

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-1
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

Treasure Global Inc

(Exact name of registrant as specified in its charter)

Delaware

(State or Other Jurisdiction of
Incorporation or Organization)

7389

(Primary Standard Industrial
Classification Code Number)

36-4965082

(I.R.S. Employer
Identification No.)

**276 5th Avenue, Suite 704 #739
New York, New York 10001
+6012 643 7688**

(Address, including zip code, and telephone number, including area code,
of registrant's principal executive offices)

**Chong Chan "Sam" Teo
Chief Executive Officer
Treasure Global Inc
276 5th Avenue, Suite 704 #739
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(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

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[*]

Approximate date of commencement of proposed sale to the public: **As soon as practicable after the effective date of this Registration Statement.**

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933 check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided to Section 7(a)(2)(B) of the Securities Act.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission acting pursuant to said Section 8(a), may determine.

EXPLANATORY NOTE

Pursuant to the applicable provisions of the Fixing America's Surface Transportation (FAST) Act, we are omitting our combined unaudited financial statements for the nine months ended March 31, 2023 and 2022. While this financial information is otherwise required by Regulation S-X, we reasonably believe that it will not be required to be included in the prospectus at the time of the contemplated offering. We intend to amend this registration statement to include all financial information required by Regulation S-X at the date of such amendment before distributing a preliminary prospectus to investors.

The information in this prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any state or other jurisdiction where the offer or sale is not permitted.

Subject to Completion, dated August [*], 2023

PRELIMINARY PROSPECTUS

[*] Shares of Common Stock

Pre-funded Warrants to Purchase [*] Shares of Common Stock



TREASURE GLOBAL INC

Treasure Global Inc

Treasure Global Inc is offering [*] shares of its common stock, par value, \$0.00001 per share, at an assumed offering price of \$[*] per share, based upon the last reported sale price of our common stock on The Nasdaq Capital Market on [*], 2023.

We are also offering to those purchasers, if any, whose purchase of common stock in this offering would otherwise result in the purchaser, together with its affiliates and certain related parties, beneficially owning more than 4.99% (or, at the election of the purchaser, 9.99%) of our outstanding common stock immediately following the consummation of this offering, the opportunity to purchase, if the purchaser so chooses, pre-funded warrants (each a "Pre-funded Warrant") at an exercise price of \$0.00001 per share. The purchase price of each Pre-funded Warrant is equal to the price per share of common stock being sold to the public in this offering, minus \$[*]. The Pre-funded Warrants will be immediately exercisable and may be exercised at any time until all of the Pre-funded Warrants are exercised in full.

For each Pre-funded Warrant we sell, the number of shares of common stock we are offering will be decreased on a one-for-one basis. The offering also includes the shares of common stock issuable from time to time upon exercise of the Pre-Funded Warrants.

Our common stock is listed on The Nasdaq Capital Market under the symbol "TGL." The closing price of our common stock on [*], 2023, as reported by The Nasdaq Capital Market, was \$[*]. There is no established trading market for the pre-funded warrants and we do not intend to list the pre-funded warrants on any securities exchange or nationally recognized trading system.

We have agreed pursuant to the terms in an underwriting agreement dated the date of this prospectus, to grant [*], the underwriter, a 45-day over-allotment option exercisable from the date of this prospectus, to purchase up to an additional [*] shares of common stock and/or Pre-funded Warrants (15% of the shares of common stock and the Pre-funded Warrants sold in this offering).

We intend to use the proceeds from this offering for general corporate purposes, including investments. See "Use of Proceeds."

Investing in our securities involves a high degree of risk. See "Risk Factors" beginning on page 13 of this prospectus for a discussion of information that should be considered in connection with an investment in our securities.

Neither the Securities and Exchange Commission ("SEC") nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

We are an "emerging growth company" as that term is used in the Jumpstart Our Business Start-ups Act of 2012 (the "Jobs Act"), and we have elected to comply with certain reduced public company reporting requirements.

	Per Share	Per Pre-Funded Warrant	Total ⁽¹⁾
Public offering price	\$	\$	\$
Underwriting discounts and commissions ([*]%)	\$	\$	\$
Non-accountable expense allowance ([*]%)	\$	\$	\$
Proceeds to us (before expenses), to us	\$	\$	\$

(1) The amount of offering proceeds to us presented in this table does not give effect to any exercise of the underwriter's over-allotment option (if any) we have granted to the underwriter as described above.

For additional information regarding our arrangement with the underwriter, please see "Underwriting" beginning on page 81.

The underwriter expects to deliver the shares against payment on _____, 2023.

[*]

Prospectus dated _____, 2023

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You should rely only on the information contained in this prospectus or any prospectus supplement or amendment. Neither we, nor the underwriters, have authorized any other person to provide you with information that is different from, or adds to, that contained in this prospectus. If anyone provides you with different or inconsistent information, you should not rely on it. Neither we nor the underwriters take responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. You should assume that the information contained in this prospectus or any free writing prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of our securities. Our business, financial condition, results of operations and prospects may have changed since that date. We are not making an offer of any securities in any jurisdiction in which such offer is unlawful.

No action is being taken in any jurisdiction outside the United States to permit a public offering of our securities or possession or distribution of this prospectus in that jurisdiction. Persons who come into possession of this prospectus in jurisdictions outside the United States are required to inform themselves about and to observe any restrictions as to this public offering and the distribution of this prospectus applicable to that jurisdiction.

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ABOUT THIS PROSPECTUS

Throughout this prospectus, unless otherwise designated or the context suggests otherwise,

- all references to the “Company,” “TGI,” the “registrant,” “we,” “our” or “us” in this prospectus mean Treasure Global Inc and its subsidiaries;
- “year” or “fiscal year” means the year ending June 30th;
- all dollar or \$ references, when used in this prospectus, refer to United States dollars; and
- all RM or MYR references, when used in this prospectus, refer to Malaysian Ringgit.

MARKET DATA

Market data and certain industry data and forecasts used throughout this prospectus were obtained from internal company surveys, market research, consultant surveys, publicly available information, reports of governmental agencies and industry publications and surveys. Industry surveys, publications, consultant surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. To our knowledge, certain third-party industry data that includes projections for future periods does not take into account the effects of the worldwide coronavirus pandemic. Accordingly, those third-party projections may be overstated and should not be given undue weight. Forecasts are particularly likely to be inaccurate, especially over long periods of time. In addition, we do not necessarily know what assumptions regarding general economic growth were used in preparing the forecasts we cite. Statements as to our market position are based on the most currently available data. While we are not aware of any misstatements regarding the industry data presented in this prospectus, our estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed under the heading “Risk Factors” in this prospectus.

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PROSPECTUS SUMMARY

This summary provides a brief overview of the key aspects of our business and our securities. The reader should read the entire prospectus carefully, especially the risks of investing in our common stock discussed under “Risk Factors.” Some of the statements contained in this prospectus, including statements under “Summary” and “Risk Factors” as well as those noted in the documents incorporated herein by reference, are forward-looking statements and may involve a number of risks and uncertainties. Our actual results and future events may differ significantly based upon a number of factors. The reader should not put undue reliance on the forward-looking statements in this document, which speak only as of the date on the cover of this prospectus.

Solely for convenience, our trademarks and tradenames referred to in this registration statement, may appear without the ® or ™ symbols, but such references are not intended to indicate in any way that we will not assert, to the fullest extent under applicable law, our rights to these trademarks and tradenames. All other trademarks, service marks and trade names included in this prospectus are the property of their respective owners.

