
ALSET INTERNATIONAL LIMITED

Condensed unaudited financial statement for the six months ended 30 June 2022

Contents

Condensed interim consolidated statement of profit or loss and other comprehensive income	3
Condensed interim consolidated statement of financial position	4
Condensed interim consolidated statement of cash flows	5
Condensed interim consolidated statement of changes in equity	7
Notes to the condensed interim consolidated financial statements	9
Other information required by listing rules	18

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	Note	6 months ended		Increase/ (Decrease)
		6/30/2022	6/30/2021	
		Unaudited	Unaudited	%
		S\$'000	S\$'000	
Revenue	2.14	3,370	16,096	(79.06)
Cost of sales		(2,152)	(10,642)	(80)
Gross profit		1,218	5,454	(78)
Other items of income				
Other income	2.15	3,202	2,063	55
Finance income		358	12	2,883
Other items of expense				
Administrative expenses		(4,719)	(10,953)	(57)
Finance costs		(2)	(14)	(86)
Other expenses	2.16	(15,230)	(38,608)	(61)
Share of result of an associate		(37)	-	nm
Loss before tax	2.17	(15,210)	(42,046)	(64)
Income tax expense		(454)	(604)	(25)
Loss for the period		(15,664)	(42,650)	(63)
Attributable to:				
Owners of the Company		(15,671)	(43,057)	(64)
Non-controlling interests		7	407	(98)
Loss for the period		(15,664)	(42,650)	(63)
Other comprehensive loss:				
Foreign currency translation		(128)	(96)	33
Other comprehensive loss for the period, net of tax		(128)	(96)	33
Total comprehensive loss for the period		(15,792)	(42,746)	(63)
Total comprehensive loss attributable to:				
Owners of the Company		(15,768)	(43,200)	(64)
Non-controlling interests		(24)	454	(105)
Total comprehensive loss for the period		(15,792)	(42,746)	(63)
Loss per share attributable to owners of the Company (cents per share)				
– Basic and Diluted		(0.45)	(2.06)	

1(b) 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

	Note	Announcements			
		Group		Company	
		6/30/2022	12/31/2021	6/30/2022	12/31/2021
		Unaudited S\$'000	Audited S\$'000	Unaudited S\$'000	Audited S\$'000
Balance Sheets					
Non-current assets					
Property, plant and equipment	2.5	976	707	229	22
Investment Properties	2.6	40,887	37,900	-	-
Right-Of-Use Asset		841	914	383	317
Other Investment		1,614	318	139	-
Investment in subsidiaries		-	-	200	210
Investment in associates		3,267	-	2,964	-
		47,585	39,839	3,915	549
Current assets					
Trade and other receivables	2.7	17,844	5,785	12,197	33
Prepaid operating expenses	2.7	137	744	59	173
Properties under development	2.8	30,164	26,544	-	-
Investment securities	2.9	10,109	24,221	4,703	12,431
Investment in convertible promissory notes		-	11,704	-	11,430
Derivative assets	2.10	705	1,363	-	-
Amounts due from subsidiaries	2.7	-	-	80,751	75,865
Bank deposits pledged	2.11	430	5,988	-	-
Inventories		52	64	-	-
Cash and cash equivalents	2.11	35,587	49,123	27,511	40,333
		95,028	125,536	125,221	140,265
Total assets		142,613	165,375	129,136	140,814
Current liabilities					
Trade and other payables	2.12	25,611	32,193	19,645	25,474
Lease Liability		572	724	107	116
Loans and borrowings	2.13	-	220	-	-
		26,183	33,137	19,752	25,590
Net current assets		68,845	92,399	105,469	114,675
Non-current liability					
Loans and borrowings	2.13	-	92	-	-
Lease Liability		177	99	177	99
		177	191	177	99
Total liabilities		26,360	33,328	19,929	25,689
Net assets		116,253	132,047	109,207	115,125
Equity attributable to owners of the Company					
Share capital		213,470	213,470	213,470	213,470
Other reserves		3,686	3,688	(950)	(950)
Foreign currency translation reserve		(294)	(197)	-	-
Accumulated losses		(99,911)	(84,240)	(103,313)	(97,395)
		116,951	132,721	109,207	115,125
Non-controlling interests		(698)	(674)	-	-
Total equity		116,253	132,047	109,207	115,125
Total equity and liabilities		142,613	165,375	129,136	140,814

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	<u>6/30/2022</u>	<u>6/30/2021</u>
	<u>Unaudited</u>	<u>Unaudited</u>
	S\$'000	S\$'000
Operating activities		
Loss before tax	(15,210)	(42,046)
<u>Adjustments for:-</u>		
Depreciation of property, plant and equipment	51	23
Depreciation of right-of-use assets	269	221
Fair value loss / (gain) on derivative asset	688	(1,615)
Withholding tax expense	570	261
Net fair value losses on investment securities at FVTPL	5,468	39,942
Unrealised exchange gain	(2,890)	(1,667)
Finance income	(345)	(12)
Interest expense from loans and borrowings	1	13
Interest expense on lease liability	2	1
Loss on disposal of investment securities at FVTPL	8,504	-
Share of results of associates	37	-
Total adjustments	<u>12,355</u>	<u>37,167</u>
Operating cash flows before changes in working capital	(2,855)	(4,879)
<u>Changes in working capital:-</u>		
Change in trade and other receivables	(928)	(2,660)
Change in prepaid operating expenses	607	(42)
Change in inventory	12	47
Change in properties under development	(1,976)	4,288
Change in trade and other payables	(7,153)	(1,421)
Cash flows used in operations	(12,293)	(4,667)
Income tax paid	(454)	(604)
Net cash flows used in operating activities	(12,747)	(5,271)

	<u>6/30/2022</u>	<u>6/30/2021</u>
	<u>Unaudited</u>	<u>Audited</u>
	S\$'000	S\$'000
Investing activities		
Purchase of property, plant and equipment	(278)	(113)
Investment in other investment	(683)	(143)
Purchase of investment properties	(1,842)	(9,180)
Investment in associates	(2,964)	-
Interest received	7	12
Proceeds from partial disposal of subsidiaries	2	428
Net cash flows used in investing activities	(5,758)	(8,996)
Financing activities		
Proceeds from loans and borrowings	-	92
Proceeds from issuance of ordinary shares	-	54,587
Principal element of lease payment	(270)	(203)
Repayment of lease interest	(2)	(4)
Repayment of loans and borrowings	(220)	(856)
Dividends paid to non-controlling interests	-	(1,549)
Change in bank deposits pledged	5,558	1,307
Interest Paid	(1)	(13)
Net cash generated from financing activities	5,065	53,361
Net (decrease) / increase in cash and cash equivalents	(13,440)	39,094
Effect of exchange rate changes on cash and cash equivalent	(96)	89
Cash and cash equivalents at beginning of financial period	49,123	22,365
Cash and cash equivalents at end of financial period	35,587	61,548

