

HWGG Entertainment Limited

Amendment to Quarterly Report Quarter 3 2024 for 09/30/2024 originally published through the OTC Disclosure & News Service on [12/21/2024](#)

Explanatory Note:
Amendment

***This coversheet was automatically generated by OTC Markets Group based on the information provided by the Company. OTC Markets Group has not reviewed the contents of this amendment and disclaims all responsibility for the information contained herein.*

HWGG Entertainment Limited

A Nevada Corporation
Wisma Ho Wah Genting
No.35, Jalan Maharajalela,
50150 Kuala Lumpur, Malaysia

+60 12263009
www.hwgg.com.my
ongkt@hwgg.com.my
SIC code: 7389

Quarterly Report

**For the period ending September 30, 2024
(the "Reporting Period")**

Outstanding Shares

The number of shares outstanding of our Common Stock was:

As of September 30, 2024, the number of shares outstanding of our Common Stock was: 24,660,272.

As of December 31, 2023, the number of shares outstanding of our Common Stock was: 24,660,272.

Shell Status

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 of the Exchange Act of 1934):

Yes: No:

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: No:

Change in Control

Indicate by check mark whether a Change in Control⁴ of the company has occurred during this reporting period:

Yes: No:

⁴ "Change in Control" shall mean any events resulting in:

- (i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;
 - (ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;
 - (iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or
 - (iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.
- 148497137.3

1) Name and address(es) of the issuer and its predecessors (if any)

In answering this item, provide the current name of the issuer and names used by predecessor entities, along with the dates of the name changes.

The Company was incorporated under the name of “Computron, Inc.” On October 28, 2016, the Company changed its name from “Computron, Inc.” to “Ho Wah Genting Group Limited.” On July 28, 2020, the Company changed its name from “Ho Wah Genting Group Limited” to “HWGG Entertainment Limited.”

Current State and Date of Incorporation or Registration: The Company was incorporated in Nevada on August 22, 2014.

Standing in this jurisdiction: (e.g. active, default, inactive): The Company is active as at the date of reporting.

Prior Incorporation Information for the issuer and any predecessors during the past five years: The Company was incorporated under the name of “Computron, Inc.” On October 28, 2016, the Company changed its name from “Computron, Inc.” to “Ho Wah Genting Group Limited.” On July 28, 2020, the Company changed its name from “Ho Wah Genting Group Limited” to “HWGG Entertainment Limited.”

Describe any trading suspension or halt orders issued by the SEC or FINRA concerning the issuer or its predecessors since inception: None.

List any stock split, dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

On March 20, 2023, the Board of Directors (the “Board”) of the Company unanimously consented to appoint Liew Jenn Lim (“Mr. Liew”) and Thong Wai Lun, Eddy (“Mr. Thong”) as the new members of the Board, increasing the Board from two (2) to four (4) members, and further to appoint Mr. Liew as the new Chairman of the Board and Mr. Thong as the Chief Executive Officer (the “CEO”) and Chief Financial Officer (the “CFO”) of the company upon the limited resignation of a current officer.

On July 3, 2023, the Board of the Company approved a 50-for-1 reverse stock split of its issued and outstanding common stock (the “Reverse Stock Split”) and submitted the Reverse Stock Split to a shareholder vote. On July 27, 2023, the holder of a majority of the common stock of the Company (the “Common Stock”) approved the Reverse Stock Split. The Financial Industry Regulatory Authority approved the Reverse Stock Split on August 21, 2023, and it became effective on August 22, 2023.

On August 30, 2023, the Board of the Company unanimously consented to appoint Mok Lip Bin (“Mr. Mok”) as a member of the Board, increasing the Board from four (4) to five (5) members, and further to appoint Mr. Mok as the new Chairman of the Board, Mr. Liew as the new CEO, Ow Kim Seng as the new CFO, Lee Jian Hong (“Mr. Lee”) as the new Chief Technology Officer (“CTO”) and Mr. Thong as the new Secretary of the Company upon the limited resignation of the current officers.

On September 8, 2023, the Board of the Company approved the issuance of an aggregated 7,988,138 shares of Common Stock to Lim Hui Boon (“Mr. Lim”), the President of the Company, Ho Wah Genting Holding Sdn Bhd and Grande Legacy Inc. (the “Issuance of Shares”) for the purpose of debt restructuring in the Company, and submitted the Issuance of Shares to a shareholder vote. On the same day, the holder of the majority of the Common Stock approved the Issuance of Shares.

On October 30, 2023, the Company entered into a Stock Purchase Agreement (the “Purchase Agreement” and, the transactions contemplated thereby, the “Transaction”), by and among Mr. Lim, Mr. Liew, Low Hui Yau, Mr. Lee (the “Sellers”), and the Company. The Transaction contemplated the acquisition by the Company of the 100% ownership collectively owned by the Sellers in HWG Leisure Sdn Bhd (“HWG Leisure” and formerly known as “Twinstar Leisure Sdn Bhd”), a corporation organized under the laws of Malaysia, for 6,666,667 shares of Company’s newly-issued shares of common stock, par value \$0.0002 per share. The Transaction was completed and closed on November 15, 2023.

On March 12, 2024, Mr. Liew resigned as the CEO and Director of the Company, decreasing the Board from five (5) to four (4) members. Simultaneously with the resignation of Mr. Liew, the Board unanimously consented to appoint Mr. Mok as the new CEO of the Company. On the same day, Mr. Lee resigned as CTO of the Company and the Board unanimously consented that no new CTO shall be appointed.

148497137.3

On June 24, 2024, Mr. Thong resigned as the Director and Treasurer and Secretary of the Company, and Low Hui Yau resigned as the Director of the Company. Upon the resignations, the number of the Board decreased from four (4) to two (2) members. Simultaneously with the resignation of Mr. Thong, the Board unanimously consented to appoint Mr. Mok as the new Treasurer and Secretary of the Company. The above events don't result in Change in Control, as more than a majority of the directors were directors immediately prior to the change.

Address of the issuer's principal executive office:

Wisma Ho Wah Genting, No.35, Jalan Maharajalela, 50150 Kuala Lumpur, Malaysia.

Address of the issuer's principal place of business:

Check if principal executive office and principal place of business are the same address:

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

No: Yes: If Yes, provide additional details below:

2) Security Information

Transfer Agent

Name: Securities Transfer Corporation
Phone: 469-633-0101
Email: JStackhouse@stctransfer.com
Address: 2901 N. Dallas Parkway, Suite 380, Plano, Texas 75093, United States

Publicly Quoted or Traded Securities:

The goal of this section is to provide a clear understanding of the share information for its publicly quoted or traded equity securities. Use the fields below to provide the information, as applicable, for all outstanding classes of securities that are publicly traded/quoted.

Trading symbol:	HWGG
Exact title and class of securities outstanding:	Common Stock
CUSIP:	40441K207
Par or stated value:	\$0.0002
Total shares authorized:	750,000,000 as of date: 09/30/2024
Total shares outstanding:	24,660,272 as of date: 09/30/2024
Total number of shareholders of record:	328 as of date: 09/30/2024

Other classes of authorized or outstanding equity securities that do not have a trading symbol:

The goal of this section is to provide a clear understanding of the share information for its other classes of authorized or outstanding equity securities (e.g., preferred shares that do not have a trading symbol). Use the fields below to provide the information, as applicable, for all other authorized or outstanding equity securities.

Exact title and class of the security:	Preferred Stock
Par or stated value:	\$0.0002
Total shares authorized:	30,000,000 as of date: 09/30/2024
Total shares outstanding:	0 as of date: 09/30/2024
Total number of shareholders of record:	0 as of date: 09/30/2024

148497137.3

Security Description:

The goal of this section is to provide a clear understanding of the material rights and privileges of the securities issued by the company. Please provide the below information for each class of the company's equity securities, as applicable:

1. For common equity, describe any dividend, voting and preemption rights.

Common Stock stockholders of the Company are entitled to receive any dividend declared by the Company, eligible to vote and have no preemption rights to purchase any classes of the Company's securities. There's no provision in our charter that would delay, defer or prevent a Change in Control of the Company.