Our Mission

Our mission is to bring together the worlds of online e-commerce and offline physical retailers; widening consumer choice and rewarding loyalty, while sustaining and enhancing our earning potential.

Our Company

We have created an innovative online-to-offline (“O2O”) e-commerce platform business model offering consumers and merchants instant rebates and affiliate cashback programs, while providing a seamless e-payment solution with rebates in both e-commerce (i.e., online) and physical retailers/merchant (i.e., offline) settings.

Our proprietary product is an internet application (or “App”) branded “ZCITY App”, which was developed through our wholly owned subsidiary, ZCity Sdn. Bhd. (formerly known as Gem Reward Sdn. Bhd, changed name on July 20, 2023) (“ZCITY”). The ZCITY App was successfully launched in Malaysia in June 2020. ZCITY is equipped with the know-how and expertise to develop additional/add-on technology-based products and services to complement the ZCITY App, thereby growing its reach and user base.



Through simplifying a user’s e-payment gateway experience, as well as by providing great deals, rewards and promotions with every use, we aim to make the ZCITY App Malaysia’s top reward and payment gateway platform. Our longer-term goal is for the ZCITY App and its ever-developing technology to become one of the most well-known commercialized applications more broadly in Southeast Asia and Japan.

As of July 31, 2023, we had over 2,599,836 registered users and over 2,032 registered merchants.

Our Consumer Business

SEA consumers have access to a plethora of smart ordering, delivery and “loyalty” websites and apps, but in our experience, SEA consumers very rarely receive personalized deals based on their purchases and behavior.

The ZCITY App targets consumers by providing personalized deals based on consumers’ purchase history, location and preferences. Our technology platform allows us to identify the spending trends of our customers (the when, where, why, and how much). We are able to offer these personalized deals through the application of our proprietary artificial intelligence (or “AI”) technology that scours the available database to identify and create opportunities to extrapolate the greatest value from the data, analyze consumer behavior and roll out attractive rewards-based campaigns for targeted audiences. We believe this AI technology is currently a unique market differentiator for the ZCITY App.

We operate our ZCITY App on the hashtag: “#RewardsOnRewards”. We believe this branding demonstrates to users the ability to spend ZCITY App-based Reward Points (or “RP”) and “ZCITY Cash Vouchers” with discount benefits at checkout. Additionally, users can use RP while they earn rewards from selected e-Wallet or other payment methods.

ZCITY App users do not require any on-going credit top-up or need to provide bank card number with their binding obligations. We have partnered with Malaysia’s leading payment gateway, IPAY88, for secure and convenient transactions. Users can use our secure platform and enjoy cashless shopping experiences with rebates when they shop with e-commerce and retail merchants through trusted and leading e-wallet providers such as Touch’n Go eWallet, Boost eWallet, GrabPay eWallet and credit card/online banking like the “FPX” (the Malaysian Financial Process Exchange) as well as more traditional providers such as Visa and Mastercard.

Our ZCITY App also provides the following functions:

1. **Registration and Account verification**
Users may register as a ZCITY App user simply by using their mobile device. They can then verify their ZCITY App account by submitting a valid email address to receive new user “ZCITY Newbie Rewards”.
2. **Geo-location-based Homepage**
Based on users’ location, nearby merchants and exclusive offers are selected and directed to them on their homepage for a smooth, user-friendly interaction.
3. **Affiliate Partnership**
Our ZCITY App is affiliated with more than 5 local services providers such as Shopee and Lazada. The ZCITY App allows users to enjoy more rewards when they navigate from the ZCITY App to a partner’s website.
4. **Bill Payment & Prepaid service**
Users can access and pay utility bills, such as water, phone, internet and TV bills, while generating instant discounts and rewards points with each payment.
5. **Branded e-Vouchers**
Users can purchase their preferred e-Vouchers with instant discounts and rewards points with each checkout.
6. **User Engagement through Gamification**
Users can earn daily rewards by playing our ZCITY App minigame “Spin & Win” where they can earn further ZCITY RP, ZCITY e-Vouchers as well as monthly grand prizes.

ZCITY has collaborated with the Ministry of Domestic Trade and Cost of Living (KPDN) for the launch of the ‘Payung Rahmah’ program (ZCITY RAHMAH Package). This program offers a comprehensive package of living essential e-vouchers on the ZCITY app for items such as petrol, food, and bills. ZCITY users will be able to purchase vouchers for these items at reduced prices, thereby assisting low-income Malaysians and helping to address this societal challenge.

7. ZCITY RAHMAH Package

ZCITY has collaborated with the Ministry of Domestic Trade and Cost of Living (KPDN) for the launch of the 'Payung Rahmah' program (ZCITY RAHMAH Package). This program offers a comprehensive package of living essential e-vouchers on the ZCITY app for items such as petrol, food, and bills. ZCITY users will be able to purchase vouchers for these items at reduced prices, thereby assisting low-income Malaysians and helping to address this societal challenge.

8. TAZTE Smart F&B system

ZCITY App offers a "Smart F&B" system that provides a one stop solution and digitalization transformation for all registered Food and Beverage ("F&B") outlets located in Malaysia. It also allows merchants to easily record transactions with QR Digital Payment technology, set discounts and execute RP redemptions and rewards online on the ZCITY App.

9. Zstore

Zstore is ZCITY App's e-mall service that offers group-buys and instant rebate to users with embedded AI and big data analytics to provide an express shopping experience.

Reward Points. Operating under the hashtag #RewardsOnRewards, we believe the ZCITY App reward points program encourages users to sign up on the App, as well as increasing user engagement and spending on purchases/repeat purchases and engenders user loyalty.

Furthermore, we believe the simplicity of the steps to obtaining Reward Points (or "RP") is an attractive incentive to user participation in that participants receive:

- 200 RP for registration as a new user;
- 100 RP for referral of a new user;
- Conversion of Malaysian ringgit spent into RP;
- 50% RP of every referred user paid amount as a result of the referral; and
- Spin & Win eligibility to receive RP (which may be "doubled up" when participants share the Spin & Win program on social media).

The key objectives of our RP are:

- **Social Engagement:**
RP are offered to users for increased social engagement.
- **Spending:**
RP incentivizes users with every MYR spent in order to increase the spending potential and to build users loyalty.
- **Sign-up:**
Drives loyalty and greater customer engagement. Every new user onboarded will get 200 RP as a welcoming gift.
- **Referral Program:**
Rewards users with RP when they refer a new user.

Offline Merchant

When using our ZCITY App to make payment to a registered physical merchant, the system will automatically calculate the amount of RP to deduct. The deducted RP amount is based on the percentage of profit sharing as with the merchant and the available RP of the user.

Online Merchant

When using our ZCITY App to pay utility bills or purchase any e-vouchers, our system shows the maximum RP deduction allowed and the user determines the amount of discount deducted subject to maximum deductions described below and the number of RP owned by such user.

Different features have different maximum deduction amounts. For example, for bill payments, the maximum deduction is up to 3% of the bill amount. For e-vouchers, the maximum deduction is up to 5% of the voucher amount.

In order to increase the spending power of the user, our ZCITY App RP program credits RP to the user for all MYR paid.

Merchant Facing Business

At present, our ZCITY merchants are concentrated in the F&B and lifestyle sectors. Moving forward, we plan to expand our product/service offering to include grocery stores, convenience stores, "micro-SME" ("small to medium size enterprises"), affiliate programs and advertising agencies.



