

November 15, 2023



Treasure Global Reports First Quarter Fiscal Year 2024 Results

Increased Registered Users to Over 2.66 Million as of November 6, 2023

Reported Gross Profit of Approximately \$0.16 Million for First Quarter Fiscal 2024, up 338% Year-Over-Year

Unveiled AI Robot for TikTok Live Commerce, Offering Extended Hours and Personalization of E-Commerce Experience

Launched Its ZCITY App Merchant AI Engine in Collaboration with Boost, the Regional Fintech Arm of Axiata

Announced Partnership with UCSI Hospital to Promote the Malaysia Healthcare Tourism Program, with Revenue Generation Opportunity for TGL

NEW YORK and KUALA LUMPUR, Nov. 15, 2023 (GLOBE NEWSWIRE) -- Treasure Global Inc (NASDAQ: TGL) ("TGL," or the "Company"), an innovative technology solutions provider, today reported its financial results for the first quarter of fiscal 2024 ended September 30, 2023, and provided a business update.

"TGL has made significant progress as we continue to grow in the technology and Food & Beverage ("F&B") sectors, while also expanding into new markets," said Sam Teo, Chief Executive Officer of TGL. "Through the integration of our artificial intelligence ("AI") technology chatbot into ZCITY, we showed our capability as an agile technology solutions company and a leader in the AI-driven e-commerce space. We have since announced several new offerings across our platforms that demonstrate leading-edge innovation, including TikTok Live Commerce, a platform for live commerce sessions built on AI-technology from Tencent, and the release of TAZTE 2.0, an upgraded version of our digital F&B management system."

"Through strategic partnerships recently secured, we expanded our addressable markets beyond Malaysia into Indonesia and also into new segments, which we believe will provide new streams to generate revenue. We have proven that we can respond to changing market demand in order to stay relevant to our customers, shifting into areas such as travel and health and wellness. For the remainder of fiscal 2024, we are focused on further growing our total addressable markets, converting them to new revenue channels and continuing to grow margins and profit further," Mr. Teo concluded.

Recent Business Highlights

- Over 2.66 million Registered Users as of November 6, 2023.
- 36% of Paid Users transacted three or more times in the quarter.

- Quarterly Active Users for the quarter ending September 30, 2023, were 187,180.
- Paid Users increased by 4.7% year-over-year.
- A total of 1.33 million transactions were transacted by our registered users over the first quarter and quarter to date for fiscal year 2024.
- Integrated Jojo, the personalized AI-chatbot assistant, into the Company's ZCITY app.
- Launched TAZTE 2.0, an upgraded version of the Company's digital food and beverage F&B management system with increased functionality for users.
- Announced the introduction of an AI robot that conducts extended-hour live commerce sessions on TikTok.
- Launched its ZCITY App Merchant AI engine in collaboration with Boost, the regional fintech arm of Axiata.
- Signed a Letter of intent to create an e-commerce venture in Indonesia called PT Harmoni Bagi Dunia ("HBD") which gives HBD exclusive rights to operate the ZCITY app in Indonesia. This venture was formed with industry pioneers Ariadi Anaya and Budihardjo Iduansjah, and TGL will hold a 70% stake in HBD.
- Signed a collaboration agreement with VCI Global Limited, a consulting group, to develop an AI-powered travel platform.
- Signed a Memorandum of Understanding with the Malaysia Retail Chain Association, laying the foundation for TGL to become its exclusive partner as the recommended digital F&B Management solution to its members in Malaysia.
- Announced a partnership with UCSI Hospital to formalize to promote the Malaysia Healthcare Tourism program. ZCITY's enogy, a provider of health and wellness products available in the ZCITY app, will play a significant role in the spearheading of health tourism and stem cell therapies in the Indonesia, Hong Kong and China markets.
- Collaborated with Borderland Music Festival 2023 to provide the first cashless ticketing platform for a music festival in Malaysia using the Company's proprietary ZCITY platform.
- Partnered with the Ministry of Domestic Trade and Cost of Living with the launch of "Package Rahmah" which is part of the Malaysian government's cost-saving initiatives. This will utilize TGL's ZCITY app which is part of TGL's unique digital lifestyle platform.
- Announced that a popular F&B brand under the Treasure Global umbrella Abe Yus Malaysia ("Abe Yus"), had gained access to the Perbadanan Nasional Berhad Pre-Franchise Program. This allows Bumiputera entrepreneurs to access startup financing and encourages culinary development. Also subsequently announced that Abe Yus will expand its distribution to supply its best-selling curry puffs to the world's largest convenience store.

