



## Alset International Limited

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

### Response to Queries Issued by the SGX-ST

The Board of Directors (the “**Board**”) of Alset International Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”) refers to:

- (a) the announcement made by the Company on 12 September 2022 titled “*Proposed Disposal of HWH International Inc.*” (the “**12 September 2022 Announcement**”); and
- (b) the announcement made by the Company on 16 September 2022 titled “*Response to Queries Issued by the SGX-ST*” (the “**16 September 2022 Announcement**”).

*Unless otherwise defined or the context otherwise requires, all capitalised terms shall bear the same meanings as ascribed to them in the 12 September 2022 Announcement.*

The Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) has, on 21 September 2022 and 23 September 2022, issued further queries on the 12 September 2022 Announcement and the 16 September 2022 Announcement. The Board sets out below the Company’s responses to queries issued by the SGX-ST.

#### **SGX-ST Queries Received on 21 September 2022**

	<b>Query</b>	<b>Response</b>
1.	Response 3(b) of the 16 September 2022 Announcement stated that “In agreeing to the Consideration Sum of US\$125 million being fully satisfied by the issuance of 12,500,000 ordinary shares in ACAC instead of by way of cash payment, the Board considered, inter alia, the prevailing market conditions.” Please explain how the prevailing market conditions affect the Board’s consideration in this regard.	<p>In agreeing to the Consideration Sum of US\$125 million being fully satisfied by the issuance of 12,500,000 ordinary shares in Alset Capital Acquisition Corp. (“<b>ACAC</b>”) instead of by way of cash payment, the Board considered the following prevailing market conditions:</p> <ol style="list-style-type: none"> <li>(i) the volatility in the current market;</li> <li>(ii) the market expectation that there will be an impending recession; and</li> <li>(iii) reduction in the reliance on the Group’s cash resources for expansionary purposes.</li> </ol> <p>Accordingly, taking into consideration the above factors, the Board is of the opinion that it is presently the best time to raise funds to bring the Group through the impending recession and to emerge stronger.</p> <p>In this regard, by having the Consideration Sum being fully satisfied by the issuance of shares in ACAC, the Company would have</p>

	Query	Response
		<p>access to the funds held in ACAC's trust account balance.</p> <p>Further, by holding shares in ACAC, the Company would be able to take part in and benefit from ACAC's growth, instead of receiving the Consideration Sum in cash.</p>
2.	<p>In response 4(a) of the 16 September 2022 Announcement, please explain the reason why Mr Chan Heng Fai (Executive Chairman, Executive Director and Chief Executive Officer) and Mr Chan Tung Moe (Executive Director and Co-Chief Executive Officer) are not considered as the Key management of the Company. Similarly, why Mr Chan Heng Fai (Chairman and Chief Executive Officer) is not considered as the Key management of ACAC in response 4(b) of the 16 September 2022 Announcement.</p>	<p><b><u>Alset International Limited</u></b></p> <p>The four executive directors of the Company –</p> <ul style="list-style-type: none"> <li>(i) Mr Chan Heng Fai (Executive Chairman, Executive Director and Chief Executive Officer),</li> <li>(ii) Mr Chan Tung Moe (Executive Director and Co-Chief Executive Officer),</li> <li>(iii) Mr Lui Wai Leung, Alan (Executive Director and Chief Financial Officer) and</li> <li>(iv) Mr Lim Sheng Hon, Danny (Executive Director)</li> </ul> <p>are considered the key management of the Company.</p> <p>This was not explicitly stated in the Company's Response dated 16 September 2022 as it was implied that the aforementioned executive directors would be considered key management personnel of the Company by virtue of their executive directorship in the Company.</p> <p>The Company shall ensure that going forward, the necessary disclosures are made for clarity.</p> <p><b><u>Alset Capital Acquisition Corp.</u></b></p> <p>ACAC is managed by Alset Management Group, Inc., the manager of ACAC. Accordingly, no official appointment of key management is made for ACAC except for Mr Rongguo Wei.</p> <p>The directors and officers of Alset Management Group Inc. comprise of the following individuals:</p> <ul style="list-style-type: none"> <li>(i) Director and Chief Executive Officer – Mr Chan Heng Fai</li> <li>(ii) Co-Chief Executive Officer – Mr Chan Tung Moe</li> <li>(iii) Chief Financial Officer – Mr Rongguo Wei</li> </ul> <p>Further, by virtue of their executive directorship/function in Alset Management</p>

Query	Response
	<p>Group Inc., Mr Chan Heng Fai and Mr Chan Tung Moe are considered key management personnel of Alset Management Group Inc.</p> <p>This was not explicitly stated in the Company's Response dated 16 September 2022 as it was implied that Mr Chan Heng Fai and Mr Chan Tung Moe would be considered key management personnel by virtue of their executive directorship/function in Alset Management Group Inc..</p> <p>The Company shall ensure that going forward, the necessary disclosures are made for clarity. Per the Company's response to queries issued by the SGX-ST, the respective management of the Company and ACAC will propose transactions to the respective board of directors and each director will have an equal vote on the proposed transaction.</p> <p>In the event any proposed transaction is deemed as an interested party transaction, the interested person and its associates will abstain from all decisions and deliberations on the proposed transaction.</p> <p>Further, the board of directors of the Company and ACAC are independent and are not representatives of other companies.</p> <p>In addition, the Proposed Disposal is subject to ACAC obtaining approval from its shareholders for the initial business combination with the Target.</p>