We believe ZCITY's TAZTE Smart F&B System ("TAZTE"), launched in the fourth quarter of 2022, provides merchants with a one-stop automated solution to digitalize their business. It offers an innovative and integrated technology ecosystem that addresses and personalizes each merchant's technological needs and aims to be at the forefront of creating a smart consumer experience, thereby eliminating conventional and outdated standalone point of sale (or "POS") systems.

TAZTE allows merchants to effortlessly record transactions with online payment or QR digital payment technology, set discounts and execute RP redemptions and rewards online, all via our ZCITY App. It utilizes ZCITY App's CRM analytics software to attract and retain consumers through personalized, data-driven engagement to generate greater profitability.

TAZTE Smart F&B System also features a 'Deviceless Queue System' that reduces staff headcount and a private domain delivery service that allows merchants access to multiple dedicated delivery partners to ensure outstanding delivery service to consumers.

FOODLINK

As we became closer to the F&B industry and increased our understanding, we saw a significant opportunity that would not only support the distribution of TAZTE, but establish several new revenue streams for us. Our strategic plan is to establish synergies with our technology solutions by becoming a master licensor of F&B companies in Southeast Asia. We will adopt TAZTE into new restaurants, while also receiving revenue from monthly licensing fees and start-up fees with little barrier to entry.

Under the subsidiary named "Foodlink" that TGL has established to house F&B master franchisor activity, the subsidiary will manage all brand royalties and related IP through lease, ownership or JV agreements; and provide F&B consulting including market & product optimization as well as supply chain monetization. TAZTE Smart F&B System shall be adopted in Morgan Global and AY Food Venture licensee holder.

Revenue Model

ZCITY's revenues are generated from a diversified mix of:

- e-commerce activities for users;
- services to merchants to help them grow their businesses; and
- membership subscription fees.

The revenue streams consist of "Consumer Facing" revenues and "Merchant Facing" revenues.

The revenue streams can be further categorized as following: (1) product and loyalty program revenue, (2) transaction revenue, and (3) agent subscription revenue. Please see "Management's Discussion and Analysis- Revenue Recognition."

Corporate Information

Our principal executive offices are located at 276 5th Avenue, Suite 704 #739, New York, New York 10001 and No.29, Jalan PPU 2A, Taman Perindustrian Pusat Bandar Puchong, 47100 Puchong, Selangor, Malaysia. Our corporate website address is <https://treasureglobal.co>. Our ZCITY website address is <https://zcity.io>.

Going Concern

As of December 31, 2022, management has determined there is substantial doubt about the Company's ability to continue as a going concern. For details on this determination, see "Note 2 to our Unaudited Condensed Consolidated Financial Statements set forth in Item 1 of our Quarterly Report on Form 10-Q for the quarterly period ended December 31, 2022."

- Equity financing to support its working capital;
- Other available sources of financing (including debt) from Malaysian banks and other financial institutions; and
- Financial support and credit guarantee commitments from the Company's related parties.

There can be no assurance that the Company will be successful in securing sufficient funds to sustain its operations.

Recent Developments

Tourism AI Application

On July 19, 2023, we entered into a Collaboration Agreement (the “Collaboration Agreement”) with VCI Global Limited (NASDAQ: VCIG) (“VCI Global”), a multi-disciplinary consulting group focused on business and technology, in which VCI Global and us shall collaborate to develop an AI-powered travel platform (“Travel Platform”) which utilizes advanced technology, including high-tech and predictive technology, to assist its users in discovering the best places to visit, explore, dine and engage in various activities during their travel in Malaysia. Furthermore, the Travel Platform aims to facilitate the seamless booking of flights, hotels, car rentals, theme park tickets and concert show tickets. Pursuant to the Collaboration Agreement, VCI Global and us shall share ownership and profits generated from this collaboration on a 50:50 basis.

On July 20, 2023, ZCITY entered into a Software Development Agreement (the “Software Agreement”) with VCI Global, in which ZCITY shall create, design, produce, develop, finalize, commission and deliver to VCI Global the Travel Platform. Pursuant to the Software Agreement, VCI Global shall pay ZCITY in either cash or VCI Global shares of common stock equal to USD \$1 million as service consideration.

Licensing Agreements

Abe Yus

On June 6, 2023, AY Food Ventures Sdn Bhd (“AYFV”), one of our wholly owned subsidiaries entered into a licensing agreement with Sigma Muhibah Sdn Bhd (“Abe Yus”), a food & beverage company, in which Abe Yus granted AYFV the exclusive worldwide right to grant sub-licensees to any third parties to use Abe Yus’ trademarks for its food & beverage business chain (the “Abe Yus Licensing Agreement”). As the master franchisor, AYFV will manage brand loyalty and raw material supply. Under the Abe Yus Licensing Agreement, all the Abe Yus F&B outlets will be obligated to adopt TAZTE, our digital F&B management system, across all our businesses.

Morganfield’s

On May 1, 2023, through our subsidiary, Morgan Global Sdn. Bhd. and Morganfield’s Holdings Sdn. Bhd. (“Morganfield’s”), a restaurant chain specializing in comfort food and American-style barbecue, entered into a Worldwide Master License Agreement (the “Morganfield’s License Agreement”), in which Morganfield’s granted us an exclusive worldwide license to grant sub-licensees to third parties to use Morganfield’s trademarks for the restaurant business. Pursuant to the Morganfield’s License Agreement, Morganfield’s will also adopt our digital food & beverage management system, TAZTE, in its nine franchisees in Malaysia, China and Singapore, accelerating the rollout of TAZTE in the region.

The term of the Morganfield’s License Agreement is for a period of five years, from May 1, 2023 to May 1, 2028, and will automatically renew for another five years upon expiration of the initial term unless the Morganfield’s License Agreement is terminated by either party. We will be entitled the right to collect payment of the total monthly collections from our sub-licensees, namely current licensees and the newly-appointed sub-licensees provided that we pay to Morganfield’s the monthly management fees, the amount of which will range depending on our total monthly collection from our sublicensees in any given period, with a minimum monthly payment of RM 90,000 in year 1, RM 100,000 in year 2, RM 110,000 in year 3, RM 120,000 in year 4 and RM 130,000 in year 5.

Private Placement of Convertible Debentures

Terms of the Convertible Debentures

On February 28, 2023, we entered into the Securities Purchase Agreement (the “Securities Purchase Agreement”) with YA II PN, Ltd. (the “Selling Stockholder”), pursuant to which the Selling Stockholder agreed to purchase the Convertible Debentures, in the aggregate principal amount of up to \$5,500,000 in a private placement (the “Private Placement”) for a purchase price with respect to each Convertible Debenture of 92% of the initial principal amount of such Convertible Debenture. The purchase by the Selling Stockholder of the First Convertible Debenture which has an initial issuance principal amount of \$2,000,000 occurred on February 28, 2023 for a purchase price of \$1,840,000 and the closing of the purchase of the Second Convertible Debenture which has an initial issuance a principal amount of \$3,500,000 occurred shortly after the registration statement related to the prospectus for the shares of common stock issuable upon the conversion of the Convertible Debentures (the “Form S-1”) was declared effective by the SEC for a purchase price of \$3,220,000. The total purchase price paid to us by the Selling Stockholder for the Convertible Debentures in the Private Placement was \$5,060,000. Prior to the execution of the Securities Purchase Agreement and the issuance of the First Convertible Debenture, we paid the Selling Stockholder a one-time \$20,000 due diligence and structuring fee.

