

HWGG Entertainment Limited

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

(603) 2141 – 6422
www.hwgg.com.my
ongkt@hwgg.com.my
SIC code: 7389

Annual Report **For the year ending: December 31, 2023** (the “Reporting Period”)

Outstanding Shares

The number of shares outstanding of our Common Stock was:

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

As of December 31, 2022, the number of shares outstanding of our Common Stock was: 500,027,774.

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 Control¹ of the company has occurred over this reporting period:

Yes: ☒ No: ☐

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

In answering this item, provide the current name of the issuer any 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.

¹ “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.

The state of incorporation or registration of the issuer and of each of its predecessors (if any) during the past five years; Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

The Company was incorporated in Nevada on August 22, 2014 and is active as at the date of reporting.

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors since inception:

None.

List any stock split, stock 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 the members 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.

The address(es) of the issuer's principal executive office:

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

The address(es) 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: 31/12/2023
Total shares outstanding:	24,660,272 as of date: 31/12/2023

Other classes of authorized or outstanding equity securities

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). Use the fields below to provide the information, as applicable, for all other authorized or outstanding equity securities.

Exact title and class of securities outstanding:	Preferred Stock
CUSIP (if applicable):	-
Par or Stated Value:	\$0.0002
Total shares authorized:	30,000,000 as of date: 31/12/2023
Total shares outstanding (if applicable):	0 as of date: 31/12/2023
Total number of shareholders of record (if applicable):	0 as of date: 31/12/2023

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 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 a holder 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, any corporate exercise, 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 of 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

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

No: ☐ Yes: ☒

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: <p style="text-align: center;"><u>Ending Balance:</u></p> Date: March 28, 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:

No: ☒ Yes: ☐

4) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations.

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 property through our wholly owned subsidiary, Ho Wah Genting Group Sdn Bhd ("HWGG"). 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.

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

The Company wholly owns two subsidiaries: HWGG and 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 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 are entitled to RM500 as profit.

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 a potential investor 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, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

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) Officers, Directors, and Control Persons

Using the table below, please provide information, as of the period end date of this report, regarding any officers, or directors of the company, individuals or entities controlling more than 5% of any class of the issuers securities, or any person that performs a similar function, regardless of the number of shares they own. **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 in the note section.**

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 an investor 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 shareholders.

Name of Officer/Director and Control Person	Affiliation with Company (e.g. Officer/Director/Owner of more than 5%)	Residential Address (City /State Only)	Number of shares owned	Share type/classes	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 and Director	No. 37, Jalan 14/37, Taman Bukit Maluri, Kepong, 52100 Kuala Lumpur, Malaysia.	654,953	Common	2.66%	N/A
Thong Wai Lun, Eddy	Treasurer, Secretary and Director	45, Jalan Ch 1, Taman Cheras Hartamas, 43200 Cheras, Selangor, Malaysia.	3,000	Common	0.01%	N/A
Yap Hui Ling	Director	Unit B-9-13, Block B, Sterling Condominium, Jalan SS7/19 47301, Petaling Jaya, Selangor, Malaysia.	-	-	-	N/A
Low Huu Yau	Director	Lot 17, Kampung Baru Tambahan, Lorong KBT 3, Ulu Yam Lama, 44300 Batang Kali, Ulu Selangor, Malaysia.	1,000,000	Common	4.06%	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

7) Legal/Disciplinary History

A. Please identify whether any of the persons listed above have, in the past 10 years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

None.

2. 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, or banking activities;

None.

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

None.

4. The entry 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.

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 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.

Securities Counsel

Name: Ross Carmel

Firm: Sichenzia Ross Ference Carmel LLP

Address 1: 1185 Avenue of the Americas, 31st Floor,

Address 2: New York, NY 10036, USA.