Financial Results for the First Quarter of Fiscal Year 2024

Total revenues for the first quarter ended September 30, 2023, were \$13.5 million, compared with \$15.6 million for the first quarter in 2023. The decrease in revenues was primarily due to the Company's focus on increasing growth in higher-margin revenue channels.

Gross profit for the first quarter 2024 was approximately \$0.16 million, a 338% improvement year-on-year, from approximately \$0.04 million for the first quarter 2023. The increase in gross profit was primarily due to initiatives mentioned above that the Company is implementing to grow gross margins.

Net loss of approximately \$2.1 million for the first quarter of 2024, compared to \$3.7 million for the first quarter of 2023.

Cash and cash equivalents were approximately \$2.6 million as of September 30, 2023, compared to approximately \$7.0 million as of September 30, 2022.

Outlook for Second Quarter 2024

The Company believes it is well-positioned to capitalize on the economic growth of South-East Asia, executing on its plans to expand further into Indonesia and the region more broadly.

For fiscal year 2024, TGL is focused on increasing gross profit, by increasing user engagement through the development of new products and services to grow engagement and stickiness of users, thereby generating higher profit and margins, as well as further growing its user base and addressable market.

Conference Call and Webcast Information

The Company will host a conference call and audio webcast today, Wednesday, November 15th at 8:30 a.m. Eastern Time featuring remarks by Sam Teo, Chief Executive Officer of TGL and Michael Chan, Chief Financial Officer of TGL.

Event: Treasure Global First Quarter of Fiscal Year 2024 Results Conference Call
Date: Wednesday, November 15, 2023
Time: 8:30 a.m. Eastern Time
Live Call: +1-877-704-4453 (Toll Free) or +1-201-389-0920 (International)
Webcast: https://viaid.webcasts.com/starthere.jsp?ei=1639237&tp_key=10cd9eef1c

For interested individuals unable to join the conference call, a replay will be available through November 29, 2023, at +1-844-512-2921 (U.S. Toll Free) or +1-412-317-6671 (International). Participants must use the following code to access the replay of the call: 13742080. An archived version of the webcast will also be available on TGL's Investor Relations site: <https://ir.treasureglobal.co/>.

About Treasure Global Inc

Treasure Global is a Malaysian solutions provider developing innovative technology platforms. Treasure Global has developed two technology solutions: the ZCITY App, a unique digital ecosystem that transforms and simplifies the e-payment experience for consumers, while simultaneously allowing them to earn rewards; and TAZTE, a digital F&B management system providing merchants with a one-stop management and automated solution to digitize their businesses. Treasure Global also acts as a master franchiser in South-East Asia for popular restaurant chains, while providing them with the TAZTE solution. As of November 6, 2023, ZCITY had over 2,660,000 registered users.

For more information, please visit <https://treasureglobal.co/>.

Forward Looking Statements

This press release may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange

Act of 1934, as amended. Such forward-looking statements are characterized by future or conditional verbs such as “may,” “will,” “expect,” “intend,” “anticipate,” “believe,” “estimate” and “continue” or similar words. You should read statements that contain these words carefully because they discuss future expectations and plans, which contain projections of future results of operations or financial condition or state other forward-looking information. Forward-looking statements are not guarantees of future performance, are based on certain assumptions, and are subject to various known and unknown risks and uncertainties, many of which are beyond the control of the Company, including those set forth in the Risk Factors section of the Company’s Annual Report on Form 10-K for the fiscal year ended June 30, 2023 and subsequent filings filed with the Securities Exchange Commission (“SEC”). Copies of these documents are available on the SEC’s website, www.sec.gov. These forward-looking statements cannot be predicted or quantified and consequently, actual results may differ materially from those expressed or implied by such forward-looking statements. The Company undertakes no obligation to update these statements for revisions or changes after the date of this release, except as required by law.

