



Alset International Limited

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

PROPOSED DISPOSAL OF GIGWORLD INC. AND DISCLOSURE PURSUANT TO RULE 704(17) OF THE CATALIST RULES

1. Introduction

The Board of Directors (the “**Board**”) of Alset International Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has on 30 August 2022 entered into an stock purchase agreement (“**Sale Agreement**”) with Alset EHome International Inc. (“**AEI**”) in relation to, *inter alia*, the disposal of 505,341,376 shares (“**Sale Shares**”) in GigWorld Inc. (“**GigWorld**”), representing approximately 99.69% of the total issued and paid-up share capital of GigWorld, to AEI for a consideration of US\$1,500,000 (equivalent to approximately S\$2,095,200 based on an exchange rate of US\$1 : S\$1.3968 as at 30 August 2022) (the “**Consideration**”) (the “**Proposed Disposal**”).

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

The Proposed Disposal is an “interested person transaction” under Chapter 9 of the Catalist Rules of a value of less than 3% of the Group’s latest audited net tangible asset (“**NTA**”) and is not subject to approval by shareholders of the Company (“**Shareholders**”).

The Proposed Disposal is expected to be completed by 9 September 2022, subject to the satisfaction of the terms and conditions set out in the Sale Agreement. As at the date of this announcement, the Proposed Disposal has not been completed and will be completed pending satisfaction of the terms and conditions of the Sale Agreement.

2. Rationale for the Proposed Disposal

The Proposed Disposal was entered into with AEI with the key objective of realising the value of the investment securities held under Gigworld of approximately US\$1.3 million¹. This is also in line with the Group’s risk management strategy to preserve its cash capital.

3. Disclosure Pursuant to Rule 704(17) of the Catalist Rules

The Board of the Company also wishes to announce that in connection to the Proposed Disposal and pursuant to Catalist Rule 704(17)(b), the Company will be disposing a portion of its investments in quoted securities (which was held under GigWorld) resulting in the Group’s aggregate cost of investment in the quoted securities as follows:

Rule 704(17)	Before Disposal	After Disposal
Aggregate cost of the Group’s quoted investments (S\$’000)	75,109	74,237
Aggregate cost of the Group’s quoted investments as a percentage of the Group’s	56.88%	56.22%

¹ Based on the closing prices of the securities on the last trading day preceding the date of the Sale Agreement

latest audited consolidated NTA as at 31 December 2021		
Total market value of the Group's quoted investments ¹ (S\$'000)	27,906	26,122
Amount of any provision for diminution in value of the Group's quoted investments (S\$'000)	254	254
Audited consolidated NTA of the Group as at 31 December 2021 (S\$'000)	132,047	132,047

4. Information on AEI

The information on AEI provided below was provided to the Company by AEI. In respect of such information, the Board has not conducted an independent review or verification of the accuracy and correctness of the statements and information below. The Board's responsibility is limited to the proper extraction and reproduction herein in the context that is being disclosed in this announcement.

Corporate Information

AEI is a company incorporated in Delaware, the United States of America, on 7 March 2018 and as at the date of this announcement, has:

- (a) an issued and paid-up share capital of US\$148,507 comprising 148,507,188 shares of common stock; and
- (b) an authorised capital of 275,000,000 shares of capital stock, of which 250,000,000 shares are common stock having a par value of \$0.001 per share, and 25,000,000 shares are preferred stock having a par value of \$0.001 per share.

AEI is listed on the National Association of Securities Dealers Automatic Quotation System ("NASDAQ") and specializes in land development, home building, sales and rental and property management. AEI provides quality designer homes with integrated smart technologies at affordable prices. The focus of AEI is on building a Sustainable Healthy Living System including a REIT for long-term income.

AEI is both an associate of Mr Chan Heng Fai, the Executive Chairman, an Executive Director and the Chief Executive Officer of the Company, and controlling shareholder of the Company.

As at the date of this announcement, AEI and its subsidiaries collectively owns 2,983,918,265 ordinary shares in the share capital of the Company, representing approximately 85.43% of the total issued and paid-up share capital of the Company.

Save for Mr Chan Heng Fai and Mr Chan Tung Moe², none of the directors of the Company has any interest (direct or indirect) in AEI.

¹ Based on respective closing price of the respective quoted securities on 30 August 2022 or the last trading date.

² Mr Chan Tung Moe is the son of Mr Chan Heng Fai. Accordingly, Mr Chan Tung Moe is an associate of Mr Chan Heng Fai.

5. Information on GigWorld

The information on GigWorld provided below was provided to the Company by GigWorld. In respect of such information, the Board has not conducted an independent review or verification of the accuracy and correctness of the statements and information below. The Board's responsibility is limited to the proper extraction and reproduction herein in the context that is being disclosed in this announcement.

Corporate Information

GigWorld Inc., a 99.69% owned subsidiary of the Company, is a company incorporated in Delaware, the United States of America, on 7 March 2012 and as at the date of this announcement, has:

- (a) an issued and paid-up share capital of US\$50,690 comprising 506,898,576 shares of common stock; and
- (b) an authorised capital of 1,015,000,000 shares of capital stock, of which 1,000,000,000 shares are common stock having a par value of \$0.0001 per share, and 15,000,000 shares are preferred stock having a par value of \$0.0001 per share.