Phone: (212) 930-9700

Email: rcarmel@srfc.law

Accountant or Auditor

Name: Wong Kian Kok

Firm: Pan-China Singapore PAC

Address 1: 80, South Bridge Road, #04/02, Golden Castle Building,

Address 2: Singapore 058710.

Phone: (65) 90272118

Email: wkk@pccpa.com.sg

Investor Relations

Name: None

Firm:
Address 1:
Address 2:
Phone:
Email:

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) Financial Statements

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

☐ IFRS
☒ U.S. GAAP

B. The financial statements for this reporting period 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: Ow Kim Seng is the Chief Financial Officer of the Company.

HWGG ENTERTAINMENT LIMITED

FINANCIAL STATEMENTS

(UNAUDITED)

HWGG ENTERTAINMENT LIMITED AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEET
(Unaudited)

	Dec 31, 2023	Dec 31, 2022
	<u>USD</u>	<u>USD</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	9,966	409,315
Account receivables	28,756	-
Other receivables, deposits and prepayment	7,001,104	9,838,489
Amount due from related party	441,330	757,756
Short-term investments	17,516,145	1,329,405
TOTAL CURRENT ASSETS	24,997,301	12,334,965
NON-CURRENT ASSETS		
Intangible asset	15,250	-
Property and equipment, net	259,731	121,641
TOTAL NON-CURRENT ASSETS	274,981	121,641
TOTAL ASSETS	25,272,282	12,456,606
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Other payables and accrued expenses	1,243,894	20,031,860
Amounts due to related party	3,143,662	10,578,917
TOTAL CURRENT LIABILITIES	4,387,556	30,610,777
TOTAL LIABILITIES	4,387,556	30,610,777
STOCKHOLDERS' EQUITY		
Preferred stock (Par value \$0.0002: 30,000,000 shares authorized; and 0 shares issued and outstanding as of December 31, 2023 and December 31, 2022, respectively)	—	—
Common stock (Par value of \$0.0002: 750,000,000 shares authorized; 24,660,272 shares and 500,027,774 shares issued and outstanding as of December 31, 2023 and December 31, 2022, respectively)	100,006	100,006
Additional paid in capital	34,266,580	302,166
Merger reserves	(9,920,794)	-
Accumulated deficit	(4,398,250)	(19,058,871)
Accumulated other comprehensive income	837,184	502,528
TOTAL STOCKHOLDERS' EQUITY	20,884,726	(18,154,171)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	25,272,282	12,456,606

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

HWGG ENTERTAINMENT LIMITED AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Unaudited)

	Twelve Months Ended December 31,	
	2023	2022
	<u>USD</u>	<u>USD</u>
Revenue	1,773,551	5,457
Cost of Goods Sold	(1,039,222)	(1,981)
Gross Profit	<u>734,329</u>	<u>3,476</u>
Administrative Expenses	(2,104,128)	(4,333,997)
OPERATING LOSS	<u>(1,369,799)</u>	<u>(4,330,521)</u>
Other Income	16,377,581	12,082
Other Operating Expenses	(347,161)	(1,685,344)
OTHER INCOME/(EXPENSE), NET	<u>16,030,420</u>	<u>(1,673,262)</u>
NET PROFIT/(LOSS)	<u>14,660,621</u>	<u>(6,003,783)</u>
Foreign currency translation adjustment	334,656	(234,851)
TOTAL COMPREHENSIVE PROFIT/(LOSS)	<u>14,995,277</u>	<u>(6,238,634)</u>
Weighted average number of shares outstanding during the period - basic and diluted	24,660,272	500,027,774
Net gain/(loss) per share – basic and diluted	<u>0.59</u>	<u>(0.01)</u>

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

HWGG ENTERTAINMENT LIMITED AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited)

