

i) Bank deposits pledged

The deposit pledged is related to a US\$2.6 (S\$3.7) million collateral put up for the US\$8 million construction loan for Ballenger Run project.

The bank deposits pledged increased to S\$7.6 million in FY2020 from S\$5.9 million in FY2019 mainly due to the increase in money held by M&T bank from the sales of lots of S\$1.7 million for Ballenger Run project.

j) Inventory

The decrease in inventory amounting to S\$0.2 million was related to the increased distribution of the product through the network marketing platform in FY2020.

k) Income tax payable

Income tax payable amounting to S\$0.6 million was related to income generated from Ballenger Run project in FY2019 and fully paid in FY2020.

l) Trade and other payables

Trade and other payables decreased by S\$7.0 million to S\$13.8 million in FY2020 from S\$20.8 million in FY2019 mainly due to a decrease in amount due to a director of S\$6.8 million, decrease in payables relating to investment business of S\$0.1 million and decrease in payables relating to the property business of S\$1.9 million, offset by the increase in payables relating to network marketing business of S\$1.8 million.

m) Lease liability

The operating lease liability of S\$0.3 million is a lessee's obligation to pay the landlord for the use of the rental premises over the life of lease and recorded as liability in accordance with the new accounting standard.

n) Loans and borrowings (Current)

Loans and borrowings of S\$0.2 million comprised the loan for the Mandurah development in Perth.

o) Loans and borrowings (Non-Current)

Loans and borrowings of S\$0.8 million was related to a new non-revolving loan from M&T Bank.

p) Other payables

The decrease in other payables amounting to S\$0.7 million was due to the disposal of iGalen during the year.

q) Working capital

The increase of S\$34.3 million in working capital relates to the increase in current assets of S\$26.7 million and decrease in current liabilities of S\$7.6 million.

The current assets movement is mainly attributed to the increase in trade and other receivables of S\$2.2 million, investment securities of S\$9.6 million, bank pledged deposit of S\$1.8 million and cash and cash equivalents of S\$18.5 million, offset by the decrease in properties under development of S\$5.2 million and S\$0.2 million in inventory.

The current liabilities movement is mainly attributed to the decrease in trade and other payables of S\$7.0 million and S\$0.6 million in income tax payable.

### **Review of Consolidated Cash Flow Statement**

Cash and cash equivalents increased by S\$18.5 million to S\$22.4 million in FY2020 from S\$3.9 million in FY2019.

#### Operating Activities

Net cash generated from operating activities amounted to S\$1.9 million in FY2020 as compared to net cash generated from operating activities of S\$9.3 million in FY2019. The Group had a net cash outflow of S\$2.3 million from its operating activities before changes in working capital. This mainly relates to the profit before tax of S\$60.4 million and the adjustments of the non-cash items including S\$0.4 million depreciation of right-of-use assets, S\$1.3 million performance share awards, S\$0.5 million withholding tax expense, S\$2.2 million fair value loss on investment securities, S\$2.4 million unrealised foreign exchange loss due to the depreciation of the US dollar and S\$0.2 million finance cost, offset by S\$69.7 million gain on disposal of subsidiaries.

The decrease in working capital of S\$4.2 million is mainly due to the S\$1.9 million increase in trade and other payables, \$0.2 million decrease in inventory and S\$4.2 million decrease in properties under development, offset by S\$2.0 million increase in trade and other receivables.

#### Investing Activities

Net cash generated from investing activities of S\$1.1 million is mainly due to the proceeds from partial disposal of subsidiaries of S\$0.7 million, the investment in marketable securities of S\$0.2 million and the proceeds from disposal of other investment of S\$0.4 million, S\$0.2 million net cash outflow on disposal of subsidiaries.

#### Financing Activities

Net cash generated from financing activities for FY2020 amounted to S\$15.7 million due to:

- (i) The proceeds from loan and borrowings of S\$0.8 million;
- (ii) The proceeds from issuance of shares arising from the exercise of the Company's unlisted warrants of S\$24.7 million;
- (iii) The cash advance from Mr. Chan of S\$1.9 million;
- (iv) The cash repayment to Mr. Chan of S\$8.7 million;
- (v) Principal element of the lease payment of S\$0.4 million;
- (vi) The cash distribution to non-controlling shareholders relating to the Ballenger Run project of S\$0.5 million;
- (vii) The increase in bank pledged deposit of S\$1.9 million; and
- (viii) The interest paid of S\$0.2 million.