#### **SGX-ST Queries Received on 23 September 2022**

Query	Response
<p>1. Under S/N1. It stated that (a) "Accordingly, taking into consideration the above factors, the Board is of the opinion that it is presently the best time to raise funds to bring the Group through the impending recession and to emerge stronger." (b) "In this regard, by having the Consideration Sum being fully satisfied by the issuance of shares in ACAC, the Company would have access to the funds held in ACAC's trust account balance."</p>	<p>In the SGX-ST queries received on 21 September 2022, the SGX-ST stated:</p> <p><i>"Response 3(b) stated that "In agreeing to the Consideration Sum of US\$125 million being fully satisfied by the issuance of 12,500,000 ordinary shares in ACAC instead of by way of cash payment, the Board considered, inter alia, the prevailing market conditions." Please explain how the prevailing market conditions affect the Board's consideration in this regard."</i></p> <p>The Company responded as follows:</p> <p><i>"In agreeing to the Consideration Sum of US\$125 million being fully satisfied by the issuance of 12,500,000 ordinary shares in Alset Capital Acquisition Corp. ("ACAC") instead of by way of cash payment, the Board</i></p>

	Query	Response
		<p><i>considered the following prevailing market conditions:</i></p> <ul style="list-style-type: none"> <li><i>(i) the volatility in the current market;</i></li> <li><i>(ii) the market expectation that there will be an impending recession; and</i></li> <li><i>(iii) reduction in the reliance on the Group's cash resources for expansionary purposes.</i></li> </ul> <p><i>Accordingly, taking into consideration the above factors, the Board is of the opinion that it is presently the best time to raise funds to bring the Group through the impending recession and to emerge stronger.</i></p> <p><i>In this regard, by having the Consideration Sum being fully satisfied by the issuance of shares in ACAC, the Company would have access to the funds held in ACAC's trust account balance.</i></p> <p><i>Further, by holding shares in ACAC, the Company would be able to take part in and benefit from ACAC's growth, instead of receiving the Consideration Sum in cash."</i></p>
	<p>(a) - Given the Consideration Sum of US\$125 million being fully satisfied by the issuance of 12,500,000 ordinary shares in ACAC instead of by way of cash payment, please clarify how the Proposed Disposal raises funds for the Company?</p>	<p>The Company wishes to clarify that it is the Target instead of the Company that would have access to the funds held in ACAC's trust account after completion of the Proposed Disposal.</p> <p>The Board is of the view that by having the Consideration Sum being fully satisfied by the issuance of shares in ACAC instead of cash, it allows the Company to participate in the Target's future growth and profits as an associate<sup>1</sup> of the Company.</p> <p>In addition, with the Target's access to the funds held in ACAC's trust account, the Target would not need to rely on the Company as a source of funding to fund its growth and expansion plans.</p>
<p>2.</p>	<p>Please explain why receiving shares instead of cash for the Proposed Disposal is in the best interest for the Company and its shareholders.</p>	<p>Further to the Company's response to query 3(b) in the 16 September 2022 Announcement, the Board and the Management are of the view that receiving shares in ACAC in lieu of cash is beneficial to the Company as it allows the Company to participate in the Target's future growth and profits as an associate of the Company.</p>

<sup>1</sup> Based on a fully diluted basis of ACAC as per Company's announcement dated 12 September 2022

	Query	Response
		<p>In view of the above, the Board and the Management is of the view that the future economic benefits of the shares in ACAC would not be limited to the Consideration Sum of US\$125 million as in addition to the Consideration Sum, the Company will be able to partake in the future profits arising from the Target as an associate of the Company. The Management has considered cash as an option for the consideration of Proposed Disposal but is of the view that return on the equity on the shares will allow the Company to generate a better return as compared to cash as the Company will be able to participate in the future growth and profits in the Target. Furthermore, upon completion of the Proposed Disposal, the Consideration Shares in ACAC will be tradable on NASDAQ with an indicative value of US\$10 per share.</p>
3.	<p>Is HWH is the only target for the ACAC to acquire with the objective to de-SPAC?</p>	<p>Yes, the Target is the only target that has entered into an exclusive agreement for purposes of the de-SPAC.</p> <p>As illustrated in the Company's response to query 3(a) in the 16 September 2022 Announcement, prior to the entry into the exclusive agreement with the Target, the SPAC team at ACAC has also gone through numerous potential targets (over 9 companies) over the past months and after extensive sourcing, due diligence and gathering of information, the SPAC team at ACAC agreed that none of the potential targets are ideal due to various factors such as size, valuation and expectations</p>

By Order of the Board  
**Alset International Limited**

Chan Tung Moe  
Executive Director and Co-Chief Executive Officer

3 October 2022

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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.*