2. For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions.

Pursuant to the Certificate of Designation (the "COD") filed on October 21, 2022, and the Amendments to the COD filed on December 1, 2022 and July 13, 2023, the articles of incorporation of the Company authorizes the issuance of 30,000,000 shares of preferred stock, par value \$0.0002 per share. The Company has designated three (3) million of the preferred stock as Redeemable Convertible Preferred Stock ("RCPS") at the subscription price of USD2.50 per RCPS (the "Subscription Price") with the following provisions:

- a. **Voting Rights, Reports, Notices, etc.:** The RCPS holder shall not have the same rights as holders of shares of Common Stock. The RCPS holder may not receive notices, reports, and audited accounts, and does not have the right to attend or vote at any general meetings, including, but not limited to, share consolidation, share split, listing exercise, and other corporate exercise that may be carried out by the Company.
- b. **Maturity Date:** 2nd year anniversary date of the issuance of the RCPS.
- c. **Dividend:** The RCPS shall carry preferential cumulative dividends of 10% per annum on the period during which the RCPS are held by each holder.
- d. **Ranking:** Subject to any written law, the RCPS shall rank, at all times, pari passu among themselves, with priority over the Common Stock of the Company. Without limiting the generality of the foregoing, with respect to payment of dividends which have been declared and amounts payable upon liquidation or winding up of the Company, the holders of RCPS shall have priority over the holders of shares of Common Stock.

The Company may further issue preferred stock ranking equally with or in priority to the existing RCPS and the rights conferred upon the holders of the existing RCPS shall not be deemed to be varied by the creation or issue of further preferred stock unless otherwise expressly provided by the terms of issue of such preferred stock.

- e. **Capital Repayment:** On a return of capital on winding up, liquidation, or upon a reduction of capital or other return of capital, the surplus assets of the Company remaining after payment and discharge of all debts and liabilities of the Company and the cost of winding up or such capital reduction exercise shall be applied as follows:
 - i. **FIRST**, in paying the holders of RCPS on a pari passu basis, a sum equivalent to any dividend declared but unpaid on the RCPS;
 - ii. **SECOND**, in paying the holders of the RCPS on a pari passu basis, the Subscription Price;

- iii. **THIRD**, in paying to the holders of Common Stock, pari passu as between themselves, a sum equal to any arrears of dividend due on the Common Stock, whether or not the Company has sufficient distributable reserves; and
- iv. **FOURTH**, the balance of the assets shall belong to and be distributed among the holders of any class of shares in the capital of the Company other than the holders of RCPS in accordance with the respective rights attaching thereto.

On a return of capital on winding up, liquidation, or upon a reduction of capital or other return of capital, the holders of RCPS shall not have the right to any further participation in the profits assets or distribution and/or offer to additional securities of the Company save as provided above.

- f. **Conversion:** On the earlier of (i) any time after The Nasdaq Stock Market LLC approves the Company's Nasdaq listing application; or (ii) the resolution by the Board authorizing the conversion of the RCPS, the Company shall provide written notice to the holders of the RCPS, and the holders shall have the right to convert one (1) share of RCPS into one (1) share of Common Stock.
- g. **Redemption:** Each RCPS shall be redeemable in whole or in part at the Subscription Price, at the sole discretion of the Company at any time prior to the Maturity Date, whereby the Company shall pay the aggregate sum for the Subscription Price of USD2.50 per RCPS and the RCPS holders shall return the share certificates in respect of their RCPS to the Company for cancellation.

All of the RCPS outstanding on the Maturity Date or all of the RCPS which did not convert to Common Stock shall be fully redeemed by the Company at the Subscription Price for each such RCPS.

3. **Describe any other material rights of common or preferred stockholders.**

None.

4. **Describe any material modifications to rights of holders of the company's securities that have occurred over the reporting period covered by this report.**

None.

3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any changes to the total shares outstanding of any class of the issuer's securities in the past two completed fiscal years and any subsequent interim period.

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

A. Changes to the Number of Outstanding Shares for the two most recently completed fiscal years and any subsequent period.

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years:

No: Yes:

148497137.3

Shares Outstanding <u>Opening Balance:</u>									
Date: August 22, 2023 (Effective date of the 50-for-1 reverse stock split)					Common: 10,005,467 shares Preferred: 0 shares				
Date of Transaction	Transaction type (e.g., new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to. ***You must disclose the control person(s) for any entities listed.	Reason for share issuance (e.g. for cash or debt conversion) - OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
October 5, 2023	New Issuance	5,911,093	Common Stock	\$3.00	No	Lim Hui Boon	Debt	Restricted	Rule 144
October 5, 2023	New Issuance	1,743,711	Common Stock	\$3.00	No	Ho Wah Genting Holding Sdn Bhd (Control Persons: Lim Ooi Hong & Lim Wee Kiat)	Debt	Restricted	Rule 144
October 5, 2023	New Issuance	333,334	Common Stock	\$3.00	No	Grande Legacy Inc. (Control Person: Leong Yee Ming)	Debt	Restricted	Rule 144
October 31, 2023	New Issuance	3,400,000	Common Stock	\$1.50	No	Lim Hui Boon	Acquisition of HWG Leisure Sdn Bhd	Restricted	Rule 144
October 31, 2023	New Issuance	1,600,000	Common Stock	\$1.50	No	Liew Jenn Lim	Acquisition of HWG Leisure Sdn Bhd	Restricted	Rule 144
October 31, 2023	New Issuance	1,333,334	Common Stock	\$1.50	No	Low Huu Yau	Acquisition of HWG Leisure Sdn Bhd	Restricted	Rule 144
October 31, 2023	New Issuance	333,333	Common Stock	\$1.50	No	Lee Jian Hong	Acquisition of HWG Leisure Sdn Bhd	Restricted	Rule 144
Shares Outstanding on Date of This Report:									
<u>Ending Balance:</u>									
Date: September 30, 2024					Common: 24,660,272 shares Preferred: 0 shares				

Use the space below to provide any additional details, including footnotes to the table above:

The issuance of shares dated October 5, 2023, to Lim Hui Boon, Ho Wah Genting Holding Sdn Bhd and Grande Legacy Inc. was due to debt restructuring of the Company. All debts owed to the parties by the Company are eliminated by the issuance of shares.

B. Promissory and Convertible Notes

Indicate by check mark whether there are any outstanding promissory, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities:

148497137.3

No: Yes: (If yes, you must complete the table below)

4) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. Ensure that these descriptions are updated on the Company's Profile on www.OTCMarkets.com.

A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

We are currently engaged in promoting entertainment membership, junket operating and marketing of real estate. One of the main products we offer is an exclusive travel membership that focuses on travel and entertainment around the world ("Exclusive Travel Membership"). We strive to serve our member's every travel need by offering our members discounted vacation packages, hotel and room accommodations, flight arrangements and various on ground transportation means. We are developing our website and mobile application so members can purchase our membership packages online via their computer and mobile device. Currently, a person can purchase a member package at our sales office in Kuala Lumpur, Malaysia. Member packages include products and points that carry a value that approximates the package price. Each member package is available in English and Chinese and typically includes booklets describing us, our compensation plan and rules of member conduct, various training and promotional materials, member applications and a product and services catalog. The price of a member package varies by package type and provides a low-cost entry for incoming members. We are operating from Kuala Lumpur office and customers are mainly from Southeast Asia countries.

In November 2023, we acquired HWG Leisure Sdn Bhd ("HWG Leisure" and formerly known as Twinstar Leisure Sdn Bhd). The business activities of HWG Leisure can be divided into two categories:

- a. Selling of entertainment vouchers; and
- b. Earning commission from selling tour and travel packages from strategic partner.

In April 2024, we entered into a Memorandum of Understanding with Lim Chun Hoo and Lim Wee Kiat (the "Sellers"), to acquire forty-nine percent (49%) ownership collectively owned by the Sellers in Ho Wah Genting Group (Thailand) Co. Ltd., a company incorporated under the laws of Thailand, plans to expand its business into entertainment complex.

B. List any subsidiaries, parent company, or affiliated companies.

The Company wholly owns one subsidiary: HWG Leisure.

C. Describe the issuers' principal products or services.

The main business activities of our Company are providing entertainment, travel and tour packages to our customers.

We offer the following Exclusive Travel Membership ("ETM") packages:

- Classic Card Member
- Gold Card Member
- Black Card Member

The Classic Card Member package is our entry-level package. It requires a yearly subscription payment of US\$8,000 for our International Membership Subscription, or RM 20,000 for our Local Membership Subscription.