	Common Stock Shares	Amount	Additional Paid Up Capital	Merger reserves	Accumulated Deficit	Accumulated Other comprehensive income (loss)	Total
	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>
Balances at December 31, 2021	500,027,774	100,006	302,166		- (13,055,088)	737,379	(11,915,537)
Net Loss	-	-	-	-	(6,003,783)	-	(6,003,783)
Foreign currency translation gain	-	-	-	-	-	(234,851)	(234,851)
Balances at December 31, 2022	500,027,774	100,006	302,166		- (19,058,871)	502,528	(18,154,171)
Net Profit	-	-	-	-	14,660,621	-	14,660,621
Reverse stock split	(490,022,307)	-	-	-	-	-	-
Issuance of stock	14,654,805	-	33,964,414	-	-	-	33,964,414
Acquisition of subsidiaries				(9,920,794)	-	-	(9,920,794)
Merger Reserve							
Foreign currency translation loss	-	-	-	-	-	334,656	334,656
Balances at December 31, 2023	24,660,272	100,006	34,266,580	(9,920,794)	(4,398,250)	837,184	20,884,726

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

HWGG ENTERTAINMENT LIMITED AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Twelve months ended December 31,	
	2023	2022
	<u>USD</u>	<u>USD</u>
CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit/(Loss) Before Tax	14,660,621	(6,003,783)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation – property and equipment	38,353	29,632
(Gain)/Loss from disposal of property, plant and equipment	-	(14,576)
Fair value (gain)/loss on short-term investment	(16,186,740)	-
Accounts receivables	(28,756)	-
Other receivables, deposits and prepayment	2,837,385	1,270,279
Other payables and accrued expenses	(18,787,966)	3,022,268
NET CASH USED IN OPERATING ACTIVITIES	(17,467,103)	(1,696,180)
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(176,443)	(3,293)
Purchase of short-term investments	-	151,332
Proceed from disposal of property, plant and equipment	-	37,598
Acquisition of subsidiaries, net cash acquired	79,206	-
Acquisition of intangible assets	(15,250)	-
NET CASH GENERATED (USED IN)/FROM INVESTING ACTIVITIES	(112,487)	185,637
CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from related parties	16,845,585	1,485,133
NET CASH GENERATED FROM FINANCING ACTIVITIES	16,845,585	1,485,133
EFFECT OF EXCHANGE RATES ON CASH	334,656	(225,626)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(399,349)	(251,036)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	409,315	660,351
CASH AND CASH EQUIVALENTS AT END OF YEAR	9,966	409,315
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	9,966	409,315

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

HWGG ENTERTAINMENT LIMITED AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note A- Basis of Presentation and Accounting Policies

The accompanying unaudited condensed financial statements have been prepared in accordance with accounting principles generally accepted in the United States for financial information. Accordingly, they do not include all the information and footnotes required by accounting principles generally accepted in the United States for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation have been included. The interim unaudited consolidated financial statements should be read in conjunction with those unaudited consolidated financial statements included in this Annual Report.

On August 2, 2018, the Company filed a Form-15 with the SEC to deregister its common stock and suspend its reporting obligations under the Securities Exchange Act of 1934, as amended (the “Exchange Act”). The Company believes that the deregistering its common stock will reduce significant expenses associated with regulatory compliance and that will be able to reallocate our resources towards improving growth and profitability. Our stock is currently traded on the OTC Pink operated by OTC Markets.

Note B: Stockholder's Equity

Common Stock

The Company's authorized common stock is \$0.0002: 750,000,000 shares, with the issued and outstanding shares of 24,660,272 and 500,027,774 during the year ended December 31, 2023 and 2022, respectively.

Preferred Stock

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 a holder 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, any corporate exercise, 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 of 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.

No issuance of RCPS has occurred as of December 31, 2023.

Note C- Stock-Based Compensation

The Company did not have any stock-based compensation.

10) Issuer Certification

Principal Executive Officer:

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.

/s/ Mok Lip Bin

Mok Lip Bin

Principal Executive Officer

Date: March 28, 2024

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.

/s/Ow Kim Seng

Ow Kim Seng

Principal Financial Officer

Date: March 28, 2024