Each Convertible Debenture accrues or will accrue interest on its full outstanding principal amount at 4% per annum and has a 12-month term. Assuming no conversions, prepayments or events of default have been made on or occurred with respect to the First Convertible Debenture, on the maturity date thereof, interest of \$80,000 shall have accrued and be payable on the First Convertible Debenture. Upon the occurrence and continuance of an Event of Default (as defined below) with respect to any Convertible Debenture, its per annum interest rate will increase to 15%. As of July 31, 2023, no Event of Default has occurred under the First Convertible Debenture. Upon the occurrence and continuance of an Event of Default under the Second Convertible Debenture, its per annum interest rate will increase to 15%.

“Event of Default” means with respect to any Convertible Debenture: (i) the Company’s failure to pay to amounts due under such Convertible Debenture; (ii) the Company or any subsidiary of the Company is subject to bankruptcy or insolvency proceeding or similar proceeding and such proceedings remain undismissed for a period of sixty one (61) days; (iii) the Company or any subsidiary of the Company shall default in any of its payment obligations under any debenture, mortgage, credit agreement or other facility, indenture agreement, factoring agreement or other instrument under which there may be issued, or by which there may be secured or evidenced any indebtedness for borrowed money or money due under any long term leasing or factoring arrangement of the Company in an amount exceeding \$100,000 and such default shall result in the full amount of such indebtedness becoming or being declared due and payable and such default is not thereafter cured within five (5) Business Days; (iv) the Company’s common stock shall cease to be quoted or listed for trading, as applicable, on any national exchange for a period of ten (10) consecutive trading days; (v) the Company shall be a party to certain change of control transactions (unless in connection with such change of control transaction such Convertible Debenture is retired; (vi) the Company’s (A) failure to deliver required number of shares of common stock as required under such Convertible Debenture or (B) notice, written or oral, to any holder of such Convertible Debenture of the Company’s intention not to comply with a request for conversion of such Convertible Debenture; (vii) the Company shall fail for any reason to deliver the payment in cash pursuant to a Buy-In (as defined in the Convertible Debenture) within five (5) Business Days after such payment is due; (viii) the Company’s failure to timely file with the SEC any of its periodic reports and such default is not thereafter cured within five (5) business days; (ix) any representation or warranty made or deemed to be made by or on behalf of the Company in or in connection with such Convertible Debenture or any of the other documents related to the Private Placement, or any waiver hereunder or thereunder, shall prove to have been incorrect in any material respect (or, in the case of any such representation or warranty already qualified by

materiality, such representation or warranty shall prove to have been incorrect) when made or deemed made; (x) any material provision of any Transaction Document, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder, ceases to be in full force and effect; or the Company or any other person or entity contests in writing the validity or enforceability of any provision of any Convertible Debenture or any of the other documents related to the Private Placement; or the Company denies in writing that it has any or further liability or obligation under any Convertible Debenture or any of the other documents related to the Private Placement, or purports in writing to revoke, terminate (other than in line with the relevant termination provisions) or rescind any Convertible Debenture or any of the other documents related to the Private Placement; (xi) the Company uses the proceeds of the issuance of such Convertible Debenture, whether directly or indirectly, and whether immediately, incidentally or ultimately, to purchase or carry margin stock (within the meaning of Regulations T, U and X of the Federal Reserve Board, as in effect from time to time and all official rulings and interpretations thereunder or thereof), or to extend credit to others for the purpose of purchasing or carrying margin stock or to refund indebtedness originally incurred for such purpose; or (xii) any Event of Default (as defined in the other Convertible Debenture or in any other documents related to the Private Placement) occurs with respect to any other Convertible Debenture, or any breach of any material term of any other debenture, note, or instrument held by the holder of such Convertible Debenture in the Company or any agreement between or among the Company and such holder; or (xiii) the Company shall fail to observe or perform any material covenant, agreement or warranty contained in, or otherwise commit any material breach or default of any provision of such Convertible Debenture (except as may be covered by another Event of Default) or any other any other document related to the Private Placement) which is not cured or remedied within the time prescribed or if no time is prescribed within ten (10) business days of notification thereof.

If any Event of Default occurs under a Convertible Debenture (other than an event with respect to a bankruptcy or insolvency), at the Selling Stockholder election, all amounts owing in respect thereof, to the date of acceleration shall become immediately due and payable in cash; provided that, in the case of a bankruptcy or insolvency of the Company, all amounts owing in respect thereof, to the date of acceleration shall automatically become immediately due and payable in cash, in each case without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Company. The Selling Stockholder will also have the right to convert such Convertible Debenture at the applicable conversion price.

The Convertible Debentures provide a conversion right, in which any portion of the principal amount of the Convertible Debentures, together with any accrued but unpaid interest, may be converted into our common stock at a conversion price equal to the lower of (i) \$1.6204 (the "Fixed Price") or (ii) 93% of the lowest daily volume weighted average price (the "VWAP") of the common stock during the ten (10) trading days immediately preceding the date of conversion (but not lower than a floor price of \$0.25).

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If a Trigger Event occurs, then the Company shall make monthly payments beginning on the 10th calendar day after the date on which a Trigger Event occurs and then on the same day of each successive calendar month. Each monthly payment shall be in an amount equal to the sum of (i) the lesser of (x) \$1,000,000 and (y) the outstanding principal of the Convertible Debentures (the "Triggered Principal Amount"), plus (ii) a redemption premium of 7% of such Triggered Principal Amount, plus (iii) accrued and unpaid interest hereunder as of each payment date. The obligation of the Company to make monthly payments shall cease if any time after the Trigger Date the daily VWAP is greater than the Floor Price for a period of 5 of 7 consecutive Trading Days in the event of a Floor Price Trigger unless a new Trigger Event occurs.

"Trigger Event" means the daily VWAP is less than the \$0.25 for five Trading Days during a period of any 5 of 7 consecutive trading days.

Under the Convertible Debentures, the Company has the right, but not the obligation, to redeem ("Optional Redemption") early a portion or all amounts outstanding under the Convertible Debentures; *provided* that (i) the closing price of the Company's common stock on the date of such Optional Redemption is less than \$1.6204 and (ii) the Company provides the Holder with at least 5 business days' prior written notice (each, a "Redemption Notice") of its desire to exercise an Optional Redemption. The "Redemption Amount" shall be equal to the outstanding Principal balance being redeemed by the Company, plus a 10% premium on the principal amount being redeemed, plus all accrued and unpaid interest. If we elect to redeem the full \$5,500,000 principal amount of the Convertible Debentures, such premium payable will equal to \$550,000.

The Form S-1 registers the resale by the Selling Stockholder of up to 22,880,000 shares of common stock that can be issuable upon the conversion of the Convertible Debentures. The number of shares that were registered was calculated by dividing (x) the sum of the aggregate principal amount of Convertible Debentures (\$5,500,000) plus one year of accrued interest on the Convertible Debentures (\$220,000) by (y) the conversion floor price (\$0.25), which is the lowest possible conversion price pursuant to the terms of the Convertible Debentures.

We sold an aggregate of \$5,500,000 of the Convertible Debentures and received a purchase price of \$5,060,000 from the Selling Stockholder.

If we fail to convert the Convertible Debentures and issue the applicable shares of our common stock to the Selling Stockholder within three trading days after we receive a conversion notice from the Selling Stockholder, and if on or after the date on which such shares of common stock are required to be issued, the Selling Stockholder purchases (in an open market transaction or otherwise) our common stock to deliver in satisfaction of a sale by the Selling Stockholder of our common stock that was issuable upon such conversion (a "Buy-In"), then the Company shall be required if requested by the Selling Stockholder to pay cash to the Selling Stockholder in an amount equal to the Selling Stockholder's total purchase price (including brokerage commissions and other out of pocket expenses, if any) for the shares of our common stock so purchased. We do not anticipate any Buy-Ins and view any occurrence of a Buy-In as unlikely.