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

Not Applicable



10. **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

### **International Property Development**

Construction activities at the Group's two U.S. land subdivision projects, Ballenger Run and Lakes at Black Oak, continue to progress.

The Group continues to develop and deliver lots in accordance with the lot purchase agreements between SeD Maryland, LLC and NVR. In 4Q2020 the Group recorded the highest revenue in a single quarter since the project commenced operations in 2014. NVR purchased 49 lots for a total of \$6.39 million. For the year, NVR purchased 121 lots for total revenue of \$15.4 million. This was slightly less than 2019 when NVR sales revenue was \$15.9 million for 123 lot settlements.

As of 1 February 2021, the Group has 79 lots remaining and NVR has indicated they will be purchasing approximately 31 of those from SeD Maryland, LLC in 1Q2021.

The Group will continue development activities and execute lot sales in the final phase as outlined in the lot purchase agreements with NVR. NVR expects sales to remain strong throughout the year.

The Lakes at Black Oak project continues to be built out. Rausch Coleman Homes has been actively building and selling homes in the community during FY2020. Of the 124 lots sold in 2019 Rausch Coleman has approximately 10 lots left for sale to customers.

Development continues with both projects whilst we explore opportunities to develop future phases with single family rentals in the Lakes at Black Oak project. In addition, the Group is focused on improving the cashflow of the project by sourcing financing and seeking further infrastructure reimbursements from the relevant improvement district. In addition, the Group seeks to acquire approximately 100 newly built single family homes for rental in Texas and Maryland. To this end, on 18 June 2020, Alset EHome Inc., ("Alset EHome") a subsidiary of the Group entered into a Loan Agreement with Manufacturers and Traders Trust Company, a New York banking corporation (the "Lender"). Pursuant to the Loan Agreement, the Lender provided a non-revolving loan to Alset EHome in an aggregate amount of up to US\$2,990,000 (the "Loan"). Repayment of the Loan is secured by a Deed of Trust issued to the Lender on the property owned by certain subsidiaries of Alset EHome. The maturity date of this Loan is 1 July 2022. The Group anticipates terminating this loan in 1Q2021 and converting it into a construction loan agreement for the horizontal development of future phases and vertical construction of single family rental homes. The Group will also be seeking a credit facility to assist with the acquisition of existing single family rental units.

In addition to the completion of our current projects, we intend to seek additional land development projects in diverse regions across the United States. Such projects may be within both the for-sale and for-rent markets, and we may expand from residential properties to other property types. We will consider projects in diverse regions across the United States, however, Alset EHome and its management and consultants have longstanding relationships with local owners, brokers, managers, lenders, tenants, attorneys and accountants to help it source deals throughout Maryland and Texas. Alset EHome will continue to focus on off-market deals and raise appropriate financing.

Entering into the business of building homes with the intention of owning and renting those homes would provide an opportunity for Alset EHome to create value by (i) acquiring properties for horizontal and vertical development; (ii) providing fee generation via property management and leasing; and (iii) capturing rent escalations over long term periods.

However, it should be noted that there are global and local factors which are contributing to a heightened level of risk in the housing markets where our property developments are situated. In December 2019, a novel strain of coronavirus named SARS-CoV-2 (the "Coronavirus") was identified and has since spread to several countries, including the United States where our developments are located. The Coronavirus, or other adverse public health developments, could have a material and adverse effect on our business operations. The Coronavirus' far-reaching impact on the global economy could negatively affect various aspects of our business, including demand for real estate. In addition, the Coronavirus could directly impact the ability of our staff and contractors to continue to work, and our ability to conduct our operations in a prompt and efficient manner. The Coronavirus may adversely impact the timeliness of local governments in granting

required approvals. Accordingly, the Coronavirus may cause the completion of important stages in our projects to be delayed. The extent to which the Coronavirus may impact our business will depend on future developments, which are highly uncertain and cannot be predicted. We continue to carefully monitor the situation and make efforts to mitigate these risks.