1(d) 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		
Balance at 1 January 2022	213,470	1,480	2,035	-	173	(197)	(84,240)	132,721	(674)	132,047
<i>Loss for the period</i>	-	-	-	-	-	-	(15,671)	(15,671)	7	(15,664)
<i>Foreign currency translation</i>	-	-	-	-	-	(97)	-	(97)	(31)	(128)
<i>Total comprehensive loss for the period</i>	-	-	-	-	-	(97)	(15,671)	(15,768)	(24)	(15,792)
<i>Disposal of a subsidiary without loss in control</i>	-	-	(2)	-	-	-	-	(2)	-	(2)
Balance at 31 June 2022	213,470	1,480	2,033	-	173	(294)	(99,911)	116,951	(698)	116,253
Balance at 1 January 2021	131,985	1,480	1,613	-	215	56	(26,922)	108,427	2,417	110,844
<i>Loss for the period</i>	-	-	-	-	-	-	(43,057)	(43,057)	407	(42,650)
<i>Foreign currency translation</i>	-	-	-	-	-	(143)	-	(143)	47	(96)
<i>Total comprehensive income (loss) for the period</i>	-	-	-	-	-	(143)	(43,057)	(43,200)	454	(42,746)
<i>Issuance of new ordinary shares pursuant to exercise of 2016 warrants</i>	5,605	-	-	-	-	-	-	5,605	-	5,605
<i>Issuance of new ordinary shares pursuant to exercise of 2017 warrants</i>	48,982	-	-	-	-	-	-	48,982	-	48,982
<i>Cash distribution to non-controlling interests</i>	-	-	-	-	-	-	-	-	(1,549)	(1,549)
<i>Disposal of a subsidiary without loss in control</i>	-	-	428	-	-	-	-	428	-	428
Balance at 30 June 2021	186,572	1,480	2,041	-	215	(87)	(69,979)	120,242	1,322	121,564

<u>The Company (Unaudited)</u>	Share capital (Note)	Other reserve	Share option reserve	Accum'd losses	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 January 2022	213,470	(1,123)	173	(97,395)	115,125
<i>Loss net of tax, representing total comprehensive income for the period</i>	-	-	-	(5,918)	(5,918)
Balance at 30 June 2022	213,470	(1,123)	173	(103,313)	109,207
Balance at 1 January 2021	131,985	(1,117)	215	(78,745)	52,338
<i>Loss net of tax, representing total comprehensive income for the period</i>	-	-	-	(7,385)	(7,385)
<i>Issuance of new ordinary shares pursuant to exercise of 2016 warrants</i>	5,605	-	-	-	5,605
<i>Issuance of new ordinary shares pursuant to exercise of 2017 warrants</i>	48,982	-	-	-	48,982
Balance at 30 June 2021	186,572	(1,117)	215	(86,130)	99,540

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 ("2016 Warrants").

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 ("2017 Warrants").

2016 Warrants and 2017 Warrants were expired on 20 October 2021 and 21 March 2022 respectively.

2. Condensed interim notes to the financial statements

2.1 Corporate information

The Company is incorporated as a limited liability company and domiciled in the Republic of Singapore. The Company was listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 5 July 2010.

The registered office and principal place of business of the Company is located at 7 Temasek Boulevard #29-01B, Suntec Tower One, Singapore 038987.

The immediate holding company is HengFai Business Development Pte. Ltd which is incorporated in Singapore. The ultimate holding company is HFE Holdings Limited which is incorporated in Hong Kong.

The principal activity of the Company is that of investment holding. The principal activities of the Company and its subsidiaries (the “Group”) are property development, info-tech related, investment, food and beverage, biomedical and direct sales businesses.

2.2 Basis of preparation

The condensed interim financial statements for the six months ended 30 June 2022 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.3.

The condensed interim financial statements are presented in Singapore dollar which is the Company’s functional currency.

2.3 New and amended standards adopted by the Group

The Group has adopted the all the new and revised Singapore Financial Reporting Standards (International) (“SFRS(I)”) , Interpretations of Financial Reporting Standards (“INT FRS”) and amendments to SFRS(I) that are relevant to its operations and are effective for the financial periods beginning on or after 1 January 2022. The adoption of these new and revised SFRS (I) and INT FRS did not result in significant changes to the Group’s accounting policies and has no material adjustments to the Group’s financial statements for the financial period ended 30 June 2022.

2.4. Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

2.5 Property, plant & equipment

The Group purchased additional computer equipment totaling S\$0.3 million, and the Group’s fixed assets depreciated by S\$0.05 million during 1H2022.

2.6 Investment properties

	The Group	
	1H2022	FY2021
	\$'000	\$'000
Opening	37,900	-
Additions	1,842	33,500
Fair Value Gain/(Loss)	-	4,400
Foreign exchange difference	1,145	-
	<u>40,887</u>	<u>37,900</u>

This increase primarily reflects the acquisition of three new rental properties in the first six months of 2022, which will be used in the Company's rental business.

Investment property is stated at fair value which has been determined based on a valuation performed by an independent accredited appraiser with relevant experience for the year ended 31 December 2021. Based on our estimation, the valuation did not materially change during the first half of the year 2022.

2.7 Trade and other receivables and prepaid operating expenses

	The Group		The Company	
	1H2022	FY2021	1H2022	FY2021
	\$'000	\$'000	\$'000	\$'000
Trade receivables	236	53	-	-
Other receivables				
– Promissory note	-	310	-	-
– Related party	16,274	4,031	12,121	-
– Third parties	801	949	-	-
	<u>17,311</u>	<u>5,343</u>	<u>12,121</u>	<u>-</u>
Amounts due from intermediate holding company (non-trade)	-	36		
Amounts due from subsidiaries (non-trade)	-	-	80,751	75,865
	<u>17,311</u>	<u>5,379</u>	<u>92,872</u>	<u>75,865</u>
Refundable deposits	533	406	76	33
Trade and other receivables	<u>17,844</u>	<u>5,785</u>	<u>92,948</u>	<u>75,898</u>
Prepaid operating expenses	137	744	59	173
Total	<u><u>17,981</u></u>	<u><u>6,529</u></u>	<u><u>93,007</u></u>	<u><u>76,071</u></u>

2.8 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 increased by S\$3.7 million from S\$26.5 million in FY2021 to S\$30.2 million in 1H2022 mainly due to the capitalisation of additional development and financing costs of S\$3.9 million and translation gain of S\$0.8 million, offset by the sales of properties amounting to S\$1.0 million.