The Gold Card Member package is our advanced level package. It requires a yearly subscription payment of US\$16,000 for our International Subscription or RM 50,000 for our Local Membership Subscription.

The Black Card Member package is our professional package. It requires a yearly subscription payment of US\$32,000 for our International Membership Subscription or RM 100,000 for our Local Membership Subscription.

Our ETM is a passport to a world of privileges and possibilities. It's more than just a membership; it's a gateway to a lifestyle of extraordinary travel. With this membership, our customers gain access to a carefully curated selection of benefits and services that transform the way our customers explore the globe. Our ETM members can use their subscribed amount to exchange for entertainment, travel and tour packages that we offer.

Benefits of our ETM are as follows:

- **VIP Treatment:** As a member, you are treated like a VIP wherever you go. Enjoy priority check-in at airports, exclusive lounge access, and fast-track security clearance. Say goodbye to long lines and hello to stress-free travel.
- **Luxury Accommodations:** Experience the pinnacle of hospitality with access to some of the world's most luxurious hotels, resorts, and villas. From opulent suites overlooking iconic cityscapes to serene beachfront escapes, our membership unlocks exclusive rates and perks at top-tier properties.
- **Personalized Itineraries:** Your travel desires are unique, and we understand that. Our dedicated travel advisors work with you to craft tailor-made itineraries that suit your preferences. Whether you crave cultural immersion, adventure, relaxation, or a combination of all three, we've got you covered.
- **Private Experiences:** Gain access to once-in-a-lifetime, private experiences that few have the chance to enjoy. From private wine tastings at renowned vineyards to behind-the-scenes tours of world-famous attractions, these exclusive opportunities are the stuff of dreams.
- **Global Network:** Our extensive network of partners and affiliates spans the globe. Wherever you wish to explore, we have the connections to make it happen seamlessly. This means insider access to hidden gems and local experts who enhance your travel experience.
- **Exclusive Events:** Join us for members-only events and gatherings that celebrate the art of travel. Connect with fellow members, share stories, and create lasting friendships with like-minded explorers.

In June 2023, there was a change in our business model. We started to charge membership fees to our ETM members. The charges are as follows:

	Classic	Gold	Black
Fees	USD500 per annum	USD1,000 per annum	USD2,000 per annum

We outsource all services activities to our partner, a third party providing entertainment, travel and tour packages. Members interested in any of the packages offered by us will be fully managed by them. While this reduces the revenue generation from the selling of packages, it also reduces the discount rewards and agent fees that we have to bear. However, from the customer perspective, there are no changes on the services provided, we are still ensuring that our partner provides the best services to our customers.

In November 2023, we acquired HWG Leisure. The business activities of HWG Leisure can be divided into two categories:

- a. Selling of entertainment vouchers; and
- b. Earning commission from selling tour and travel packages from strategic partner.

Entertainment vouchers ("Voucher") are vouchers issued by HWG Leisure's strategic partner ("SP") mainly for purchasing of entertainment activities in the entertainment industry, such as licensed casinos. The number of entertainment industry players involved in exchanging the vouchers for entertainment activities is unlimited and depends on the partnership between the entertainment industry players around the world and SP. Since the vouchers belong to SP, customers holding the Voucher are allowed to exchange them for entertainment activities at any of the entertainment industry players that accept the Voucher.

The Voucher comes with a surface value of lowest Ringgit Malaysia ("RM") 5,000 to the highest RM75,000. Customers purchasing the Voucher have to pay according to its surface value, and HWG Leisure will earn 10% from the sale of the Voucher. For illustration purposes, if a customer purchases a RM5,000 voucher, HWG Leisure is entitled to RM500 as profit.

148497137.3

The second type of revenue of HWG Leisure is commission earned from selling tour and travel packages offered by the strategic partner to mass market. Most of these packages are offered on our mobile app (FatCat), which is a platform for tours and travel agents to post their packages. We are allowed to mark-up for a maximum of 10% for all tours and travel packages offered by our strategic partner.

5) Issuer’s Facilities

The goal of this section is to provide investors with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer and the extent in which the facilities are utilized.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer. Describe the location of office space, data centers, principal plants, and other property of the issuer and describe the condition of the properties. Specify if the assets, properties, or facilities are owned or leased and the terms of their leases. If the issuer does not have complete ownership or control of the property, describe the limitations on the ownership.

Our principal executive office is currently located at Wisma Ho Wah Genting, No. 35, Jalan Maharajalela, 50150 Kuala Lumpur, Malaysia, where the Company leases approximately 800 square feet free of charge from Ho Wah Genting Berhad (“HWGB”), a public Malaysian corporation. We believe our facilities are adequate for our current needs. We own the Endah Puri Condominium located at A-19-02, Jalan 3/149E, Bandar Baru Sri Petaling, 57000 Kuala Lumpur, Malaysia. The property is currently rented out with a monthly rental of RM 2,000 (approximately US\$480.00).

6) All Officers, Directors, and Control Persons of the Company

Using the table below, please provide information, as of the period end date of this report, regarding all officers and directors of the company, or any person that performs a similar function, regardless of the number of shares they own.

In addition, list all individuals or entities controlling 5% or more of any class of the issuer’s securities.

If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity. Include Company Insiders who own any outstanding units or shares of any class of any equity security of the issuer.

The goal of this section is to provide investors with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial owners.

Names of All Officers, Directors, and Control Persons	Affiliation with Company (e.g. Officer Title /Director/Owner of 5% or more)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Names of control person(s) if a corporate entity
Dato’ Lim Hui Boon	President	No. 35, Jalan Maharajalela, 50150 Kuala Lumpur, Malaysia.	17,232,561	Common	69.88%	N/A
Mok Lip Bin	Chief Executive Officer, Treasurer, Secretary and Director	No. 37, Jalan 14/37, Taman Bukit Maluri, Kepong, 52100 Kuala Lumpur, Malaysia	654,953	Common	2.66%	N/A

148497137.3

Yap Hui Ling	Director	Unit B-9-13, Block B, Sterling Condominium, Jalan SS7/19 47301, Petaling Jaya, Selangor, Malaysia.	-	-	-	N/A
Ow Kim Seng	Chief Financial Officer	No. 101, Jalan Bunga Kemboja 3, Taman Muda, 56100 Cheras, Kuala Lumpur, Malaysia	-	-	-	N/A
Liew Jenn Lim	Owner of more than 5%	No.11, Jalan 6/149K, Bandar Baru Sri Petaling, 57000 Kuala Lumpur, Malaysia.	1,600,556	Common	6.49%	N/A

Confirm that the information in this table matches your public company profile on www.OTCMarkets.com. If any updates are needed to your public company profile, log in to www.OTCIQ.com to update your company profile.

7) Legal/Disciplinary History

- A. Identify and provide a brief explanation as to whether any of the persons or entities listed above in Section 6 have, in the past 10 years:
1. Been the subject of an indictment or conviction in a criminal proceeding or plea agreement or named as a defendant in a pending criminal proceeding (excluding minor traffic violations);
None.
 2. Been the subject of the entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, financial- or investment-related, insurance or banking activities;
None.
 3. Been the subject of a finding, disciplinary order or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, a state securities regulator of a violation of federal or state securities or commodities law, or a foreign regulatory body or court, which finding or judgment has not been reversed, suspended, or vacated;
None.
 4. Named as a defendant or a respondent in a regulatory complaint or proceeding that could result in a "yes" answer to part 3 above; or
None.

5. Been the subject of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

None.

6. Been the subject of a U.S Postal Service false representation order, or a temporary restraining order, or preliminary injunction with respect to conduct alleged to have violated the false representation statute that applies to U.S mail.

None.

- B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party to or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

None.

8) Third Party Service Providers

Provide the name, address, telephone number and email address of each of the following outside providers. You may add additional space as needed.

Confirm that the information in this table matches your public company profile on www.OTCMarkets.com. If any updates are needed to your public company profile, update your company profile.

Securities Counsel (must include Counsel preparing Attorney Letters).