### **Biomedical Business**

During the year, Impact Biomedical Inc and iGalen International Inc have been disposed.

HWH, a company was incorporated in Korea in March 2019 and started to conduct the distribution of products through network marketing in late 2019. HWH has reported S\$2.2 million revenue in FY2020. The company has entered the market in Korea Seoul region and plans to expand to Cheonan, Daegu, Daejeon and Busan regions.

Despite the challenges of Coronavirus, HWH is well positioned as a platform to help the many people affected economically to earn a supplemental income by sharing and referring, best-in-class health and personal care products in our HWH Marketplace to friends, family and other prospective customers through social media and other technology channels.

During the year, we invested in American Premium Water Corporation and we plan to sell their product called LALPINA CBD via HWH. Utilizing the proprietary Hydro Nano technology, LALPINA CBD infuses its beverages with CBD particles less than one nanometer in size, increasing bioavailability, and creating an unparalleled user experience.

The Group will continue to develop our projects and seek other opportunities for the biomedical business.

### **IT-Related Business**

The Group has been enhancing the platform technology on Social Media, Messaging and community collaboration. With the previous engagement of HotApp platform in Network Marketing Space, the company has further transformed the platform to service the growing demand in Gig Economy.

The new GigWorld Platform is designed to serve the Gig Economy Ecosystem primarily in the affiliate marketing and influencer marketing space. The company will liaise with some Gig Economy players in building the next generation mobile applications serving the migration from traditional direct selling to Gig Economy.

### **Investment Business**

The Group has invested in two US listed companies shares and the Group will continue to explore potential investment in the coming year.

**11. Dividend**

**If a decision regarding dividend has been made:-**

**(a) Whether an interim (final) ordinary dividend has been declared (recommended); and**

None.

**(b) (i) Amount per share ..... cents**

Not applicable.

**(b) (ii) Previous corresponding period ..... cents**

Not applicable.

**(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**

Not applicable.

**(d) The date the dividend is payable.**

Not applicable.

**(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.**

Not applicable.

**12. If no dividend has been declared/recommended, a statement to that effect**

The Company will reinvest profits back into the business and no dividend has been declared or recommended for FY2020.

### 13. Update on use of proceeds

#### Proceeds from 2016 Right Cum Warrants Issue

	Percentage of Net Proceeds before the Re-allocation (%)	Percentage of Net Proceeds after the Re-allocation (%)	Percentage allocation (%)	Amount of Net Proceeds		
				In accordance with percentage allocation (\$\$'000)	Utilised (\$\$'000)	Unutilised (\$\$'000)
Funding the Group's property development projects	25 to 30	25 to 50	25	6,707	(3,740)	2,967
Fund of the Group's IT Business	20 to 25	10 to 25	12	3,219	(1,868)	1,351
Funding the Group's Investment Business	1 to 5	1 to 5	5	1,341	(1,341)	-
General Working Capital	5 to 50	5 to 80	58	15,562	(9,416)	6,146
			100	26,829	(16,365)	10,464

An aggregate amount of S\$9.3 million had been used in General Working Capital of the Group and details of principal disbursements are set out below:

	The Group (\$\$'000)
Professional Fee	1,805
Consultation Fee	283
Payroll	2,087
Director Fees	333
Rental, office expenditure and other operating expenses	926
Performance bond	611
BioMedical	803
Short Term Loan to iGalen USA LLC	568
Repayment of Director's Loan	2,000
	<u>9,416</u>

The use of proceeds has been used in accordance with the stated use.

Proceeds from 2017 Warrants Issue

	Percentage allocation (%)	Amount of Net Proceeds		
		In accordance with percentage allocation (\$\$'000)	Utilised (\$\$'000)	Unutilised (\$\$'000)
General Working Capital	100	12,792	(10,513)	2,279
	<u>100</u>	<u>12,792</u>	<u>(10,513)</u>	<u>2,279</u>

An aggregate amount of S\$9.2 million had been used in General Working Capital of the Group and details of principal disbursements are set out below:

	The Group (\$\$'000)
Professional Fee	217
Payroll	430
Director Fees	91
Director Remuneration	208
Rental, office expenditure and other operating expenses	68
Investment Business	2,222
Repayment of Director's Loan	7,277
	<u>10,513</u>

The use of proceeds has been used in accordance with the stated use.