GigWorld is an Internet technology company focusing on Business-to-Business-to-Consumer B2B2C. GigWorld platform enables communities to create, communicate and collaborate more effectively. With GigWorld's proven track record in digital transformation for major real estate agents, network marketing organizations, enterprise messaging and eCommerce platforms, GigWorld offers an effective technology framework that will accelerate any organization's digital transformation.

Upon completion of the Proposed Disposal, GigWorld will cease to be a subsidiary of the Company.

Financial Information

Based on the unaudited consolidated financial statements of Gigworld for the financial period ended 30 June 2022 ("HY2022"):

- (a) the book value and NTA of the Sale Shares in the share capital of Gigworld, representing approximately 99.69% of the total issued and paid-up share capital of Gigworld, was approximately US\$(1.02 million) (equivalent to approximately S\$(1.42 million) based on an exchange rate of US\$1:S\$1.3968 as at 30 August 2022) as at 30 June 2022; and
- (b) the net loss attributable to the Sale Shares in the share capital of Gigworld, representing approximately 99.69% of the total issued and paid-up share capital of Gigworld, was approximately US\$0.81 million (equivalent to approximately S\$1.13 million based on an exchange rate of US\$1 : S\$1.3968 as at 30 August 2022) as at 30 June 2022.

6. Consideration

The Consideration of US\$1.5 million (equivalent to approximately S\$2,095,200 based on an exchange rate of US\$1 : S\$1.3968 as at 30 August 2022) was arrived at arm's length and on a willing-buyer-willing-seller basis, after taking into account, *inter alia*, the following:

- (a) the investment securities held by GigWorld;
- (b) the book value of the Sale Shares, representing approximately 99.69% of the total issued and paid-up share capital of GigWorld; and
- (c) prevailing economic conditions.

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

The Consideration shall be satisfied in cash.

7. Intended Use of Proceeds

The Consideration of US\$1.5 million (equivalent to approximately S\$2,095,200 based on an exchange rate of US\$1 : S\$1.3968 as at 30 August 2022) represents:

- (a) an excess of approximately US\$2.52 million (equivalent to approximately S\$3.52 million based on an exchange rate of US\$1 : S\$1.3968 as at 30 August 2022) over the book value of the Sale Shares, representing approximately 99.69% of the issued and paid-up share capital of GigWorld, as at 30 June 2022; and
- (b) a gain on disposal of approximately US\$2.52 million (equivalent to approximately S\$3.52 million based on an exchange rate of US\$1 : S\$1.3968 as at 30 August 2022).

The costs and expenses incurred or to be incurred in connection with the Proposed Disposal are not material and shall be funded through the Group's internal resources.

The Company intends to utilise the net proceeds from the Proposed Disposal for general corporate and working capital purposes.

8. Principal Terms of the Sale Agreement

According to the Sale Agreement:

(a) Closing

Closing of the sale of the Sale Shares will take place on the date mutually agreed upon by both the Company and AEI, but in event no later than 15 days from the date of the Sale Agreement, unless mutually agreed to a later date by both the Company and AEI.

(b) Conditions Precedent

Closing shall be conditional on, *inter alia*,

- I. having all corporate and other proceedings in connection with the transactions contemplated by the Sale Agreement and all respective documents and instruments incident to this transaction shall be presented and delivered to both the Company and AEI, shall be satisfactory in substance and form and both the Company and AEI or their respective counsel shall have received all such counterpart originals (or certified or other copies) of such documents as they may reasonably request; and
- II. both the Company and AEI shall have secured all permits, consents and authorizations, if any, that shall be necessary or required to consummate the Proposed Disposal;

being satisfied to the satisfaction of AEI and/or the Company (as the case may be), or, waived by AEI and/or the Company (as the case may be) in accordance with the Sale Agreement.

(c) Governing Law and Jurisdiction

The Sale Agreement shall be construed in accordance with and governed by the laws of the State of Maryland.

The Company and AEI agree to submit to the jurisdiction of any state or federal court sitting in Montgomery County, Maryland, in any action or proceeding arising out of or relating to the Sale Agreement and agree that all claims in respect of the action or proceeding may be heard and determined in any such court.