Name: John P. Yung, Esq.
Firm: Lewis Brisbois Bisgaard & Smith LLP
Address 1: 2020 West El Camino Avenue, Suite 700,
Address 2: Sacramento, CA 95833
Phone: (916) 646-8288
Email: john.yung@lewisbrisbois.com

Accountant or Auditor

Name: Howie Tang
Firm: Golden Eagle CPAs LLC
Address 1: 90 Washington Valley Road
Address 2: Bedminster, New Jersey, 07921
Phone: (609) 865-8698
Email: howie.tang@goldeneaglecpa.com

Investor Relations

Name: None
Firm:
Address 1:
Address 2:
Phone:
Email:

148497137.3

All other means of Investor Communication: None.

X (Twitter):

Discord:

LinkedIn

Facebook:

[Other]

Other Service Providers

Provide the name of any other service provider(s) that **that assisted, advised, prepared, or provided information with respect to this disclosure statement**. This includes counsel, broker-dealer(s), advisor(s), consultant(s) or any entity/individual that provided assistance or services to the issuer during the reporting period.

Name: None

Firm:

Nature of Services:

Address 1:

Address 2:

Phone:

Email:

9) Disclosure & Financial Information

A. This Disclosure Statement was prepared by (name of individual):

Name: Ow Kim Seng
Title: Chief Financial Officer
Relationship to Issuer: Employee

B. The following financial statements were prepared in accordance with:

- IFRS
 U.S. GAAP

C. The following financial statements were prepared by (name of individual):

Name: Ow Kim Seng
Title: Chief Financial Officer
Relationship to Issuer: Employee

Describe the qualifications of the person or persons who prepared the financial statements:⁵ Ow Kim Seng is the Chief Financial Officer of the Company.

Provide the following qualifying financial statements:

- Audit letter, if audited;
- Balance Sheet;
- Statement of Income;
- Statement of Cash Flows;
- Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)

⁵ The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS and by persons with sufficient financial skills.

- Financial Notes

Financial Statement Requirements:

- Financial statements must be published together with this disclosure statement as one document.
- Financial statements must be “machine readable”. Do not publish images/scans of financial statements.
- Financial statements must be presented with comparative financials against the prior FYE or period, as applicable.
- Financial statements must be prepared in accordance with U.S. GAAP or International Financial Reporting Standards (IFRS) but are not required to be audited.

10) Issuer Certification

Principal Executive Officer:

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

I, Mok Lip Bin, certify that:

1. I have reviewed this Disclosure Statement for HWGG Entertainment Limited;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

December 26, 2024

/s/ Mok Lip Bin

Principal Executive Officer

Principal Financial Officer:

I, Ow Kim Seng, certify that:

1. I have reviewed this Disclosure Statement for HWGG Entertainment Limited;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

148497137.3

December 26, 2024

/s/ Ow Kim Seng

Principal Financial Officer

HWGG ENTERTAINMENT LIMITED
CONSOLIDATED FINANCIAL STATEMENTS

TABLE OF CONTENTS

Consolidated Balance Sheets as of September 30, 2024 and December 31, 2023	F-1
Consolidated Statements of Operations and Comprehensive Profit (Loss) for the year ended September 30, 2024 and 2023	F-2
Consolidated Statements of Changes in Stockholders' Equity or Deficit for the year ended September 30, 2024 and December 31, 2023	F-3
Consolidated Statements of Cash Flows for the year ended September 30, 2024 and 2023	F-4
Notes to Consolidated Financial Statements	F-5 to F-17

HWGG ENTERTAINMENT LIMITED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND DECEMBER 31, 2023

	<u>As of September 30, 2024</u>	<u>As of December 31, 2023</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,260	\$ 9,255
Accounts receivables	1,675,635	28,756
Other receivables, deposits and prepayments	215,255	2,761
Due from a related party	-	390,524
Short-term investment	-	96,117
Total current assets	1,892,150	527,413
NONCURRENT ASSETS		
Property and equipment, net	-	333,560
Intangible asset, net	-	15,250
Long-term investment	6,923,750	-
Total non-current assets	6,923,750	348,810
TOTAL ASSETS	8,815,900	876,223
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES		
Accounts payables	411,148	-
Other payables and accrued expenses	913,059	1,689,476
Tax payables	84,110	-
Due to related parties	10,666,975	3,153,232
Total current liabilities	12,075,292	4,842,708
TOTAL LIABILITIES	12,075,292	4,842,708
COMMITMENT AND CONTINGENCIES		
STOCKHOLDERS' DEFICIT		
Capital	23,964,414	23,964,414
Additional paid in capital	-	10,402,172
Accumulated deficit	(27,223,806)	(38,333,071)
Accumulated other comprehensive income	-	-
TOTAL STOCKHOLDERS' DEFICIT	(3,259,392)	(3,966,485)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	\$ 8,815,900	\$ 876,223

The accompanying notes are an integral part of these consolidated financial statements.

HWGG ENTERTAINMENT LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE PROFIT (LOSS)
FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023

	For the Years Ended September 30,	
	2024	2023
Revenues	\$ 7,130,268	\$ 397,000
Cost of revenues	4,969,374	35,872
Gross profit	2,160,894	361,128
	30.3	91.0
Operating expenses		
Selling, general and administrative expenses	1,477,883	4,365,904
Total operating expenses	1,477,883	4,365,904
Income (Loss) from operations	683,012	(4,004,776)
Other income (expense), net	24,082	(363,711)
Total other income (expense), net	24,082	(363,711)
Income (Loss) before income tax provisions	707,093	(4,368,487)
Income tax expenses	-	-
Net profit (loss)	707,093	(4,368,487)
Other comprehensive loss		
Net profit (loss)	707,093	(4,368,487)
Foreign currency translation adjustment		
Comprehensive loss	707,093	(4,368,487)
Weighted average number of shares outstanding- basic and diluted*	23,964,414	23,964,414
Loss per share - basic and diluted	0.03	(0.18)

* Retrospectively restated given the 50-for-1 reverse stock split effective on August 22, 2023.

The accompanying notes are an integral part of these consolidated financial statements.

HWGG ENTERTAINMENT LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY OR DEFICIT
FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND DECEMBER 31, 2023

	<u>Common stock</u>		<u>Additional paid- in capital</u>	<u>Accumulated deficit</u>	<u>Total</u>
	<u>Shares*</u>	<u>Amount</u>			
Balance at December 31, 2023		\$ 23,964,414	\$ 10,402,172	\$ (38,333,071)	\$ (3,966,485)
Disposal of subsidiaries		-	(10,402,172)	10,402,172	-
Net profit for the year		-	-	707,093	707,093
Balance at September 30, 2024		\$ 23,964,414	\$ -	\$ (27,223,806)	\$ (3,259,392)

* Retrospectively restated given the 50-for-1 reverse stock split effective on August 22, 2023.

The accompanying notes are an integral part of these consolidated financial statements.

HWGG ENTERTAINMENT LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023

	For the years ended September 30,	
	2024	2023
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit (loss)	\$ 707,093	\$ (4,368,487)
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation	68,314	120,887
Amortization of Intangible assets	363	1,250
Provision for credit loss	-	-
Changes in operating assets and liabilities	-	-
Accounts receivable	-	-
Due from a related party	-	-
Other receivable	(783,765)	3,844,043
Deferred revenue	-	-
Changes in right-of-use operating lease liabilities	-	-
Other payables and accrued expenses	-	-
Net cash used in operating activities	(7,995)	(402,307)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	-	-
Purchase of intangible asset	-	-
Proceeds from redemption of short-term investment	-	-
Net cash used in investing activities	-	-
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from third-party loans	-	-
Repayment of third-party loans	-	-
Proceeds from borrowings from related parties	-	-
Net cash provided by financing activities	-	-
EFFECT OF EXCHANGE RATES ON CASH AND CASH EQUIVALENTS		
	-	-
NET DECREASE IN CASH AND CASH EQUIVALENTS	(7,995)	(402,307)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	9,255	408,573
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 1,260	\$ 6,266
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest expense	\$ -	\$ -
Cash paid for interest	\$ -	\$ -
SUPPLEMENTAL DISCLOSURE OF NON-CASH TRANSACTIONS		
Amount converted from shareholder loans to capital	\$ -	\$ -

The accompanying notes are an integral part of these consolidated financial statements.