As of July 31, 2023, we have issued 1,206,948 shares of common stock to the Selling Stockholder.

Initial Public Offering

On August 15, 2022, we consummated our initial public offering of 2.3 million shares of our common stock and received approximately \$8.2 million in net proceeds from the initial public offering after deducting the underwriting discount and commission and other initial public offering expenses. In connection with our initial public offering we also issued 4,442,865 shares of our common stock which included (i) 1,403,083 shares of our common stock that were issued upon the listing of our common stock on Nasdaq as a result of the automatic conversion of our convertible notes; (ii) 2,756,879 shares of our common stock that were issued upon the closing of our initial public offering of our common stock as a result of the automatic conversion of the amounts due under the loan facilities using the conversion price of \$3.20 per share; (iii) 109,833 shares issued to Exchange Listing, LLC, pursuant to anti-dilution protection provided to them in their consulting agreement and (iv) 15,927 shares of our common stock that were issued to Space Capital Berhad as a fee under their note. We also issued the underwriters warrants to purchase a total of 100,000 shares of the Company's common stock. The warrants are exercisable at any time at an exercise price of \$5.00 per share and expire on the fifth anniversary of the commencement of sales under the initial public offering.

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Summary Risk Factors

Our business is subject to a number of risks. You should be aware of these risks before making an investment decision. These risks are summarized and discussed more fully

in the “*Summary Risk Factors*” and “*Risk Factors*” sections of our most recent Annual Report on Form 10-K filed with the SEC and incorporated by reference into this prospectus. This offering and the ownership of our common stock is subject to a number of risks. You should be aware of these risks before making an investment decision. These risks are discussed more fully in the “Risk Factor section of this Prospectus. These risks include, among others, that:

- There is substantial doubt about our ability to continue as a going concern;
- We have a limited operating history in an evolving industry, which makes it difficult to evaluate our future prospects and may increase the risk that we will not be successful;
- The ecommerce market is highly competitive and if we do not have sufficient resources to maintain research and development, marketing, sales and client support efforts on a competitive basis our business could be adversely affected;
- We may not be able to successfully develop and promote new products or services which could result in adverse financial consequences;
- There is no assurance that we will be profitable;
- Breaches of our online commerce security could occur and could have an adverse effect on our reputation;
- We rely on the performance of highly skilled personnel, and if we are unable to attract, retain and motivate well-qualified employees, our business could be harmed;
- We face the risk that changes in the policies of the Malaysian government could have a significant impact upon the business we may be able to conduct in Malaysia and the profitability of such business;
- Any potential disruption in and other risks relating to our merchants’ supply chain could increase the costs of their products or services to consumers, potentially causing consumers to limit their spending or seek products or services from alternative businesses that may not be registered as a merchant with us, which may ultimately affect the total number of users using our platform and harm our business, financial condition and results of operations;
- Geopolitical conditions, including acts of war or terrorism or unrest in the regions in which we operate could adversely affect our business;

- Because our principal assets are located outside of the United States and all of our directors and all our officers reside outside of the United States, it may be difficult for you to enforce your rights based on U.S. Federal Securities Laws against us and our officers and directors or to enforce a judgment of a United States court against us or our officers and directors;
- Our failure to maintain effective internal controls over financial reporting could have an adverse impact on us;
- We have not paid dividends in the past and do not expect to pay dividends in the future, and any return on investment may be limited to the value of our stock;
- Failure to comply with laws and regulations applicable to our business could subject us to fines and penalties and could also cause us to lose customers or otherwise harm our business;
- If we are unable to protect the confidentiality of our trade secrets, our business and competitive position could be harmed;
- Our management will have broad discretion over the use of any net proceeds from this offering and you may not agree with how we use the proceeds, and the proceeds may not be invested successfully;
- There is no established public trading market for the pre-funded warrants being offered in this offering, and we do not expect a market to develop for the pre-funded warrants;
- The pre-funded warrants are speculative in nature;
- A large number of shares of our common stock issuable upon conversion of the Convertible Debentures may be sold in the market, which may depress the market price of our common stock and substantially dilute stockholders’ voting power;
- The Occurrence of a Trigger Event or an Event of Default under a Convertible Debenture could lead to increased amounts payable under the Convertible Debentures and could cause an acceleration of the Convertible Debentures and materially and adversely affect our operations;
- If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about our business, our stock price and trading volume could decline;
- We may not be able to continue to satisfy listing requirements of Nasdaq to maintain a listing of our common stock; and
- If there is no viable public market for our common stock, you may be unable to sell your shares at or above your purchase price.

Corporate Information

Our principal executive offices are located at 276 5th Avenue, Suite 704 #739, New York, New York 10001 and No.29, Jalan PPU 2A, Taman Perindustrian Pusat Bandar Puchong, 47100 Puchong, Selangor, Malaysia. Our corporate website address is <https://treasureglobal.co>. Our ZCITY website address is <https://zcity.io>. The information included on our websites is not part of this prospectus.

Implications of Being an Emerging Growth Company

We are an “emerging growth company,” as defined in the Jobs Act. We will remain an emerging growth company until the earlier of (i) the last day of the fiscal year following the fifth anniversary of the date of the first sale of our common stock pursuant to an effective registration statement under the Securities Act; (ii) the last day of the fiscal year in which we have total annual gross revenues of \$1.235 billion or more; (iii) the date on which we have issued more than \$1 billion in nonconvertible debt during the previous three years; or (iv) the date on which we are deemed to be a large accelerated filer under applicable SEC rules. We expect that we will remain an emerging growth company for the foreseeable future, but cannot retain our emerging growth company status indefinitely and will no longer qualify as an emerging growth company on or before the last day of the fiscal year following the fifth anniversary of the date of the first sale of our common stock pursuant to an effective registration statement under the Securities Act. For so long as we remain an emerging growth company, we are permitted and intend to rely on exemptions from specified disclosure requirements that are applicable to other public companies that are not emerging growth companies.

These exemptions include:

- being permitted to provide only two years of audited financial statements, in addition to any required unaudited interim financial statements, with correspondingly reduced “Management’s Discussion and Analysis of Financial Condition and Results of Operations” disclosure;
- not being required to comply with the requirement of auditor attestation of our internal controls over financial reporting;
- not being required to comply with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor’s report providing additional information about the audit and the financial statements;
- reduced disclosure obligations regarding executive compensation; and
- not being required to hold a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved.

We have taken advantage of certain reduced reporting requirements in this prospectus. Accordingly, the information contained herein may be different than the information you receive from other public companies in which you hold stock.

An emerging growth company can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. This allows an emerging growth company to delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have irrevocably elected to avail ourselves of this extended transition period and, as a result, we will not be required to adopt new or revised accounting standards on the dates on which adoption of such standards is required for other public reporting companies.

We are also a “smaller reporting company” as defined in Rule 12b-2 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and have elected to take advantage of certain of the scaled disclosure available for smaller reporting companies.