2.9 Investment securities

	The Group		The Company	
	1H2022	FY2021	1H2022	FY2021
	\$'000	\$'000	\$'000	\$'000
Quoted equity securities (classified as FVTPL)	10,109	24,221	4,703	12,431
Convertible preferred stocks (classified as FVTPL)	-	-	-	-
	10,109	24,221	4,703	12,431
	Quoted equity securities		Convertible preferred stocks	
	1H2022	FY2021	1H2022	FY2021
	\$'000	\$'000	\$'000	\$'000
Opening	24,221	10,161	-	49,802
(Disposal) / Additions	(9,279)	14,403	-	-
Conversion to common stocks	-	51,189	-	(50,876)
Fair Value Loss	(5,469)	(51,335)	-	-
Foreign exchange difference	636	(197)	-	1,074
	10,109	24,221	-	-

2.10 Derivative asset

	The Group		The Company	
	1H2022	FY2021	1H2022	FY2021
	\$'000	\$'000	\$'000	\$'000
Opening	1,363	1,140	-	-
Fair Value (Loss) / Gain	(688)	197	-	-
Foreign exchange difference	30	26	-	-
	705	1,363	-	-

Derivative asset represents the exercisable warrants that gives Biohealth Water Inc., a wholly owned subsidiary of the Group, the right to subscribe and purchase common stock in an investee. The warrant does not entitle the holder to any voting rights, dividends or other rights as a stockholder of the investee prior to the exercise thereof.

2.11 Cash and bank deposits

	The Group		The Company	
	1H2022	FY2021	1H2022	FY2021
	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	35,587	49,123	27,511	40,333
Bank deposits pledged	430	5,988	-	-
	36,017	55,111	27,511	40,333

As a condition to the loan agreement with the Manufacturers and Traders Trust Company ("M&T Bank"), the Company was required to maintain a minimum of US\$2,600,000 in an interest-bearing account maintained by the lender as additional security for the loan. The funds were required to remain as collateral for the loan until the loan was paid off in full and the loan agreement terminated. On March 15, 2022, approximately US\$2,300,000 was released from collateral, leaving approximately US\$300,000 as collateral for outstanding letters of credit. The Company also has an escrow account with M&T Bank to deposit a portion of cash proceeds from lot sales. The funds in the escrow account were specifically to be used for the payment of the loan from M&T Bank. The funds were required to remain in the escrow account for the loan payment until the loan agreement terminates. In May 2022 the funds from this escrow account were released and the account closed. As of June 30, 2022 and December 31, 2021, the balance of the bank deposits pledged was US\$309,137 and US\$4,399,984, respectively.

2.12 Trade and other payables

	The Group		The Company	
	1H2021	FY2021	1H2021	FY2021
	\$'000	\$'000	\$'000	\$'000
<u>Current</u>				
Trade payables	2,335	3,580	-	4
Other payables				
– Third parties	991	415	39	3
– Related party	18	19	-	-
Amount due to intermediate holdings company	15,555	17,542	15,036	17,542
Contract liabilities	99	646	-	-
Commission payable	139	147	-	-
Accrued professional fees	104	238	-	121
Deposit received	-	43	-	-
Accrued performance incentive fee for a director	-	3,793	-	3,793
Withholding tax payable	6,239	5,678	4,497	3,945
Other accruals	131	92	73	66
Total current trade and other payables	25,611	32,193	19,645	25,474
Total current trade and other payables	25,611	32,193	19,645	25,474
Loans and borrowings	-	312	-	-
Lease liabilities	572	823	107	215
Deposit received	-	(43)	-	-
Withholding tax payable	(6,239)	(5,678)	(4,497)	(3,945)
Contract liabilities	(99)	(646)	-	-
Total financial liabilities at amortised cost	19,845	26,961	15,255	21,744

2.13 Loans and borrowings

	As at 6/30/2022 (Unaudited)		As at 12/31/2021 (Audited)	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand				
Floating Rate AUD Loan	-	-	220	-
Amount repayable in one year or less, or on demand	-	-	220	-
Amount repayable after one year				
Fixed Rate USD Loan	-	-	92	-
Amount repayable after one year	-	-	92	-
Total Loans and Borrowings	-	-	312	-

The outstanding loans of the Group as of 30 June 2022 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 30 June 2022, there is no outstanding loan balance. On March 15, 2022, approximately US\$2.3 million was released from collateral, leaving approximately US\$0.3 million as collateral for outstanding letters of credit.

- 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 30 June 2021, the outstanding balance is S\$0.2 million. The loan is secured by a mortgage against the land and personal guarantees from Mr. Chan Heng Fai, the CEO of the Company and the executive director of SeD Perth Pty. Ltd. The loan bears a variable interest rate, currently at 4.48% per annum, determined as a weighted average of various prevailing market rates and in May 2021, the loan was renegotiated to be repayable on 20 April 2022. The loan was closed and fully paid in 1H2022.

- On 11 February 2021, SeD Development Management LLC, one of our subsidiaries, entered into a term note with M&T Bank with a principal amount of US\$0.07 (S\$0.09) million pursuant to the Paycheck Protection Program (“PPP Term Note”) under the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”). The PPP Term Note is evidenced by a promissory note. The PPP Term Note bears interest at a fixed annual rate of 1.00%, with the first sixteen months of principal and interest deferred or until we apply for the loan forgiveness. As of 30 June 2021, the outstanding balance is S\$0.1 million. The PPP Term Note is unsecured and guaranteed by the United States Small Business Administration. The Company may apply to M&T Bank for forgiveness of the PPP Term Note, with the amount which may be forgiven equal to at least 60% of payroll costs and other eligible payments incurred, calculated in accordance with the terms of the CARES Act. In April 2022 the Company received confirmation that the loan was fully forgiven.