HWGG ENTERTAINMENT LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(In U.S. dollars)

1. ORGANIZATION AND BUSINESS

HWGG Entertainment Limited (“HWGG”, the “Company”, “we”, “our”, or “us”) was incorporated in the state of Nevada on August 22, 2014 as “Computron, Inc.” On October 28, 2016, we changed our name to “Ho Wah Genting Group Limited”. On July 28, 2020, we changed our name to “HWGG Entertainment Limited”.

On October 30, 2023, the Company completed an acquisition of 100% of the equity interest of HWG Leisure Sdn Bhd (f.k.a. Twinstar Leisure Sdn Bhd) (“HWG Leisure”) from its original shareholders for a total consideration of approximately \$10 million. The Company issued 6,666,667 shares of its common stock at \$1.50 per share, based on a 50% premium to the market price of the Company’s common stock dated on October 30, 2023, in connection with this business acquisition. Prior to the acquisition of HWG Leisure, a related party, Dato’ Lim Hui Boon, the President of the Company, held 51.0% equity interest in HWG Leisure. Therefore, the acquisition was accounted for as a business combination of entities under common control in accordance with ASC 805-50-30-5. Accordingly, the assets and liabilities of HWG Leisure are presented at their carrying values at the date of the transaction (see Note 4). Following the closing of the Share Exchange on the same day, HWG Leisure became a wholly-owned subsidiary of the Company.

The Company holds the following equity interests in its subsidiaries as of September 30, 2024 and December 31, 2023:

No.	Name of subsidiary	Country of incorporation	Interest		Principal activities
			2024 %	2023 %	
1	Ho Wah Genting Group Sdn Bhd . (“HWGGSB”)	Malaysia	-	100	Entertainment membership Selling of vouchers, tour and travel packages and advertising services
2	HWG Leisure Sdn Bhd (f.k.a. Twinstar Leisure Sdn Bhd) (“HWG Leisure”)	Malaysia	100	100	

The Company is currently engaged in the tour and travel industry through the promotion of entertainment memberships, travel and tour packages, and entertainment offers via our Malaysian subsidiaries, HWGGSB and HWG Leisure. We leverage our proprietary mobile application, FatCat, which serves as a key platform for users to seamlessly book and enjoy a variety of travel, entertainment, and lifestyle services. By combining cutting-edge technology and personalized user experiences, FatCat allows users to access exclusive discounts, curated travel itineraries, real-time booking options, and tailor-made recommendations. This integrated approach helps us connect users with a wide range of travel destinations, entertainment options, and value-added services, all while enhancing convenience, personalization, and accessibility. Through these offerings, we aim to cater to both leisure and business travelers, providing them with a one-stop solution for all their travel and entertainment needs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The accompanying consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

This basis of accounting involves the application of accrual accounting and consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred. The Company’s financial statements are expressed in U.S. dollars.

Principles of consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries. On consolidation, all intercompany balances and transactions are eliminated.

Business Combination Between Entities Under Common Control

On October 30, 2023, the Company completed an acquisition of 100% of the equity interest of HWG Leisure Sdn Bhd (f.k.a. Twinstar Leisure Sdn Bhd) (“HWG Leisure”) from its original shareholders for a total consideration of approximately \$10 million. The Company issued 6,666,667 shares of its common stock at \$1.50 per share, based on a 50% premium to the market price of the Company’s common stock dated on October 30, 2023, in connection with this business acquisition. Prior to the acquisition of HWG Leisure, a related party, Dato’ Lim Hui Boon, the President of the Company, held 51.0% equity interest in HWG Leisure. According to ASC 805-50-30-5, when accounting for a transfer of assets or exchange of shares between entities under common control, the entity that receives the net assets or the equity interests shall initially measure the recognized assets and liabilities transferred at their carrying amounts in the accounts of the transferring entity at the date of transfer. If the carrying amounts of the assets and liabilities transferred differ from the historical cost of the parent of the entities under common control, for example, because pushdown accounting had not been applied, then the financial statements of the receiving entity shall reflect the transferred assets and liabilities at the historical cost of the parent of the entities under common control. Therefore, the acquisition of HWG Leisure is accounted for as a transfer of assets or exchange of shares between entities under common control in a manner similar to a pooling of interest, using historical costs, the entity that receives the net assets or the equity interests shall initially measure the recognized assets and liabilities transferred at their carrying amounts in the accounts of the transferring entity at the date of transfer (See Note 4).

Use of estimates

The preparation of consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. The Company regularly evaluates estimates and assumptions. The Company bases its estimates and assumptions on current facts, historical experience and various other factors it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. Significant areas of estimate include the allowance for credit losses on uncollectible receivables, useful lives of property and equipment, impairment of long-term assets, estimates used in lease accounting and deferred income tax obligations. The actual results experienced by the Company may differ materially and adversely from the Company’s estimates. To the extent there are material differences between the estimates and the actual results, future results of operations will be affected.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and highly liquid investments, which are unrestricted from withdrawal or use, and which have original maturities of three months or less when purchased.

Short-term Investments

Short-term investments primarily consist of investments in trading securities of certain publicly-listed equity securities through various open market transaction, such as the equity instruments of high-quality corporate issuers listed on the United States OTC Markets of OTC Markets Group, Inc.

The Company accounts for short-term investments in accordance with ASC 320, *Investments — Debt and Equity Securities* and ASC 321, *Investments- Equity Securities*. The Company determines the appropriate classification of its short-term investments as held-to-maturity, available-for-sale or trading at the time of purchase, and re-evaluate such classification as of each balance sheet date. Unrealized gains and losses are reported as a component of accumulated other comprehensive income (loss) in shareholders’ equity (deficit). The Company uses the specific identification method of determining the cost basis in computing realized gains and losses on the sale of its short-term investment. Realized gains and losses are included in other income (loss).

Accounts receivable, net

Accounts receivable represents balance due from customers and are recorded net of allowance for credit loss.

On January 1, 2023, the Company adopted ASC 326, Credit Losses, which replaced previously issued guidance regarding the impairment of financial instruments with an expected loss methodology that will result in more timely recognition of credit losses. The Company used a modified retrospective approach and did not restate the comparable prior periods.

The allowance for credit losses reflects the Company’s current estimate of credit losses expected to be incurred over the life of the receivables and is measured in accordance with ASC 326. The Company assesses the collectability by reviewing receivables on a collective basis where similar characteristics exist, primarily based on size, nature and on an individual basis when the Company identifies specific customers with known disputes or collectability issues. In determining the amount of the allowance for credit losses, the Company considers historical collectability based on past due status, the age of the receivable balances, credit quality of the

Company's customer based on ongoing credit evaluations, current economic conditions, reasonable and supportable forecasts of future economic conditions, and other factors that may affect the Company's ability to collect from customers. Receivables are written off after all collection efforts have ceased. There was no provision for credit losses of the Company's accounts receivable as of September 30, 2024, because such balance is deemed to be fully collectible.

Foreign currency translation

The functional currency for HWGG is the U.S Dollar ("US\$"). The Company's subsidiary in Malaysia, Ho Wah Genting Group Sdn Bhd, uses Malaysian Ringgit ("MYR") as its functional currency. The Company's consolidated financial statements have been translated into and reported in US\$. Assets and liabilities accounts are translated using the exchange rate at each reporting period end date. Equity accounts are translated at historical rates. Income and expense accounts are translated at the average rate of exchange during the reporting period. The resulting translation adjustments are reported under other comprehensive income (loss). Gains and losses resulting from the translations of foreign currency transactions and balances are reflected in the results of operations.

The following table outlines the currency exchange rates that were used in creating the consolidated financial statements in this report:

	September 30, 2024	December 31, 2023
Year-end spot rate	US\$1=MYR4.1210	US\$1=MYR4.5903
Average rate	US\$1=MYR4.6340	US\$1=MYR4.5577

Fair value of financial instruments

Fair value is considered to be the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required or permitted to be recorded at fair value, the Company considers the principal or most advantageous market in which it would transact and considers assumptions that market participants would use when pricing the asset or liability.