SUMMARY OF THE OFFERING

Securities offered	[*] shares of common stock and pre-funded warrants to purchase shares of common stock in lieu of shares of common stock that would otherwise result in the purchaser’s beneficial ownership exceeding 4.99% (or, at the election of the purchaser, 9.99%) of our outstanding common stock. The pre-funded warrants have an exercise price of \$0.00001 per share, will be exercisable immediately and may be exercised at any time until all of the pre-funded warrants are exercised in full. We are also offering the shares of common stock issuable upon exercise of the pre-funded warrants.
Common stock offered by us	[*] shares.
Common stock outstanding prior to the offering ⁽¹⁾	18,780,778 shares.
Common stock to be outstanding after the offering	[*], assuming all of the shares offered hereby are sold and assuming no exercise of the over-allotment option and all of the pre-funded warrants issued in this offering are exercised.
Over-allotment option	The underwriter has a 45-day option to purchase up to an additional [*] shares of common stock and/or pre-funded warrants (15% of the shares of common stock and pre-funded warrants sold in this offering).
Use of Proceeds	We currently intend to use the net proceeds to us from this offering for general corporate purposes, including working capital. See “ <i>Use of Proceeds</i> ” beginning on page 32.
Offering Price	\$[*] per share (minus \$[*] per pre-funded warrant).
Transfer Agent	Vstock Transfer, LLC.
Risk Factors	You should carefully consider the information set forth in this prospectus and, in particular, the specific factors set forth in the “ <i>Risk Factors</i> ” section beginning on page 13 of this prospectus before deciding whether or not to invest in shares of our common stock.

(1) As of [*], 2023.

Our business is subject to many risks and uncertainties, which may affect our future financial performance. If any of the events or circumstances described below occur, our business and financial performance could be adversely affected, our actual results could differ materially from our expectations, and the price of our stock could decline. The risks and uncertainties discussed below are not the only ones we face. There may be additional risks and uncertainties not currently known to us or that we currently do not believe are material that may adversely affect our business and financial performance. You should carefully consider the risks described below, together with all other information included in this prospectus including our financial statements and related notes, before making an investment decision. The statements contained in this prospectus that are not historic facts are forward-looking statements that are subject to risks and uncertainties that could cause actual results to differ materially from those set forth in or implied by forward-looking statements. If any of the following risks actually occurs, our business, financial condition or results of operations could be harmed. In that case, the trading price of our common stock could decline, and investors in our securities may lose all or part of their investment.

Risks Related to Our Business

There is substantial doubt about our ability to continue as a going concern.

We have incurred substantial operating losses since our inception. For the year ended June 30, 2022, we had \$1,845,232 cash on hand, an accumulated deficit of \$19,715,740 at June 30, 2022, a net loss of \$11,591,910 for the year ended June 30, 2022, and \$8,663,901 net cash used by operating activities for the year ended June 30, 2022. The accompanying consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. We anticipate incurring additional losses until such time, if ever, that we will be able to effectively market our products. As such, it is likely that additional financing will be needed by us to fund our operations. These factors raise substantial doubt about our ability to continue as a going concern.

The net proceeds from our sale of shares of our common stock and pre-funded warrants, if any, in this offering will be approximately \$[*] million, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. We believe that the net proceeds from this offering will meet our capital needs for the next [*] months under our current business plan.

If we have insufficient capital to operate our business under our current business plan, we have contingency plans for our business that include, among other things, the delay of the introduction of new products and a reduction in headcount which is expected to substantially reduce revenue growth and delay our profitability. There can be no assurance that our implementation of these contingency plans will not have a material adverse effect on our business.

Following this offering, we will seek to obtain additional capital through the sale of debt or equity financings or other arrangements to fund operations; however, there can be no assurance that we will be able to raise needed capital under acceptable terms, if at all. The sale of additional equity may dilute investors and newly issued shares may contain senior rights and preferences compared to currently outstanding shares of common stock. Issued debt securities may contain covenants and limit our ability to pay dividends or make other distributions to stockholders. If we are unable to obtain such additional financing, future operations would need to be scaled back or discontinued.

We have a limited operating history in an evolving industry, which makes it difficult to evaluate our future prospects and may increase the risk that we will not be successful.

We have a limited operating history on which to base an evaluation of its business and prospects. We are subject to all the risks inherent in a small company seeking to develop, market and distribute new services, particularly companies in evolving markets such as the internet, technology and payment systems. The likelihood of the Company's success must be considered, in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the development, introduction, marketing and distribution of new products and services in a competitive environment.

Such risks for us include, but are not limited to, dependence on the success and acceptance of our services, the ability to attract and retain a suitable client base and the management of growth. To address these risks, we must, among other things, generate increased demand, attract a sufficient clientele base, respond to competitive developments, increase the "ZCITY" brand names' visibility, successfully introduce new services, attract, retain and motivate qualified personnel and upgrade and enhance our technologies to accommodate expanded service offerings. In view of the rapidly evolving nature of our business and our limited operating history, we believe that period-to-period comparisons of our operating results are not necessarily meaningful and should not be relied upon as an indication of future performance.

We are therefore subject to many of the risks common to early-stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues.

If we fail to raise capital when needed it will have a material adverse effect on our business, financial condition and results of operations.

We have limited revenue-producing operations and will require the proceeds from its recently concluded offering to execute its full business plan. We believe the proceeds from our previous offering will be sufficient to cover our funding needs until part way through the first calendar quarter of 2024. Further, no assurance can be given if additional capital is needed as to how much additional capital will be required or that additional financing can be obtained, or if obtainable, that the terms will be satisfactory to us, or that such financing would not result in a substantial dilution of shareholder's interest. A failure to raise capital when needed would have a material adverse effect on our business, financial condition and results of operations. In addition, debt and other equity financing may involve a pledge of assets and may be senior to interests of equity holders. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for us to obtain additional capital or to pursue business opportunities, including potential acquisitions. If adequate funds are not obtained, we may be required to reduce, curtail or discontinue operations.

None of our material contracts are long term and if not renewed could have a material adverse effect on our business.

We have entered into material contracts with a number of companies that directly or indirectly provide the goods and services that appear on our ZCITY App. The majority of these contracts can be terminated by any party with 30 days' notice. The contract with iPay88 (the "iPay88 Agreement"), which provides the payment gateway for many of the brands that can be accessed through the ZCITY App, has no termination clause which means that iPay88 could terminate the iPay88 Agreement without any notice. If one or more of these contracts were not renewed or were terminated and we were not able to enter into agreements with others that could replace these services, the ZCITY App could lose material features and in turn we could find it harder to maintain and grow our user base, which would have a material adverse effect on our business. For a description of these material contracts See "Business—About ZCITY App."

We rely on email, internet search engines and application marketplaces to drive traffic to our ZCITY App, certain providers of which offer products and services that compete directly with our products. If links to our applications and website are not displayed prominently, traffic to our ZCITY App could decline and our business would be adversely affected.

Email continues to be a verification source of organic traffic for us. If email providers or internet service providers implement new or more restrictive email or content delivery or accessibility policies, including with respect to net neutrality, it may become more difficult to deliver emails to our users or for user verification process. For example, certain email providers, including Google, categorize our emails as "promotional," and these emails are directed to an alternate, and less readily accessible, section of a users' inbox. If email providers materially limit or halt the delivery of our emails, or if we fail to deliver emails to users in a manner compatible with email providers' email handling or authentication technologies, our ability to contact users through email could be significantly restricted. In addition, if we are placed on "spam" lists or lists of entities that have been involved in sending unwanted, unsolicited emails, marketing campaigns and business updates could be substantially harmed.

We rely heavily on Internet search engines, such as Google, to drive traffic to our ZCITY App through their unpaid search results and on application marketplaces to drive downloads of our applications. Although search results and application marketplaces have allowed us to attract a large audience with low organic traffic acquisition costs to date, if they fail to drive sufficient traffic to our ZCITY App, we may need to increase our marketing spend to acquire additional traffic. We cannot assure you that the value we ultimately derive from any such additional traffic would exceed the cost of acquisition, and any increase in marketing expense may in turn harm our operating results.