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

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

Catalist Rule 1006(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value. This basis is not applicable to an acquisition of assets. ⁽¹⁾	(1.22%) ⁽²⁾
Catalist Rule 1006(b)	The net profits attributable to the assets acquired or disposed of, compared with the Group's net profits.	7.45% ⁽³⁾
Catalist Rule 1006(c)	The aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares. ⁽⁴⁾	1.49% ⁽⁴⁾
Catalist Rule 1006(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not Applicable ⁽⁵⁾
Catalist Rule 1006(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets. If the reserves are not directly comparable, the SGX-ST may permit valuations to be used instead of volume or amount.	Not Applicable ⁽⁶⁾

Notes:

- (1) "Net assets" means total assets less total liabilities.
- (2) Based on the unaudited consolidated financial statements of Gigworld for the financial period ended 30 June 2022, the net asset value represented by the Sale Shares is approximately US\$(1,016,990) (equivalent to approximately S\$(1,420,530.97) based on an exchange rate of US\$1 : S\$1.3968 as at 30 August 2022) which represents approximately (1.22)% of the Group's net asset value of approximately S\$116,253,000 as at 30 June 2022.
- (3) Based on the unaudited consolidated financial statements of Gigworld for the financial period ended 30 June 2022, the net loss attributable to Sale Shares amounts to approximately US\$811,046 (equivalent to approximately S\$1,132,869 based on an exchange rate of US\$1 : S\$1.3968 as at 30 August 2022) which represents approximately 7.45% of the Group's net loss of approximately S\$15,210,000.
- (4) The Consideration to be received by the Company in connection with the Proposed Disposal is US\$1.5 million (equivalent to approximately S\$2,095,200 based on an exchange rate of US\$1 : S\$1.3968 as at 30 August 2022) which represents approximately 1.49% of the Company's market capitalisation of approximately S\$140,756,348 on 29 August 2022, being the last full market day on which trades were done preceding the date of the Sale Agreement. The Company's market capitalisation was determined by multiplying the number of shares in issue (3,492,713,362 shares) by the weighted average price of such shares transacted on 29 August 2022 (S\$0.0403).
- (5) No equity securities will be issued by the Company in connection with the Proposed Disposal.
- (6) Catalist Rule 1006(e) is not applicable as the Company is not a mineral, oil and gas company.

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

In addition, one of the relative figures computed on the bases set out in Catalist Rule 1006 involves a negative figure. Therefore, Chapter 10 of the Catalist Rules may still be applicable to the Proposed Disposal in accordance with the applicable circumstances in Practice Note 10A of the Catalist Rules. As the Proposed Disposal falls within the situation in paragraph 4.4 of Practice

Note 10A of the Catalist Rules, the Company is required to immediately announce the information required in Catalist Rules 1010, 1011, 1012 and 1013.

10. Financial Effects

The financial effects of the Proposed Disposal on the NTA per share and the loss per share (“LPS”) of the Group have been prepared based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2021 (“FY2021”).

For the purpose of illustrating the financial effects of the Proposed Disposal, the financial effects have been prepared based on, *inter alia*, the following assumptions:

- (a) the financial effects on the NTA per share of the Group are computed assuming that the Proposed Disposal was completed on 31 December 2021;
- (b) the financial effects on the LPS of the Group are computed assuming that the Proposed Disposal was completed on 1 January 2021; and
- (c) the costs and expenses incurred or to be incurred in connection with the Proposed Disposal shall be disregarded.

Financial Effects on the NTA per share of the Group

	Before Completion of the Proposed Disposal	After Completion of the Proposed Disposal
NTA as at 31 December 2021 (S\$'000)	132,047	134,350
Number of Shares in the issued and paid-up share capital of the Company, excluding treasury shares and subsidiary holdings (’000)	3,492,713	3,492,713
NTA per Share (Singapore cents)	3.78	3.85

Financial Effects on the LPS of the Group

	Before Completion of the Proposed Disposal	After Completion of the Proposed Disposal
Net Loss attributable to owners of the company for FY2021 (S\$'000)	48,941	46,638
Weighted average number of Shares in the issued and paid-up share capital of the Company, excluding treasury shares and subsidiary holdings (’000)	2,666,409	2,666,409
LPS (Singapore cents)	1.84	1.75

The financial effects presented above are for illustrative purposes only and are not intended to reflect the actual future results and/or financial position of the Company and/or the Group. No

representation is made as to the actual future results and/or financial position of the Company and/or the Group.

11. Service Contracts

No person is proposed to be appointed as a director of the Company in connection with the Proposed Disposal and no service contracts in relation thereto is proposed to be entered into by the Company.

12. Interests of Directors and Substantial Shareholders

Save as disclosed under Section 4 of this announcement, none of the directors and/or the substantial shareholders of the Company have any interest, direct or indirect, in the Proposed Disposal, other than through their respective shareholdings in the Company, if any.

13. Documents Available for Inspection

A copy of the Sale Agreement may be inspected at the registered office of the Company located at 7 Temasek Boulevard #29-01B Suntec Tower One Singapore 038987 during normal business hours for three (3) months from the date of this announcement.

14. Directors Responsibility Statement

The directors of the Company collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Disposal, the Company and the Group, and the directors of the Company are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the directors of the Company has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

15. Cautionary Statement

Shareholders and potential investors of the Company should note that there is no certainty or assurance as at the date of this announcement that the Proposed Disposal will be completed. In particular, the Sale Agreement is subject to conditions which may or may not be fulfilled.

Shareholders and potential investors of the Company are advised to read this announcement and any further announcements made by the Company carefully. Shareholders and potential investors of the Company are advised to refrain from taking any action with respect to their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. Shareholders and potential investors of the Company should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

By Order of the Board
Aiset International Limited

Chan Tung Moe
Executive Director and Co-Chief Executive Officer

1 September 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.