Authoritative literature provides a fair value hierarchy, which prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The level in the hierarchy within which the fair value measurement in its entirety falls is based upon the lowest level of input that is significant to the fair value measurement as follows:

Level 1 applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2 applies to assets or liabilities for which there are inputs other than quoted prices included within Level 1 that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

Level 3 applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

Unless otherwise disclosed, the fair value of the Company's financial instruments, including cash and cash equivalent, account receivable, other receivable, deposits and prepayment, due from related parties, short-term investments, other payable and accrued expenses, deferred revenue, amounts due to related parties, loan from third party and operating lease liabilities, current – related parties approximate the fair value of the respective assets and liabilities as of December 31, 2023 and 2022 based upon the short-term nature of the assets and liabilities.

Property and equipment, net

Property and equipment are stated at cost less accumulated depreciation and amortization. Depreciation and amortization of property and equipment are provided using the straight-line method over their expected useful lives, as follows:

	Useful life
Computer and software	5 years
Furniture and fixtures	5 years
Vehicles	5 years

Leasehold improvement

Expenditures for maintenance and repairs, which do not materially extend the useful lives of the assets, are charged to expense as incurred. Expenditures for major renewals and betterments which substantially extend the useful life of assets are capitalized. The cost and related accumulated depreciation of assets retired or sold are removed from the respective accounts, and any gain or loss is recognized in the consolidated statements of operations.

Intangible Assets, net

Intangible assets are stated at cost less accumulated amortization. The straight-line method is used to compute amortization over the estimated useful lives of the intangible assets,

Impairment of long-lived Assets

Long-lived assets with finite lives, primarily property and equipment and intangible assets, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If the estimated cash flows from the use of the asset and its eventual disposition are below the asset's carrying value, then the asset is deemed to be impaired and written down to its fair value. There were no impairments of these assets as of September 30, 2024 and December 31, 2023.

Revenue Recognition

In accordance with ASC 606, "Revenue from Contracts with customers", to determine revenue recognition for contracts with customers, the Company performs the following five steps : (i) identify the contract(s) with the customer, (ii) identify the performance obligations in the contract, (iii) determine the transaction price, including variable consideration to the extent that it is probable that a significant future reversal will *not* occur, (iv) allocate the transaction price to the respective performance obligations in the contract, and (v) recognize revenue when (or as) the Company satisfies the performance obligation.

The Company currently generates its revenue from providing entertainment and tourist services, membership services and advertising services to customers and also generating revenue from property rental services:

Revenue from sales of entertainment vouchers

Pursuant to the Company's contract with customers, the Company is responsible for sales of entertainment vouchers of third-party service providers such as hotel, resort, restaurant and transportation agency, to the individual consumers, who can use such voucher to exchange for products or services from the third-party service providers. The Company merely acts as an agent in this type of transaction and earns a commission fee of 10% based on the value of the vouchers that sold to individual consumers and such commission fee is not refundable. The Company does not have control of the goods in this type of transaction, has no discretion in establishing prices and does not have the ability to direct the use of the goods to obtain substantially all the benefits. Such revenue is recognized at the point when third-party service provider's vouchers are sold to the individual consumers.

Revenue from membership services

The Company is engaged in promoting entertainment membership. One of the main products we offer is our Membership Services that focuses on travel and entertainment around the world. We strive to serve our member's every travel need by offering our members discounted vacation packages, hotel and room accommodations, flight arrangements and various on ground transportation means. The price of a member package varies by package type and provides a low-cost entry for incoming members.

We offer the following packages for our Membership Services:

- Classic Card Member
- Gold Card Member
- Black Card Member

Our membership fees have been reduced significantly due to Covid 19 in order to stay competitive:

Type of Packages	For the Years Ended September 30, 2023	For the Years Ended September 30, 2024
Classic Card Member	USD500	USD500

Gold Card Member	USD1,000	USD1,000
Black Card Member	USD2,000	USD2,000

Our members can use their subscribed amount to exchange for entertainment, travel and tour packages that offered by our strategic partners.

Benefits of our Membership Services include: (1) VIP Treatment: member can enjoy priority check-in at airports, exclusive lounge access, and fast-track security clearance, (2) Luxury Accommodations: Experience the pinnacle of hospitality with access to some of the world's most luxurious hotels, resorts, and villas, (3) Personalized Itineraries: Our dedicated travel advisors work with the member to craft tailor-made itineraries that suit their preferences, (4) Private Experiences: Gain access to once-in-a-lifetime, private experiences that few have the chance to enjoy, (5) Global Network: Our extensive network of partners and affiliates spans the globe, and (6) Exclusive Events: Join us for members-only events and gatherings that celebrate the art of travel.

Pursuant to the membership agreement, the above-mentioned elite member benefits are bundled or packaged services that the Company offers to its elite members for a fixed fee and are not capable of being distinct as the standalone selling price of each performance obligation is not directly observable. As a result, the Company's promise to offer packaged elite membership benefits are treated as a bundled single performance obligation. There is no variable consideration in the membership agreement. Elite membership fees received from the members upfront are deferred first, and then ratably recognized as revenue over the membership term of one year. The Company does not charge additional elite member profile maintenance fees as limited efforts are required for the Company to maintain such information on an on-going basis. For the years ended December 31, 2022 and 2021, due to the COVID-19 pandemic and lockdown, the Company did not report any membership revenue. Membership service fees amounted to \$7,130,268 and \$397,000 for the year ended September 30, 2024 and 2023, respectively.

Rental service revenue

The Company leases the real estate property to other small businesses for a fixed monthly rental payment. Rental income includes base rents that each tenant pays in accordance with the terms of its respective lease and is reported on a straight-line basis over the non-cancellable term of the lease, which includes the effects of rent abatements under the leases. The Company commences rental revenue recognition when the tenant takes possession of the leased space or controls the physical use of the leased space and the leased space is substantially ready for its intended use. The Company only generated a small amount of rental income during the years ended September 30, 2024 and 2023.

Advertising revenue

Advertising revenue includes display the merchant customers' advertisement through the Company's mobile app or online platform over a particular period of time and in a variety of forms, such as logos and banners to help promote advertisers' products and services and enhance their brand awareness. The Company is acting as a principal in providing advertising services to customers, has latitude in establishing prices, and is responsible for fulfilling the promise to provide customers the specified services. The Company recognizes revenue for the amount of fees it receives from its customers, after deducting discounts and net of service taxes under ASC 606.

The majority of the Company's advertising contracts are for the provision of advertisement display on the Company's mobile apps or online platform for a fixed period of time (ranging from a few weeks to a few months) without a guaranteed minimum impression level. In instances where certain discounts are provided to customers for advertisement displays, such discounts are reported as deduction of revenue. Revenue from advertisement services is recognized over the period the advertisement is displayed. Advances from customers are deferred first and then recognized as revenue until the completion of the contract. There are no future obligations after the completion of the contract and no rights of refund related to the impression levels. For the years ended September 30, 2024 and 2023, we did not generate any advertising revenue.

Contract Assets and Liabilities

The Company did not have contract assets and Liabilities as of September 30, 2024 and December 31, 2023.

Leases

The Company leases office space, which is classified as operating leases in accordance with ASC 842. Under ASC 842, lessees are required to recognize the following for all leases (with the exception of short-term leases, usually with an initial term of 12 months or less) on the commencement date: (i) lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured

on a discounted basis; and (ii) right-of-use (“ROU”) asset, which is an asset that represents the lessee’s right to use, or control the use of, a specified asset for the lease term.

At the commencement date, the Company recognizes the lease liability at the present value of the lease payments not yet paid, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company’s incremental borrowing rate for the same term as the underlying lease. The ROU asset is recognized initially at cost, which primarily comprises the initial amount of the lease liability, plus any initial direct costs incurred, consisting mainly of brokerage commissions, less any lease incentives received. All ROU assets are reviewed for impairment annually. There was no impairment for ROU lease assets as of September 30, 2024 and December 31, 2023.

Income taxes

Income taxes are determined using the liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using the enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes that date of enactment. In addition, a valuation allowance is established to reduce any deferred tax asset for which it is determined that it is more likely than not that some portion of the deferred tax asset will not be realized.

Uncertain Tax Positions

The impact of an uncertain income tax position on the income tax return is recognized at the largest amount that is more-likely-than-not to be sustained upon audit by the relevant tax authority. An uncertain income tax position will not be recognized if it has less than a 50% likelihood of being sustained. Interest and penalties on income taxes are classified as a component of the provisions for income taxes.