The amount of traffic we attract from search engines is due in large part to how and where information from and links to our website are displayed on search engine result pages. The display, including rankings, of unpaid search results can be affected by a number of factors, many of which are not in our direct control, and may change frequently. Search engines have made changes in the past to their ranking algorithms, methodologies and design layouts that may have reduced the prominence of links to our ZCITY App and negatively impacted our traffic, and we expect they will continue to make such changes from time to time in the future. Similarly, marketplace operators may make changes to their marketplaces that make access to our products more difficult. For example, our applications may receive unfavorable treatment compared to the promotion and placement of competing applications, such as the order in which they appear within marketplaces.

We may not know how or otherwise be in a position to influence search results or our treatment in application marketplaces. With respect to search results in particular, even when search engines announce the details of their methodologies, their parameters may change from time to time, be poorly defined or be inconsistently interpreted. For example, Google previously announced that the rankings of sites showing certain types of app install interstitials could be penalized on its mobile search results pages. While we believe the type of interstitial we currently use is not being penalized, we cannot guarantee that Google will not unexpectedly penalize our app install interstitials, causing links to our mobile website to be featured less prominently in Google's mobile search results and harming traffic to our ZCITY App as a result.

In some instances, search engine companies and application marketplaces may change their displays or rankings in order to promote their own competing products or services or the products or services of one or more of our competitors. For example, Google has integrated its local product offering with certain of its products, including search and maps. The resulting promotion of Google's own competing products in its web search results has negatively impacted the search ranking of our website. Because Google in particular is the most significant source of traffic to our website, accounting for a substantial portion of the visits to our website, our success depends on our ability to maintain a prominent presence in search results for queries regarding local businesses on Google. As a result, Google's promotion of its own competing products, or similar actions by Google in the future that have the effect of reducing our prominence or ranking on its search results, could have a substantial negative effect on our business and results of operations.

The ecommerce market is highly competitive and if we do not have sufficient resources to maintain research and development, marketing, sales and client support efforts on a competitive basis our business could be adversely affected.

The internet-based ecommerce business is highly competitive and we compete with several different types of companies that offer some form of user-vendor connection experience, as well as marketing data companies. Certain of these competitors may have greater industry experience or financial and other resources than us.

To become and remain competitive, we will require research and development, marketing, sales and client support. We may not have sufficient resources to maintain research and development, marketing, sales and client support efforts on a competitive basis which could materially and adversely affect our business, financial condition and results of operations. We intend to differentiate ourselves from competitors by developing a payments platform that allows consumers and merchants to accept and use bonus points.

The market for consumer's lifestyle is rapidly evolving and intensely competitive, and we expect competition to intensify further in the future. There is no guarantee that any factors that differentiate us from our competitors will give us a market advantage or continue to be a differentiating factor for us in the foreseeable future. Competitive pressures created by our direct or indirect competitors could have a material adverse effect on our business, results of operations and financial condition.

The market for our ZCITY App is new and unproven.

We were founded in 2020 and ZCITY was founded in 2017 and since our inception have been creating products for the developing and rapidly evolving market for API-based software platforms, a market that is largely unproven and is subject to a number of inherent risks and uncertainties. We believe that our future success will depend in large part on the growth, if any, in the market for software platforms that provide features and functionality to create the entire lifestyle ecosystem. It is difficult to predict customer adoption and renewal rates, customer demand for our solutions, the size and growth rate of the overall market that our ZCITY App addresses, the entry of competitive products or the success of existing competitive products. Any expansion of the market our ZCITY App addresses depends upon a number of factors, including the cost, performance and perceived value associated with such solutions. If the market our ZCITY App addresses does not achieve significant additional growth or there is a reduction in demand for such solutions caused by a lack of customer acceptance, technological challenges, competing technologies and products or decreases in corporate spending, it could have a material adverse effect on our business, results of operations and financial condition.

If we are unable to expand our systems or develop or acquire technologies to accommodate increased volume or an increased variety of operating systems, networks and devices broadly used in the marketplace our ZCITY App could be impaired.

We seek to generate a high volume of traffic and transactions through our technologies. Accordingly, the satisfactory performance, reliability and availability of our website and platform, processing systems and network infrastructure are critical to our reputation and its ability to attract and retain large numbers of users who transact sales on its platform through a variety of operating systems, networks and devices while maintaining adequate customer service levels. Our revenues depend, in substantial way, on the volume of user transactions that are successfully completed. Any system interruptions that result in the unavailability of our service or reduced customer activity would ultimately reduce the volume of transactions completed. Interruptions of service may also diminish the attractiveness of our company and its services. Any substantial increase in the volume of traffic on our ZCITY App, the number of transactions being conducted by customers or substantial increase in the variety of operating systems, networks or devices that are broadly used in the market will require us to expand and upgrade our technology, transaction processing systems and network infrastructure. There can be no assurance that we will be able to accurately project the rate or timing of increases, if any, in the use of the ZCITY App or timely expand and upgrade our systems and infrastructure to accommodate such increases or increases in the variety of operating systems, networks or devices in a timely manner. Any failure to expand or upgrade its systems could have a material adverse effect on our business, results of operations and financial condition.

We use internally developed systems to operate our service and for transaction processing. We must continually enhance and improve these systems in order to accommodate the level of use of our products and services and increase our security. Furthermore, in the future, we may add new features and functionality to our services that would result in the need to develop or license additional technologies. Our inability to add new software and hardware to develop and further upgrade our existing technology, transaction processing systems or network infrastructure to accommodate increased traffic on its platforms or increased transaction volume through its processing systems or to accommodate new operating systems, networks or devices broadly used in the marketplace or to provide new features or functionality may cause unanticipated system disruptions, slower response times, degradation in levels of customer service, impaired quality of the user's experience on our service, and delays in reporting accurate financial information. There can be no assurance that we will be able in a timely manner to effectively upgrade and expand our systems or to integrate smoothly any newly developed or

purchased technologies with our existing systems. Any inability to do so would have a material adverse effect on our business, results of operations and financial condition.

As we increase our reliance on cloud-based applications and platforms to operate and deliver our products and services, any disruption or interference with these platforms could adversely affect our financial condition and results of operations.

We rely on cloud-based applications and platforms for critical business functions. We also are migrating a significant portion of our computing infrastructure to third party hosted cloud-based computing platforms. If we are not able to complete this migration on our expected timeline, we could incur additional costs. Further, these migrations can be risky and may cause disruptions to the availability of our products due to service outages, downtime or other unforeseen issues that could increase our costs. We also may be subject to additional risk of cybersecurity breaches or other improper access to our data or confidential information during or following migrations to cloud-based computing platforms. In addition, cloud computing services may operate differently than anticipated when introduced or when new versions or enhancements are released. As we increase our reliance on cloud-based computing services, our exposure to damage from service interruptions may increase. In the event any such issues arise; it may be difficult for us to switch our operations from our primary cloud-based providers to alternative providers. Further, any such transition could involve significant time and expense and could negatively impact our ability to deliver our products and services, which could harm our financial condition and results of operations.

Our failure to successfully market our ZCITY App could result in adverse financial consequences.