2.14 Revenue

Revenue mainly relates to the sale of properties, rental income, membership fee income, sale of biomedical health and wellness products, food and beverage and service fee income.

The Group	<u>1H2022</u>	<u>1H2021</u>
	\$'000	\$'000
Sales of properties	1,605	10,950
Rental Income	870	-
Sales of biomedical products	55	1,332
Membership fees	620	3,814
Food and beverage	210	-
Service fee income	10	-
	<u>3,370</u>	<u>16,096</u>

Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services at a point in time or over time for the following lines of business and geographical regions. Revenue is attributed to countries by geographical areas of operations.

	<u>United States of America</u>		<u>South Korea</u>		<u>Singapore</u>	<u>HK</u>	
			Sales of				
	Sales of properties	Rental Income	biomedical products	Membership fees	Food and beverage	Service fee income	Total Revenue
	\$'000	\$'000	\$'000	\$'000		\$'000	\$'000
<u>1H2022</u>							
Over time	-	-	-	620	-	-	620
At a point of time	1,605	870	55	-	210	10	2,750
	<u>1,605</u>	<u>870</u>	<u>55</u>	<u>620</u>	<u>210</u>	<u>10</u>	<u>3,370</u>
<u>1H2021</u>							
Over time	-	-	-	3,814	-	-	3,814
At a point of time	10,950	-	1,332	-	-	-	12,282
	<u>10,950</u>	<u>-</u>	<u>1,332</u>	<u>3,814</u>	<u>-</u>	<u>-</u>	<u>16,096</u>

2.15 Other Income

	<u>1H2022</u>	<u>1H2021</u>
	\$'000	\$'000
Gain on disposal of investment securities	-	211
Net unrealised foreign exchange gain	2,890	1,668
Other operating income	312	184
	<u>3,202</u>	<u>2,063</u>

The unrealised foreign exchange gains of S\$2.9 million mainly arising from the appreciation of the US dollar in 1H2022.

2.16 Other Expenses

	<u>1H2022</u>	<u>1H2021</u>
	\$'000	\$'000
Withholding tax	570	261
Loss on disposal of investment securities	8,504	-
Net fair value losses on equity securities at FVTPL	6,156	38,327
Other operating expenses	-	20
	<u>15,230</u>	<u>38,608</u>

The loss on disposal of investment securities mainly due to the disposal of shares of DSS Inc. ("DSS") and Tesla Inc. ("Tesla") in 1H2022 and the net fair value loss on equity securities at FVTPL mainly due to the share price of DSS and Tesla decreased as of 30 June 2022.

2.17 Loss before taxation

Profit before tax from operations is arrived at after charging/(crediting) the following:

	Group		
	6/30/2022	6/30/2021	Increase /
	Unaudited	Unaudited	(Decrease)
	S\$'000	S\$'000	%
Loss for the period is arrived at:			
After charging/(crediting):			
Depreciation of property, plant and equipment	51	23	122
Depreciation of right-of-use assets	269	221	21
Finance cost	3	14	(79)
Share of results of associates	37	-	nm
Withholding tax expenses	570	261	118
Unrealised foreign exchange gain	(2,890)	(1,667)	73
Net fair value loss on financial assets	5,468	38,327	(86)
Net fair value loss / (gain) on derivative assets	688	(1,615)	(143)
Loss on disposal of investment securities	8,504	-	nm
Finance income	(358)	(12)	2,883

2.18 Operating segment

The following table provides an analysis of the Group's revenue from external customers based on the products and services where revenue is generated:

Sales revenue by products and services

	Operating segments					Non-operating Segments	Elimination	Total
	Property Development	Investment Business	Information Technology Business	Biomedical Business	Food and Beverage	Corporate and others		
	1H2022 \$'000	1H2022 \$'000	1H2022 \$'000	1H2022 \$'000	1H2022 \$'000	1H2022 \$'000	1H2022 \$'000	1H2022 \$'000
Revenue	2,475	-	10	675	210	-	-	3,370
<u>Segment result</u>								
Segment profit/(loss) from operation	(970)	(13,308)	(254)	(272)	(113)	(632)	(17)	(15,566)
Finance income	-	11	-	1	-	1,812	(1,466)	358
Finance expenses	-	-	-	-	-	(2)	-	(2)
Net Profit/(loss) before tax	(970)	(13,297)	(254)	(271)	(113)	1,178	(1,483)	(15,210)
Income tax	(167)	-	-	(287)	-	-	-	(454)
Net Profit/(loss) for the period	(1,137)	(13,297)	(254)	(558)	(113)	1,178	(1,483)	(15,664)
Additions of property plant and equipment	2	22	5	-	30	219	-	278
Depreciation of plant and equipment	2	10	1	1	14	23	-	51
Depreciation of right-of-use assets	80	49	-	-	41	99	-	269
Net fair value losses on investment securities	-	4,412	1,004	-	-	52	-	5,468
Unrealised loss/(gain)	-	(535)	47	158	-	(2,351)	27	(2,654)
Gain on disposal of subsidiaries	-	-	-	-	-	2	(2)	-
Fair Value Gain on derivative asset	-	688	-	-	-	-	-	688

Assets

Segment assets	<u>78,571</u>	<u>10,610</u>	<u>2,052</u>	<u>3,960</u>	<u>724</u>	<u>129,468</u>	<u>(82,772)</u>	<u>142,613</u>
----------------	---------------	---------------	--------------	--------------	------------	----------------	-----------------	----------------

Liabilities:

Segment liabilities	<u>87,948</u>	<u>22,171</u>	<u>3,471</u>	<u>2,441</u>	<u>500</u>	<u>30,414</u>	<u>(120,584)</u>	<u>26,361</u>
---------------------	---------------	---------------	--------------	--------------	------------	---------------	------------------	---------------