**14. Interested Person Transactions (unaudited) – FY2020**

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)	As a percentage of the Group's latest audited NTA as at 31 December 2019 (Audited)
Interest paid for the loan from a director			
Chan Heng Fai	179,967		0.72%
Consultancy Agreement with Pop Motion Consulting Pte Ltd.			
Chan Tung Moe	145,491	-	0.58%
	<u>325,458</u>		<b>1.31%</b>
		NTA ('000)	24,929

The Group has not obtained a general mandate for IPTs.

Mr Chan Tung Moe is the director and the sole shareholder of Pop Motion Consulting Pte Ltd. ("PMCP") and he is the son of Mr Chan Heng Fai, an Executive Director and Chief Executive Officer of the Company. On 27 August 2018, PMCP has signed a consultancy services agreement with the Company. The agreement has commenced on 1 September 2018 and the monthly consultancy fee is S\$27,500 and it was terminated on 31 July 2020.

On 15 October 2018, the Company and Mr. Chan Heng Fai have signed a loan agreement and a S\$14 million loan facility was provided by Mr Chan. The loan facility is unsecured, bears an interest of 6% interest per annum starting from 1 January 2018 (interest-free prior to FY2018). The loan and the accrued interest were fully repaid during the year.

Mr Chan Heng Fai had provided a personal guarantee for the short-term loan of A\$0.63 million from an Australian financial institution for the Mandurah development in Perth.

Save as disclosed above, the Group did not have other interested person transaction that exceeding the S\$100,000 threshold.

**15. Undertaking confirmation pursuant to Rule 720(1)**

The Company has procured undertakings from all its directors and executive officers in the format set out in Appendix 7H under Rule 720 (1).

**PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

- 16. Segmented revenue and results for operating segments (of the Group) in the form presented in the issuer's most recently audited annual financial statements with comparative information for the immediate preceding year.**

	Property Development		Investment Business		Information Technology Business		Biomedical Business		Total Operating Segments	
	FY2020	FY2019	FY2020	FY2019	FY2020	FY2019	FY2020	FY2019	FY2020	FY2019
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Segment Revenue	21,177	30,407	-	43	-	-	2,200	144	23,377	30,594
<u>Segment Results</u>										
Segment Gross Profit	2,484	2,391	-	43	-	-	(1,482)	57	1,002	2,490
Net profit (loss) before tax	945	(5,780)	(177)	(1,423)	(68)	8	64,192	(271)	64,891	(7,467)
					Non-Operating Segment - Corporate				(4,533)	(3,021)
					Profit / (Loss) before tax from operations				60,358	(10,488)

- 17. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

During the financial year, the Property Development business segment generated 90.6% of the Group's revenue, from sales in the USA. The Biomedical business has generated 9.4% of the Group's revenue from the distribution of biomedical product in FY2020.

The increase in net profit from Property Development business segment is mainly due to no written down of properties held for development on the Black Oak project in FY2020.

The decrease in net loss from Investment business is mainly due to the decrease in fair value loss on financial assets.

The increase in net loss from Information Technology business segment is mainly due to the increase in overheads for the HotApp business.

The increase in net profit from Biomedical business is mainly due to the gain on disposal of Impact and iGalen.

Please refer to paragraph 8 for more details.

- 18. A breakdown of sales**

	FY2020	FY2019	Changes
	S\$'000	S\$'000	%
Sales reported:			
1st Half Year	8,354	22,518	(62.90)
2nd Half Year	15,023	8,076	86.02
	23,377	30,594	(23.59)
Operating (Loss) / Profit after tax:			
1st Half Year	(96)	(2,841)	(96.62)
2nd Half Year	59,775	(10,799)	(653.52)
	59,679	(13,640)	(537.53)

- 19. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

Not Applicable

- 20. Disclosure of person occupying a managerial position in the issuer of any of its principal subsidiaries who is a relative of a director or CEO or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

None

BY ORDER OF THE BOARD

Chan Heng Fai  
Executive Director & CEO  
1 March 2021

*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.*