Comprehensive income / loss

Comprehensive income / loss includes net gain/loss and cumulative foreign currency translation adjustments and is reported in the Consolidated Statement of Comprehensive Income or Loss.

Earnings (loss) per share

The Company computes earnings (loss) per share (“EPS”) in accordance with ASC 260, “Earnings per Share” (“ASC 260”). ASC 260 requires companies with complex capital structures to present basic and diluted EPS. Basic EPS is measured as net income (loss) divided by the weighted average common shares outstanding for the period. Diluted presents the dilutive effect on a per share basis of potential common shares (e.g., convertible securities, options and warrants) as if they had been converted at the beginning of the periods presented, or issuance date, if later. Potential common shares that have an anti-dilutive effect (i.e., those that increase income per share or decrease loss per share) are excluded from the calculation of diluted EPS. For the years ended September 30, 2024 and December 31, 2023, there was no diluted shares given the Company’s net loss position.

Related party transactions

The Company identifies related parties, and accounts for, discloses related party transactions in accordance with ASC 850, “Related Party Disclosures” and other relevant ASC standards.

Parties, which can be a corporation or individual, are considered to be related if the Company has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operational decisions. Companies are also considered to be related if they are subject to common control or common significant influence.

Transactions between related parties commonly occurring in the normal course of business are considered to be related party transactions. Transactions between related parties are also considered to be related party transactions even though they may not be given accounting recognition. While ASC does not provide accounting or measurement guidance for such transactions, it nonetheless requires their disclosure.

Statement of Cash Flows

In accordance with ASC 230, “Statement of Cash Flows”, cash flows from the Company’s operations are formulated based upon the

local currencies using the average exchange rate in the period. As a result, amounts related to assets and liabilities reported on the statements of cash flows will not necessarily agree with changes in the corresponding balances on the balance sheets.

Recent Issued Accounting Pronouncements

Accounting standards promulgated by the FASB are subject to change. Changes in such standards may have an impact on the Company's future financial statements. The following are a summary of recent accounting developments.

In October 2021, the FASB issued ASU No. 2021-08, Business Combinations (Topic 805), Accounting for Contract Assets and Contract Liabilities from Contracts with Customers. This ASU clarifies that an acquirer of a business should recognize and measure contract assets and contract liabilities in a business combination in accordance with ASC Topic 606, "Revenue from Contracts with Customers". This ASU is expected to improve comparability for both the recognition and measurement of acquired revenue contracts with customers at the date of and after a business combination. The new guidance is effective for public companies for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. For all other entities, it is effective for fiscal years beginning after December 31, 2023, including interim periods within those fiscal years. The Company is in the process of evaluation the impact of adopting this new guidance on its consolidated financial statements.

On November 27, 2023, FASB issued Accounting Standards Update No. 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures ("ASU 2023-07"), which requires that an entity disclose significant segment expenses impacting profit and loss that are regularly provided to the chief operating decision maker. The update is required to be applied retrospectively to prior periods presented, based on the significant segment expense categories identified and disclosed in the period of adoption. The amendments in ASU 2023-07 are required to be adopted for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. The Company is in the process of evaluation the impact of adopting this new guidance on its consolidated financial statements.

On December 14, 2023, the FASB issued Accounting Standards Update No. 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures ("ASU 2023-09"). ASU 2023-09 requires that entities disclose specific categories in their rate reconciliation and provide additional information for reconciling items that meet a quantitative threshold. The new standard is effective for the Company beginning December 15, 2024, with early adoption permitted effective for fiscal years beginning January 1, 2024. The Company is in the process of evaluation the impact of adopting this new guidance on its consolidated financial statements.

Other accounting standards that have been issued by FASB that do not require adoption until a future date are not expected to have a material impact on the consolidated financial statements upon adoption. The Company does not discuss recent pronouncements that are not anticipated to have an impact on, or are unrelated to, its consolidated financial condition, results of operations, cash flows or disclosures.

3. GOING CONCERN UNCERTAINTIES

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates the realization of assets and the discharge of liabilities in the normal course of business for the foreseeable future.

For the year ended September 30, 2024, the Company reported a working capital deficit of \$10,183,142. The Company had an accumulated deficit of \$27,223,806 as of September 30, 2024. Based on the assessment of current economic environment, customer demand and sales trend, and the negative impact from COVID-19 outbreak and spread, there is an uncertainty that the Company's revenue and operating cash flows may be significantly lower than expected in the near future. The above-mentioned facts raised substantial doubt about the Company's ability to continue as a going concern for the next 12 months from the date of this report.

Continuation of the Company as a going concern is dependent upon improving the profitability and the continuing financial support from its stockholders or other capital sources. Management believes that the continuing financial support from the existing shareholders or external debt financing will provide the additional cash to meet the Company's obligations as they become due. Notwithstanding this belief, there is no assurance, however, that the available funds will be available to the Company, and if available, will be sufficient for the needs of the Company. Currently, no person, including existing shareholders, is under any obligation to continue to extend credit to the Company and/or invest in the Company.

These consolidation financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from the outcome of the Company's ability to continue as a going concern.

4. ACCOUNT RECEIVABLES

Accounts receivable consists of the following:

	September 30, 2024	December 31, 2023
Accounts receivable	\$ 1,675,635	\$ 28,756
Less: allowance for doubtful accounts	-	-
Accounts receivable, net	\$ 1,675,635	\$ 28,756

The Company's accounts receivable primarily includes balance due from customers when the Company's services are delivered to customers. The September 30, 2024 accounts receivable has been fully collected.

5. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

Other receivables, deposits and prepayments consist of the following:

	As of September 30, 2024	As of December 31, 2023
Deposits ⁽¹⁾	\$ 1,674	\$ 1,674
Prepayments ⁽²⁾	255	1,087
Other Receivables ⁽³⁾	213,326	-
	\$ 215,255	\$ 2,761

(1) Deposits represented payments for telephone, electricity, water, maintenance fee, rental & utility and parking, which are subsequently ratably charged to expenses.

(2) Prepayment represented prepayments for maintenance fee, sinking fund and fire assurance.

(3) Other receivable represented balance due from third parties. Other receivables are reviewed periodically to determine whether their carrying value has become impaired.

6. SHORT-TERM INVESTMENT, RELATED PARTY

Short-term investment, related party, consist of the following:

	As of September 30, 2024	As of December 31, 2023
Short-term investments:		
Quoted shares in U.S. (OTC) – (Fintech Scion Limited (f.k.a. HWGC Holdings Limited), stock symbol “FINR”), related party ⁽¹⁾	-	96,117
Total short-term investments	-	96,117

(1) Mr. Lim Chun Hoo, son of the President of the Company, Dato' Lim Hui Boon, is the director and shareholder of Fintech Scion Limited, and also the director of HWGGSB, our wholly-owned subsidiary. As a result, the Company's short-term investment is a related party transaction.

The Company's short-term investments consist mainly of investments in trading securities of certain publicly-listed equity securities through various open market transaction, such as the equity instruments of high-quality corporate issuers listed on the United States OTC Markets of OTC Markets Group, Inc. The Company classifies its short-term investments in current assets when these securities are bought and held principally for short term.

The Company's financial assets measured at fair value on a recurring basis subject to disclosure requirements at December 31, 2023 were as follows:

	Balance at December 31, 2023	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Input (Level 2)	Significant Unobserved Input (Level 3)
Short-term investments:				
Short-term investment	\$ 96,117	\$ 96,117	\$ -	\$ -
Total short-term investments	96,117	96,117	-	-
Total financial assets measured at fair value	\$ 96,117	\$ 96,117	\$ -	\$ -

7. INTANGIBLES ASSET, NET

Intangible asset, net, primarily related to the Company's mobile application software and consist of the following:

	As of September 30, 2024	As of December 31, 2023
Intangible Asset	\$ -	\$ 16,339
Less: Accumulated amortization	-	(1,089)
Intangible asset, net	\$ -	\$ 15,250

Amortization expenses for the year ended September 30, 2024 and 2023, were \$363 and \$1,250, respectively.