	Operating segments					Non-operating Segments	Elimination	Total
	Property Development	Investment Business	Information Technology Business	Biomedical Business	Food and Beverage	Corporate and others		
	1H2021 \$'000	1H2021 \$'000	1H2021 \$'000	1H2021 \$'000	1H2021 \$'000	1H2021 \$'000	1H2021 \$'000	1H2021 \$'000
Revenue	10,950	-	-	5,146	-	-	-	16,096
<u>Segment result</u>								
Segment profit/(loss) from operation	1,985	3,613	(136)	(38,421)	-	(9,085)	-	(42,044)
Finance income	-	22	-	1	-	848	(859)	12
Finance expenses	(14)	-	-	-	-	-	-	(14)
Net Profit/(loss) before tax	1,971	3,635	(136)	(38,420)	-	(8,237)	(859)	(42,046)
Income tax	(604)	-	-	-	-	-	-	(604)
Net Profit/(loss) for the period	1,367	3,635	(136)	(38,420)	-	(8,237)	(859)	(42,650)
Additions of property plant and equipment	3	-	-	-	-	239	-	242
Depreciation of plant and equipment	2	13	-	-	-	8	-	23
Depreciation of right-of-use assets	77	48	-	-	-	96	-	221
Net fair value losses on investment securities	-	(1,457)	-	41,399	-	-	-	39,942
Unrealised loss/(gain)	-	(140)	43	(719)	-	(851)	-	(1,667)
Gain on disposal of subsidiaries	-	-	-	-	-	-	-	-
Fair Value Gain on derivative asset	-	(1,615)	-	-	-	-	-	(1,615)

Assets

Segment assets	<u>47,062</u>	<u>26,632</u>	<u>1,994</u>	<u>5,742</u>	<u>-</u>	<u>106,398</u>	<u>(54,080)</u>	<u>133,748</u>
----------------	---------------	---------------	--------------	--------------	----------	----------------	-----------------	----------------

Liabilities:

Segment liabilities	<u>57,494</u>	<u>16,903</u>	<u>3,046</u>	<u>4,314</u>	<u>-</u>	<u>14,408</u>	<u>(83,980)</u>	<u>12,185</u>
---------------------	---------------	---------------	--------------	--------------	----------	---------------	-----------------	---------------

Geographical information

Revenue and non-current assets information based on the geographical location of the Group's operations are as follows:

	<u>1H2022</u>	<u>1H2021</u>
	\$'000	\$'000
Revenue		
Singapore	210	-
United States of America	2,475	10,950
South Korea	675	5,146
Hong Kong	10	-
	<u>3,370</u>	<u>16,096</u>
Non-current assets		
Singapore	5,165	530
United States of America	41,960	9,750
South Korea	350	-
Hong Kong	110	202
	<u>47,585</u>	<u>10,482</u>

Non-current assets information presented above consist of property, plant and equipment, right-of-use assets, investment in associates and other investment as presented in the statement of financial position.

3. Other Information required by listing rules

3.1 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 the outstanding convertibles as, 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 period reported on and as at the end of the corresponding period of the immediately preceding financial year.

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

	Number of shares	Share Capital (S\$'000)
As at 30 June 2022 (unaudited)	3,492,713,362	213,470
As at 30 June 2021 (unaudited)	2,931,991,400	186,572

Types of Convertibles	Number of Outstanding Convertibles	Number of Shares that may be issued on conversion of all outstanding convertibles
As at 30 June 2022		
1. Share Options under Company Share Option Scheme	1,061,333	1,061,333
2. 2016 Warrants	-	-
3. 2017 Warrants	-	-
As at 30 June 2021		
1. Share Options under Company Share Option Scheme	1,061,333	1,061,333
2. 2016 Warrants	23,986,735	23,986,735
3. 2017 Warrants	577,318,017	577,318,017

2016 warrants and 2017 warrants were expired in 1H2022.

The number of shares after the conversion of all outstanding convertibles is 3,493,774,695.

The Company does not have any treasury shares and subsidiary holdings as at 30 June 2022 and 30 June 2021.

3.2 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 30 June 2022 (unaudited)	3,492,713,362
As at 31 December 2021 (audited)	3,492,713,362

The Company did not have any treasury shares as at 30 June 2022 and 31 December 2021.

3.3 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 does not have treasury shares during and as at the end of the current financial period reported on.

3.4 A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. The Company does not have subsidiary holdings during and as at the end of the current financial period reported on.

4. 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.

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

Not applicable.

6. 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 methods 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 2021 ("FY2021"), except as disclosed in paragraph 7 below.

7. 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 all the new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)"), Interpretations of Financial Reporting Standards ("INT FRS") and amendments to SFRS(I) that are relevant to its operations and are effective for the financial periods beginning on or after 1 January 2022. The adoption of these new and revised SFRS (I) and INT FRS did not result in significant changes to the Group's accounting policies and has no material adjustments to the Group's financial statements for the financial period ended 30 June 2022.

8 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

Loss Per Ordinary Share	Group		6 months ended	
	6/30/2022 (Unaudited)	6/30/2021 (Unaudited)	31 Dec 2021	31 Dec 2020
Loss net of tax attributable to the owners of the Company (S\$000)	(15,671)	(43,057)	27,386	(43,021)
Weighted average number of shares ('000)	3,492,713	2,087,476	3,492,713	2,087,476
Basic and diluted loss per ordinary share (Singapore cents)	(0.449)	(2.063)	0.784	(2.061)

The basic loss per ordinary share as of 30 June 2022 and 2021 was computed by dividing the loss net of tax attributable to owners of the Company by the weighted average number of ordinary shares.

[†] The basic and diluted loss per ordinary share are the same as the outstanding convertibles as of 30 June 2021 and 2022 are anti-dilutive.

9. **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	
	6/30/2022 (Unaudited)	12/31/2021 (Audited)	6/30/2022 (Unaudited)	12/31/2021 (Audited)
Net Asset Value (S\$'000)	116,253	132,047	109,207	115,125
No of shares ('000)	3,492,713	3,492,713	3,492,713	3,492,713
Net Asset value per ordinary share (Singapore cents)	3.33	3.78	3.13	3.30

The net asset value per ordinary share as of 30 June 2022 and 31 December 2021 were computed based on the net assets of the Group and the Company as at the end of the respective financial periods and based on 3,492,713,362 and 3,492,713,362 ordinary shares in issue as at the end of the respective financial period.

10. **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 followings:- (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
 Six Months ended 30 June 2022 ("1H2022") vs Six Months ended 30 June 2021 ("1H2021")**

The Group's operations comprise Property Development, Info-Tech Related, Food and Beverage, Investment and Biomedical and Direct Sales Businesses and there are no significant seasonal or cyclical factors that affected the turnover, costs, and earnings of the group for the current financial period.