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**TREASURE GLOBAL INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS**

	September 30, 2023	June 30, 2023
	(Unaudited)	(Audited)
ASSETS		
Current assets		
Cash and cash equivalents	\$ 2,616,384	\$ 4,593,634
Accounts receivable, net	152,823	163,169
Inventories	382,995	400,543
Other receivables and other current assets	761,631	613,125
Other receivable, a related party	12,303	12,379

Prepayments	254,220	248,551
Total current assets	<u>4,180,356</u>	<u>6,031,401</u>
Other assets		
Property and equipment, net	247,403	279,600
Operating lease right-of-use assets	51,351	61,377
Investment in marketable securities	1,060,172	-
Total other assets	<u>1,358,926</u>	<u>340,977</u>
Total assets	\$ 5,539,282	\$ 6,372,378

LIABILITIES AND STOCKHOLDERS' DEFICIENCY

Current liabilities

Related party loan, current portion	\$ 5,494	\$ 5,323
Insurance loan	80,736	160,292
Convertible notes payable, net of unamortized discounts of \$119,402 and \$358,284 as of September 30, 2023 and June 30, 2023, respectively	3,730,598	4,791,716
Accounts payable	133,847	42,853
Customer deposits	152,814	161,475
Contract liability	1,209,171	157,080
Other payables and accrued liabilities	717,600	723,396
Other payables, related parties	3,948	1,660
Amount due to related parties	319,815	320,960
Operating lease liabilities	31,733	40,274
Income tax payables	62,589	67,546
Total current liabilities	<u>6,448,344</u>	<u>6,472,575</u>

Non-current liabilities

Operating lease liabilities, non-current	20,546	22,036
Related party loan, non-current portion	6,755	8,099
Total non-current liabilities	<u>27,301</u>	<u>30,135</u>
Total liabilities	<u>6,475,645</u>	<u>6,502,710</u>

Commitments and contingencies (Note 16)

STOCKHOLDERS' DEFICIENCY

Common stock, par value \$0.00001; 170,000,000 shares authorized, 20,723,825 and 17,901,353 shares issued and outstanding as of September 30, 2023 and June 30, 2023, respectively

	208	180
Additional paid-in capital	32,811,166	31,485,556
Accumulated deficit	(33,575,163)	(31,443,451)

Accumulated other comprehensive loss	(172,574)	(172,617)
Total stockholders' deficiency	<u>(936,363)</u>	<u>(130,332)</u>
Total liabilities and stockholders' deficiency	\$ 5,539,282	\$ 6,372,378

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

TREASURE GLOBAL INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND
COMPREHENSIVE LOSS

	For the Three Months Ended September 30,	
	<u>2023</u>	<u>2022</u>
	(Unaudited)	(Unaudited)
Revenue	\$ 13,463,895	\$ 15,556,340
Cost of revenue	<u>(13,301,261)</u>	<u>(15,519,247)</u>
Gross profit	162,634	37,093
Selling	(761,703)	(1,293,030)
General and administrative	(1,237,167)	(810,746)
Research and development	(82,392)	(129,297)
Stock-based compensation	-	(439,332)
Total operating expenses	<u>(2,081,262)</u>	<u>(2,672,405)</u>
Loss from operations	<u>(1,918,628)</u>	<u>(2,635,312)</u>
Other (expense) income		
Other income, net	28,400	14,325
Interest expense	(47,849)	(41,785)
Unrealized holding gain on marketable securities	60,172	-
Amortization of debt discount	(238,882)	(998,076)
Total other expense, net	<u>(198,159)</u>	<u>(1,025,536)</u>
Loss before income taxes	(2,116,787)	(3,660,848)

Provision for income taxes	<u>(14,925)</u>	<u>(11,500)</u>
Net loss	(2,131,712)	(3,672,348)
Other comprehensive income (loss)		
Foreign currency translation adjustment	<u>43</u>	<u>(135,276)</u>
Comprehensive loss	\$ (2,131,669)	\$ (3,807,624)
Loss per share		
Basic and diluted	\$ (0.11)	\$ (0.26)
Weighted average number of common shares outstanding		
Basic and diluted	19,051,153	13,909,851

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



Source: Treasure Global Inc.