8. PROPERTY AND EQUIPMENT, NET

Property and equipment, net, consist of the following:

	As of September 30, 2024	As of December 31, 2023
Leasehold building	\$ -	\$ 142,746
Computer & Software	-	11,717
Office Equipment	-	13,947
Renovation	-	2,409
Motor Vehicle	-	270,867
Sub-total	-	441,686
Less: Accumulated depreciation	-	(108,126)
Property and equipment, net	\$ -	\$ 333,560

Depreciation expenses for the year ended September 30, 2024 and 2023 were \$68,314 and \$120,887, respectively.

9. OTHER PAYABLES AND ACCRUED EXPENSES

	As of September 30, 2024	As of December 31, 2023
Other Payables ⁽¹⁾	\$ 48,687	\$ 1,653,470
Accrued Expenses ⁽²⁾	864,372	36,006
Total	\$ 913,059	\$ 1,689,476

- (1) Other payables mainly consist of amount payable to third-party vendors for professional service rendered.
- (2) Accrued expenses consists mainly of audit, secretarial fee, staff salaries, Malaysia government statutory such as EPF, SOCSO and etc.

10. INCOME TAX

Income taxes consisted of Malaysia income tax and U.S. income tax. There was no provision of income taxes made in respect of the two countries for the years ended September 30, 2024 and September 30, 2023.

Malaysia

HWGGSB recorded a loss before income tax of \$550,645 and \$3,327,064 for the years ended March 31, 2024 and September 30, 2023, respectively. A reconciliation of the provision for income taxes with amounts determined by applying the Malaysian income tax rate of 24% and 24% for the years ended June 30, 2024 and 2023, respectively, to income before income taxes are as follows:

	As of March 31, 2024	As of September 30, 2023
Loss before income tax	\$ (550,645)	\$ (3,327,064)
Permanent difference	550,645	3,327,064
Taxable income	-	-
Malaysian income tax rate	24%	24%
Current tax expenses	-	-
Less: Valuation allowance	-	-
Income tax expenses	\$ -	\$ -

United States of America

HWGG is a company incorporated in State of Nevada and recorded a profit (loss) before income tax of \$524,047 and \$1,041,423 for the year ended September 30, 2024 and 2023, respectively. A reconciliation of the provision for income taxes with amounts determined by applying the United States Federal income tax rate of 34% for the years ended September 30, 2024 and 2023, respectively, to income before income taxes are as follows:

	As of September 30, 2024	As of September 30, 2023
Profit (loss) before income tax	\$ 524,047	\$ (1,041,423)
Permanent difference	(524,047)	1,041,423
Taxable income	-	-
Malaysian income tax rate	34%	34%
Current tax expenses	-	-
Less: Valuation allowance	-	-
Income tax expenses	\$ -	\$ -

11. LOSS PER SHARE

The Company has adopted ASC 260, "Earnings Per Share," ("EPS") which requires presentation of basic and diluted EPS on

the face of the statement of operations and requires a reconciliation of the numerator and denominator of the basic EPS computation to the numerator and denominator of the diluted EPS computation. In the accompanying financial statements, basic earnings (loss) per share is computed by dividing net income (loss) by the weighted average number of shares of common stock outstanding during the year.

The following table sets forth the computation of basic and diluted earnings per share:

	As of September 30, 2024	As of September 30, 2023
Net profit (loss) applicable to common shares	\$ 707,093	\$ (4,368,487)
Weighted average common shares outstanding (Basic/Diluted)	23,964,414	23,964,414
Loss per share- basic and diluted	\$ 0.03	\$ (0.18)

Due to net loss position as of September 30, 2024 and 2023, the Company has no potentially dilutive securities for the years ended September 30, 2024 and 2023.

12. STOCKHOLDERS' EQUITY

Common stocks

The Company's authorized common stock is 750,000,000 shares, par value of \$0.0002 per share, with 500,027,774 shares originally issued and outstanding as of December 31, 2022 and 2021.

As a result of the 50-for-1 reverse stock split of its issued and outstanding common stock (the "Reverse Stock Split") took effective on August 22, 2023, the Company's issued and outstanding number of common shares has been reduced to 10,005,467 shares as of December 31, 2022 and 2021.

On September 8, 2023, the Board of Directors of the Company (the "Board") approved the issuance of 7,988,138 new shares of the Company's common stock at \$3.00 per share, based on the Company's stock price on September 8, 2023, to the related parties for the debt settlement (the "Issuance of Shares"), and submitted the Issuance of Shares to the shareholders vote. On the same day, the holders of a majority of the common stock of the Company approved the Issuance of Shares. Total \$23,964,414 prior year related party debt has been settled.

On October 30, 2023, the Company entered into a Stock Purchase Agreement with HWG Leisure Sdn Bhd ("HWG Leisure" and formerly known as Twinstar Leisure Sdn Bhd), a corporation organized under the laws of Malaysia, and all of the shareholders of HWG Leisure pursuant to which all shareholders of HWG Leisure irrevocably agreed to transfer and assign to the Company all HWG Leisure's shares held by the shareholders in exchange for 6,666,667 shares of the Company's common stock, par value \$0.0002 per share ("Share Exchange"), at \$1.50 per share, based on a 50% premium to the market price of the Company's common stock dated on October 30, 2023. The acquisition resulted in the adjustment of accumulated deficit balance of \$9,920,794.

As a result, total issued and outstanding number of common shares amounted to 24,660,272 shares as of September 30, 2024.

Preferred stocks

The Company's authorized preferred stock is 30,000,000 shares, par value of \$0.0002 per share, no preferred shares were issued and outstanding as of December 31, 2023 and 2022.

On October 24, 2022, the Company filed with the Nevada Secretary of State a Certificate of Amendment to create and authorize a distinct class of stock designated "preferred stock," par value \$0.0002, in the amount of 30,000,000 shares. On November 23, 2022, The Company filed a Certificate of Designation of the Relative Rights of the Redeemable Convertible Preferred Stock (the "Certificate of Designation") with the Nevada Secretary of State, which authorized the creation 12,000,000 shares of Redeemable Convertible Preferred Stock, par value \$0.0002 per share (the "RCPS"). Upon the filings of Certificate of Amendment of the Certificate of Designation on December 1, 2022 and July 23, 2023 with Nevada Secretary of State, the general terms of RCPS are as follows:

The RCPS is ranked senior to all classes or series of the Company’s common stock and does not have any voting rights. However, the holders of the RCPS are entitled to receive, when declared by the board of directors, cumulative cash dividends at the rate of 10% per annum on each \$1.00 per RCPS. On the earlier of (i) any time after the Nasdaq Stock Market LLC’s (“Nasdaq”) approval of the Company’s listing application for the Company’s Common Stock on Nasdaq; and (ii) a resolution of the Board authorizing the conversion of the RCPS, a holder shall have the right to convert one (1) share of RCPS into one (1) share of Common Stock. The Company may also, at its option, redeem the RCPS for cash at a redemption price of \$2.50 per share plus any accumulated and unpaid dividends thereon. Notwithstanding, all outstanding RCPS shall be redeemable by the Company on the second anniversary of the issuance date thereof.

13. SEGMENT INFORMATION

In accordance with ASC 280, Segment Reporting, operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the CODM or decision-making group, in deciding how to allocate resources and in assessing performance. The Company uses the “management approach” in determining reportable operating segments. The management approach considers the internal organization and reporting used by the Company’s CODM for making operating decisions and assessing performance as the source for determining the Company’s reportable segments. Management, including the CODM, reviews operating results by the revenue of different services. Based on management’s assessment, the Company has determined that it has one operating segment as defined by ASC 280.

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, and is identified on the basis of the internal financial reports that are provided to and regularly reviewed by the Company’s chief operating decision maker in order to allocate resources and assess performance of the segment.

The Company’s services have similar economic characteristics with respect to marketing and promotions, customers and methods of distribution. The Company’s chief operating decision maker has been identified as the Chief Executive Officer, who reviews consolidated results when making decisions about allocating resources and assessing performance of the Company, rather than by product types or geographic area; hence the Company has only one reporting segment.

The disaggregation of revenue of the Company for the years ended September 30, 2024 and 2023 is as follows:

	For the years ended September 30,	
	2024	2023
Commission from Selling of Vouchers	\$ 99,684	\$ -
Commission from Selling of travel and tour packages	6,487,000	-
Membership Fees	537,584	379,000
Property Rental Income	6,000	18,000
Total revenue	\$ 7,130,268	\$ 397,000