In 1H2022, the Group's revenue of S\$3.4 million and gross profit of S\$1.2 is mainly attributable to:

- The Group revenue generated from property investment and development decreased from S\$11.0 million in 1H2021 to S\$2.5 million in 1H2022 mainly due to completion of Ballenger Run project and disposal of Perth properties in 1H2022. It generated S\$0.7 million gross profit in 1H2022.
- The Group's subsidiary, HWH World Inc., ("HWH") conducts the distribution of products through network marketing. HWH recorded S\$0.7 million revenue and S\$0.3 million gross profit in 1H2022.
- The Group's subsidiary, Alset F&B One Pte Ltd. ("F&B1") generated S\$0.2 million revenue and gross profit in 1H2022 under the food and beverage business.

Other income increased to S\$3.2 million in 1H2022 from S\$2.1 million in 1H2021 mainly due to the increase in unrealised foreign exchange gains of S\$1.2 million mainly arising from the appreciation of the US dollar in 1H2022.

Finance income increased from S\$0.01 million in 1H2021 to S\$0.35 million in 1H2022 due to the increase in interest income received from the investment in promissory notes.

Administrative expenses decreased to S\$4.7 million in 1H2022 from S\$11.0 million in 1H2021 mainly due to a decrease in directors' remuneration.

Finance costs decreased from S\$0.014 million in 1H2021 to S\$0.002 million in 1H2022 mainly due to a decrease in interest paid to the loan for the property projects.

Other expenses decreased from S\$38.6 million in 1H2021 to S\$15.2 million in 1H2022 mainly due to a decrease in net fair value losses on equity securities of S\$32.2 million, offset by an increase in a loss on disposal of investment securities of S\$8.5 million and increase in withholding tax of S\$0.3 million.

Share of result of an associate of S\$0.04 million in 1H2022 mainly due to an investment in Ketomei Pte Ltd ("Ketomei") and Ketomei is in the food and beverage business.

Depreciation of right-of-use assets increased to S\$0.27 million from S\$0.22 million due to the increase in right-of-use asset.

Income tax expense of S\$0.5 million is related to the profits generated from the operations in Korea.

Review of Balance Sheet
As at 30 June 2022 vs 31 December 2021

a) Property, plant & equipment

Property, plant & equipment increase from S\$0.7 million in FY2021 to S\$1.0 million in 1H2022 mainly due to the purchase of the additional office & computer equipment totaling S\$0.3 million in 1H2022, and the Group's fixed assets depreciated by S\$0.05 million during 1H2022.

b) Investment properties

Investment properties increase from S\$37.9 million in FY2021 to S\$40.9 million in 1H2022 mainly due to the acquisition of three new rental properties in the first six months of 2022, which will be used in the Company's rental business.

c) Right-of-use Asset

The operating lease right-of-use asset of S\$0.8 million is the Group's right to use the rental premises over the life of a lease and recorded as an asset. The decrease in right-of-use asset was due to the depreciation of right-of-use asset in 1H2022, partially offset by the tenancy agreements being signed and renewed.

d) Other investment

Other investment increased from S\$0.3 million in FY2021 to S\$1.6 million in 1H2022 mainly due to the S\$1.2 million investment in American Medical REIT Inc. and S\$0.1 million investment in Novum Alpha SPC ("Novum") and Novum provides fund management services.

e) Investment in associates

Investment in associates of S\$3.3 million in 1H2022 was mainly due to the S\$3.0 million investment in Alset SPAC Group Inc. ("ASGI") and S\$0.3 million investment in Ketomei Pte Ltd.

ASGI is the holding company for the Sponsor of Alset Acquisition Corp – a SPAC listed on the Nasdaq – which is principally engaged in effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses.

f) Trade and other receivables and prepaid operating expenses

Trade and other receivables and prepaid operating expenses increased by S\$11.5 million to S\$18.0 million in 1H2022 from S\$6.5 million in FY2021 mainly due to the increase in related party receivables of S\$12.2 million, offset by the S\$0.3 million decrease in promissory note, and S\$0.6 million decrease in prepaid operating expenses.

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 increased by S\$3.6 million from S\$26.5 million in FY2021 to S\$30.1 million in 1H2022 mainly due to the capitalisation of additional development and financing costs of S\$3.8 million and translation gain of S\$0.8 million, offset by the sales of properties amounting to S\$1.0 million.

h) Investment securities

Investment securities decreased by S\$14.1 million to S\$10.1 million in 1H2022 from S\$24.2 million in FY2021 mainly due to the disposal of investment securities of S\$9.3 million and the fair value loss of S\$5.5 million, offset by the unrealized forex gain of S\$0.6 million.

i) Investment in convertible promissory notes

Investment in convertible promissory notes were disposed to DSS, Inc. ("DSS") in 1H2022 with the objective of strengthening the Company's shareholding position in DSS to facilitate future partnership or collaboration in potential projects or businesses.

j) Derivative assets

The decrease in derivative assets from S\$1.4 million in FY2021 to S\$0.7 million in 1H2022 was due to the fair value loss on derivative assets amounting to S\$0.7 million.

k) Bank deposits pledged

The bank deposits pledged decreased to S\$0.4 million in 1H2022 from S\$6.0 million in FY2021 mainly due to the decrease in money held by M&T bank from the sales of lots of S\$5.6 million for Ballenger Run project.

l) Inventories

The decrease in inventories from S\$0.06 million in FY2021 to S\$0.05 million in 1H2022 amounting to S\$0.01 million was related to the decreased distribution of the biomedical health and wellness products through the direct selling website in 1H2022.

m) Trade and other payables

Trade and other payables decreased by S\$6.6 million to S\$25.6 million in 1H2022 from S\$32.2 million in FY2021 mainly due to S\$1.2 million decrease in trade payables, S\$2.0 million amount due to intermediate holdings company and S\$3.8 million accrued performance incentive fee for a director, offset by S\$0.6 million increase in withholding tax payable.

n) Lease liability (Current and Non-Current)

The operating lease liability of S\$0.7 million for 1H2022 is a lessee's obligation to pay the landlord for the use of the property over the life of the lease and recorded as liability under the new accounting standard. The decrease in lease liability was due to the amortization of lease liability in 1H2022, partially offset by the tenancy agreements being signed and renewed.

o) Loans and borrowings (Current)

Loans and borrowings of S\$0.2 million in FY2021 comprised S\$0.2 million loan for the Mandurah development in Perth which was fully paid in 1H2022.

p) Loans and borrowings (Non-Current)

Loans and borrowings of S\$0.1 million in FY2021 comprised S\$0.1 million PPP Term Note under the CARES Act on 11 February 2021. In April 2022, the Company received confirmation that the loan was fully forgiven.

q) Working capital

The decrease of S\$23.6 million from S\$92.4 million in FY2021 to S\$68.8 million in 1H2022 in working capital relates to the decrease in current assets of S\$30.5 million, offset by the decrease in the current liabilities of S\$6.9 million.

The current assets movement is mainly attributed to the decrease in prepaid operating expenses of S\$0.6 million, investment securities of S\$14.1 million, investment in convertible promissory notes of S\$11.7 million, derivative assets of \$0.7 million, bank pledged deposit of S\$5.5 million and cash and cash equivalents of S\$13.5 million, offset by the increase in trade and other receivables of S\$12.0 million, and properties under development of S\$3.6 million.

The decrease in current liabilities from S\$33.1 million in FY2021 to S\$26.2 million in 1H2022 is attributed to the decrease in trade and other payables of S\$6.6 million, lease liability of \$0.1 million, and loan and borrowings of S\$0.2 million.

Review of Consolidated Cash Flow Statement

Cash and cash equivalents decreased by S\$13.5 million to S\$35.6 million in 1H2022 from S\$49.1 million in FY2021.

Operating Activities

The Group had a net cash outflow of S\$2.8 million from its operating activities before changes in working capital. This mainly relates to the loss before tax of S\$15.2 million and the adjustments of the non-cash items, including S\$0.7 million fair value loss on derivative asset, S\$5.5 million fair value loss on financial assets, S\$0.6 million withholding tax expense, S\$8.5 million loss on disposal of investment securities and S\$0.3 million depreciation of right-of-use assets, offset by S\$2.9 million unrealised foreign exchange gain and S\$0.3 million finance income.

The working capital adjustment of S\$9.4 million is mainly due to the S\$0.9 million increase in trade and other receivables, S\$2.0 million increase in properties under development, and S\$7.1 million decrease in trade and other payables, offset by S\$0.6 million decrease in prepaid operating expenses.

Net cash used in operating activities increased to S\$12.7 million in 1H2022 from S\$5.3 million in 1H2021 after taking into account the income tax paid of S\$0.5 million in 1H2022.

Investing Activities

Net cash used in investing activities of S\$5.8 million is mainly due to the purchase of property, plant, and equipment of S\$0.3 million, purchase of investment property of S\$1.8 million, investment in associates of S\$3.0 million, and investment in other investment of S\$0.7 million.

Financing Activities

Net cash generated from financing activities for 1H2022 amounted to S\$5.1 million due to:

- (i) the decrease in bank pledged deposit of S\$5.6 million, offset by
- (ii) the principal element of lease liability of S\$0.3 million; and
- (iii) repayment of loans and borrowings of S\$0.2 million.

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

Not Applicable

12. 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.

In view of the economic disruptions caused by the COVID-19 Pandemic, the Group will continue to adopt a prudent approach and carefully review its operations to ensure that its operating costs and strategies are aligned with market expectations in the new normal. The Group will make efforts in adapting to remote working across teams and locations and wearing masks at work, while continuing to advance its business agenda.

International Property Development

The Group is principally engaged in developing, selling, managing, and leasing residential properties. We focus on developing communities consisting of quality, sustainable, healthy single-family homes (“Ehomes”) with the latest cutting-edge technology. In addition, the Group is growing a rental portfolio to establish a real estate investment trust (“REIT”) called American Home REIT Inc. (“AHR”).

Construction activities at the Group’s three U.S. land subdivision projects, Ballenger Run, Lakes at Black Oak, and Alset Villas continue to progress.

The Group continues to develop and deliver lots at Ballenger Run in accordance with the lot purchase agreements between SeD Maryland Development, LLC and NVR Inc (“NVR”). In 1H2022, NVR purchased the final remaining 3 lots for a total of approximately US\$0.54 million and the project is now fully sold.

For the Lakes at Black Oak project, as previously announced, section 1, consisting of 124 lots were sold to Houston LD, LLC in FY2019 who operates a business under the brand Rausch Coleman Homes. Due to strong sales, Rausch Coleman Homes has completed and sold all homes in section 1 by the end of 1H2021.

Lakes at Black Oak has continued lot development construction activity such as clearing, grubbing and grading the remaining sections. When lots are developed and construction of homes will take place progressively. The Group intends on continuing the sale of lots to national and regional builders as well as hiring builders to build single family rental homes in various sections.

Alset Villas is another land development project located across the street from Lakes at Black Oak. This project is currently in the engineering and design phase to achieve final record plat.

The future development timeline of Lake at Black Oak and Alset Villas will be based on multiple conditions, including the amount of funds which may be raised from capital markets, the loans we may secure from third party financial institutions, and government reimbursements which may be received.

Recently, the Company expanded its real estate portfolio to single family rental houses. During 2021 and early 2022, the Company, through its subsidiaries, acquired 112 homes in Montgomery and Harris Counties, Texas. As of 1H2022 most of these homes have been tenanted. In addition, the Company has identified 20 additional homes to be acquired by the end of 3Q2022 in Montgomery County.

The Group entered into a strategic agreement with Tesla Inc. for a supply of Tesla PV solar panels, Powerwalls, and EV chargers for the Group's E Homes. As part of our commitment to advance smart and healthy sustainable living, we continue to install Tesla PV solar panels and Powerwalls. Through July 2022, 44 homes have received complete installations. An additional 42 units of the Tesla PV Solar panels and Powerwalls are under contract and projected to be installed by 4Q2022.

In addition, we have added technologies at many of the single family rental homes such as (i) smart solar, thermostat, and energy usage controls; (ii) smart lighting controls; (iii) smart locks and security; and (iv) smart home automation devices. We believe these and other technologies will be attractive to renters and we continue to build and pursue strategic, technological partnerships that will assist us as we expand our real estate business to include building homes for rent and building homes for sale in the future.

The Company has entered into a property management agreement with the property managers under which the property managers generally oversee and direct the leasing, management and advertising of the properties in our portfolio, including collecting rents and acting as liaison with the tenants.

The extent to which the COVID-19 pandemic may impact our business will depend on future developments, which are highly uncertain and cannot be predicted. The COVID-19 pandemic's far-reaching impact on the global economy could negatively affect various aspects of our business, including demand for real estate. We do not anticipate that the COVID-19 pandemic will have a material impact on the timing of the completion of our remaining tasks at Ballenger Run, Lakes at Black Oak and Alset Villas.

The property business is strongly impacted by fluctuations in material prices, labour availability and inflation. It is likely that the potential strain of inflation on the capital markets will have a negative impact on interest rates. While this does not materially impact the single-family rental business relative to rentals, this can affect financing these properties.

The Group will monitor the industry situation and continue to plan for potential additional fundraising to fund single family rental operations and the acquisition of additional real estate projects.

Biomedical and Direct Sales Business

HWH, a company was incorporated in Korea in March 2019 and started to conduct the distribution of products through direct sales distribution in late 2019. HWH has reported S\$0.7 million in revenue in 1H2022. The company has since expanded into most major cities in South Korea and plans to continue supporting those markets for future growth.

The company is building a membership based program allowing HWH member to join a member gets members program to help broaden the membership base. The COVID-19 pandemic has a negative impact on membership recruitment, thus the company is putting more effort to build its service business in preparation for the future growth. These services will include travel related memberships and a wealth building eLearning program. In addition, the company continues to negotiate more products in enriching the ecommerce marketplace.

IT-Related Businesses

Carrying on the success in launching GigWorld App in Malaysia, the company's IT division has continued marketing the GigWorld App in direct sales and affiliate marketing arena. In the first half of 2022, the company has engaged 6 more clients in implementing GigWorld Mobile App under the white label agreement and implemented it across Asia, Korea, North America.

The company will continue to grow the GigWorld App user acquisition and white-labelling clients through sales and distribution alliances in the US, Korea and our own sales force in Asia.

With the combined efforts with VEII, the company also expanded the software services offering to Artificial Intelligent based Service Management system, this enables VEII to move up the value chain for its I.T. Service by offering high value I.T. Support Service to retail chains.

In addition, the I.T. division is also supporting the rest of the group digital transformation initiatives including membership services for group subsidiaries in the food and beverage business, blockchain related advisory for the asset and financial services of the Group.

Food and Beverage Business

As we crossed into the third year of the COVID pandemic situation, the Company has seen promising opportunities arising in the food and beverage industry.

Since the Company's initial foray into the food and beverage business through its maiden acquisition of a Killiney restaurant franchisee license in 4Q2021, the Company has been allocating resources to build this business.

In July 2022, the Group began operations on its first ever self-run café business in Cecil Court building.

The Group is excited to expand its presence in this industry and is optimistic in positioning itself as a major player as the borders reopen in the post-pandemic future.

Investment Business

The Company has invested in listed companies shares and the company will continue to explore potential investments in the coming year.

13. Disclosure of acquisition (including incorporations) and sale of shares under Catalist Rule 706A

In compliance with Singapore Exchange Limited's Catalist Rule 706(A), Acquisitions and Realisations, the Company has made a separate announcement on 12 August 2022 titled "UPDATES ON SUBSIDIARIES OF THE GROUP". Shareholders can refer to the aforementioned announcement on SGXNet for more details.

14. 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.

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

The Company recorded a net loss, and consequently, no dividend has been declared or recommended for the financial period ended 30 June 2022.

16. Update on the 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 (%)	Amount of Net Proceeds			
			Percentage allocation (%)	In accordance with percentage allocation		Unutilised (S\$'000)
				Utilised (S\$'000)		
Funding the Group's property development projects	25 to 30	25 to 50	25	8,249	(8,249)	-
Fund of the Group's IT Business	20 to 25	10 to 25	10	3,299	(2,829)	470
Funding the Group's Investment Business	1 to 5	1 to 5	5	1,650	(1,650)	-
General Working Capital	5 to 50	5 to 80	60	19,796	(15,780)	4,016
			100	32,994	(28,508)	4,486

An aggregate amount of S\$15.8 million had been used in the General Working Capital of the Group, and details of principal disbursements are set out below:

	The Group (S\$'000)
Professional Fee	2,420
Consultation Fee	283
Payroll	3,425
Director Fees	425
Director Salary	300
Rental, office expenditure and other operating expenses	1,609
Repayment of performance bond	611
Consulting fee	710
Short Term Loan to iGalen USA LLC	568
Repayment of Director's Loan	2,000
Investment in investment properties	3,429
	15,780

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

Proceeds from 2017 Warrants Issue

	<u>Amount of Net Proceeds</u>			
	Percentage allocation (%)	In accordance with percentage allocation (\$\$'000)	Utilised (\$\$'000)	Unutilised (\$\$'000)
General Working Capital	100	88,004	(80,536)	7,468
	<u>100</u>	<u>88,004</u>	<u>(80,536)</u>	<u>7,468</u>

An aggregate amount of S\$80.5 million had been used in the General Working Capital of the Group, and details of principal disbursements are set out below:

	The Group (\$\$'000)
Professional Fee	455
Payroll	3,090
Director Fees	180
Director Remuneration	12,072
Rental, office expenditure and other operating expenses	537
Investment in F&B Business	700
Other operating expenses	997
Repayment of Director's Loan	7,277
Repayment of amount due to intermediate holdings company	2,421
Investment in marketable securities	32,065
Investment in other investments	404
Investment in an investment fund	4,067
Investment in promissory notes	11,590
Investment in investment properties	4,681
	<u>80,536</u>

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

17. Interested Person Transactions (unaudited) – 1H2022

<u>Name of interested person</u>	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 2021 (Audited)
	\$'000		
<u>Chan Heng Fai</u>			
Sale of DSS, Inc ("DSS") Shares from Global Biomedical Pte Ltd to Alset Ehome International Inc ("AEI")	763		0.58%
	<u>763</u>		0.58%
		FY2021 Audited NTA ('000)	132,047

The Group has not obtained a general mandate for IPTs.

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

18. Confirmation Pursuant to Rule 705(5) of the Listing Manual

The Board has confirmed that to the best of its knowledge, nothing has come to its attention which may render the unaudited interim financial results of the Group comprising the balance sheets (Group and Company), consolidated statement of comprehensive income, statement of changes in equity (Group and Company) and consolidated statement of cash flows, the accompanying notes, and other information stated in this announcement for the financial period ended 30 June 2022 to be false or misleading in any material respect.

19. 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).

BY ORDER OF THE BOARD

Chan Tung Moe
Executive Director and Co-Chief Executive Officer
12 August 2022

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.