We believe that continuing to strengthen our ZCITY App is critical to achieving our widespread acceptance, particularly in light of the competitive nature of our market. Promoting and positioning our ZCITY App will depend largely on the success of our marketing efforts and our ability to provide high quality services. In order to promote our ZCITY App, we will need to increase our marketing budget and otherwise increase our financial commitment to creating and maintaining brand loyalty among users. There can be no assurance that ZCITY App promotion activities will yield increased revenues or that any such revenues would offset the expenses incurred by us in building our ZCITY App. Further, there can be no assurance that any new users attracted to us will conduct transactions over the ZCITY App on a regular basis. If we fail to promote and maintain our brand or incur substantial expenses in an attempt to promote and maintain our brand or if our existing or future strategic relationships fail to promote the ZCITY App or increase awareness, our business, results of operations and financial condition would be materially adversely affected.

We may not be able to successfully develop and promote new products or services which could result in adverse financial consequences.

We plan to expand our operations by developing and promoting new or complementary services, products or transaction formats or expanding the breadth and depth of services. There can be no assurance that we will be able to expand our operations in a cost-effective or timely manner or that any such efforts will maintain or increase overall market acceptance. Furthermore, any new business or service launched by us that is not favorably received by consumers could damage our reputation and diminish the value of our brand. Expansion of our operations in this manner would also require significant additional expenses and development, operations and other resources and would strain our management, financial and operational resources. The lack of market acceptance of such services or our inability to generate satisfactory revenues from such expanded services to offset their cost could have a material adverse effect on our business, results of operations and financial condition.

In addition, if we are unable to keep up with changes in technology and new hardware, software and services offerings, for example, by providing the appropriate training to our account managers, sales technology specialists, engineers and consultants to enable them to effectively sell and deliver such new offerings to customers, our business, results of operations or financial condition could be adversely affected.

A decline in the demand for goods and services of the merchants included in the ZCITY App could result in adverse financial consequences.

We expect to derive most of our revenues from fees from successfully completed transactions on its consumer facing platforms. Our future revenues will depend upon continued demand for the types of goods and services that are offered by the merchants that are included on such platforms. Any decline in demand for the goods offered through our services as a result of changes in consumer trends could have a material adverse effect on our business, results of operations and financial condition.

The effective operation of our platform is dependent on technical infrastructure and certain third-party service providers.

Our ability to attract, retain and serve customers is dependent upon the reliable performance of our ZCITY App and the underlying technical infrastructure. We may fail to effectively scale and grow our technical infrastructure to accommodate these increased demands. In addition, our business will be reliant upon third party partners such as financial service providers and cash-out providers, payment terminals and equipment providers. Any disruption or failure in the services from third party partners used to facilitate our business could harm our business. Any financial or other difficulties these partners face may adversely affect our business, and we exercise little control over these partners, which increases vulnerability to problems with the services they provide.

There is no assurance that we will be profitable.

There is no assurance that we will earn profits in the future or that profitability will be sustained. There is no assurance that future revenues will be sufficient to generate the funds required to continue our business development and marketing activities. If we do not have sufficient capital to fund our operations, we may be required to reduce our sales and marketing efforts or forego certain business opportunities.

We could lose the right to the use of our domain names.

We have registered domain names for our website that we use in our business. If we lose the ability to use a domain name, whether due to trademark claims, failure to renew the applicable registration, or any other cause, we may be forced to market our products under a new domain name, which could cause us substantial harm, or to incur significant expense in order to purchase rights to the domain name in question. In addition, our competitors and others could attempt to capitalize on our brand recognition by using domain names similar to ours, especially in light of our expected expansion in SEA countries and East Asia. Domain names similar to ours may be registered in the United States and elsewhere. We may be unable to prevent third parties from acquiring and using domain names that infringe on, are similar to, or otherwise decrease the value of our brand or our trademarks or service marks. Protecting and enforcing our rights in our domain names may require litigation, which could result in substantial costs and diversion of management's attention.

We may be required to expend resources to protect ZCITY App information or we may be unable to launch our services.

From time to time, other companies may copy information from our ZCITY App, through website scraping, robots or other means, and publish or aggregate it with other information for their own benefit. We have no assurance other companies will not copy, publish or aggregate content from our ZCITY App in the future. When third parties copy, publish or aggregate content from our ZCITY App, it makes them more competitive, and decreases the likelihood that consumers will visit our website or use our mobile app to find the information they seek, which could negatively affect our business, results of operations and financial condition. We may not be able to detect such third-party

conduct in a timely manner and, even if we could, we may not be able to prevent it. In some cases, particularly in the case of websites operating outside of the United States, our available remedies may be inadequate to protect us against such practices. In addition, we may be required to expend significant financial or other resources to successfully enforce our rights.

Breaches of our online commerce security could occur and could have an adverse effect on our reputation.

A significant barrier to online commerce and communications is the secure transmission of confidential information over public networks. There can be no assurance that advances in computer capabilities, new discoveries in the field of cryptography and cybersecurity or other events or developments will not result in a compromise or breach of the technology used by us to protect customer transaction data. If any such compromise of our security were to occur, it could have a material adverse effect on our reputation and, therefore, on our business, results of operations and financial condition. Furthermore, a party who is able to circumvent our security measures could misappropriate proprietary information or cause interruptions in our operations. We may be required to expend significant capital and other resources to protect against such security breaches or to alleviate problems caused by such breaches. Concerns over the security of transactions conducted on the Internet and other online services and the privacy of users may also inhibit the growth of the Internet and other online services generally, and the Web in particular, especially as a means of conducting commercial transactions. To the extent that our activities involve the storage and transmission of proprietary information, security breaches could damage our reputation and expose us to a risk of loss or litigation and possible liability. There can be no assurance that our security measures will prevent security breaches or that failure to prevent such security breaches will not have a material adverse effect on our business, results of operations and financial condition.

We may not have the ability to manage our growth.

We anticipate that significant expansion will be required to address potential growth in our customer base and market opportunities. Our anticipated expansion is expected to place a significant strain on our management, operational and financial resources. To manage any material growth of our operations and personnel, we may be required to improve existing operational and financial systems, procedures and controls and to expand, train and manage its employee base. There can be no assurance that our planned personnel, systems, procedures and controls will be adequate to support our future operations, that management will be able to hire, train, retain, motivate and manage required personnel or that our management will be able to successfully identify, manage and exploit existing and potential market opportunities. If we are unable to manage growth effectively, our business, prospects, financial condition and results of operations may be materially adversely affected.

We rely on the performance of highly skilled personnel, and if we are unable to attract, retain and motivate well-qualified employees, our business could be harmed.

We are, and will be, heavily dependent on the skill, acumen and services of our management and other employees. Our future success depends on our continuing ability to attract, develop, motivate and retain highly qualified and skilled employees. Qualified individuals are in high demand, and we may incur significant costs to attract them. In addition, the loss of any of our senior management or key employees could materially adversely affect our ability to execute our business plan, and we may not be able to find adequate replacements. All of our officers and employees are at-will employees, which means they may terminate their employment relationship with us at any time, and their knowledge of our business and industry would be extremely difficult to replace. We cannot ensure that we will be able to retain the services of any members of our senior management or other key employees. If we do not succeed in attracting well-qualified employees or retaining and motivating existing employees, our business could be harmed.

Illegal use of our ZCITY App could result in adverse consequences to us.

Despite measures we will implement to detect and prevent identify theft or other fraud, our ZCITY App remains susceptible to potentially illegal or improper uses. Despite measures we will take to detect and lessen the risk of this kind of conduct, we cannot assure that these measures will succeed. Our business could suffer if customers use the ZCITY App for illegal or improper purposes.

If merchants on our ZCITY App are operating illegally, we could be subject to civil and criminal lawsuits, administrative action and prosecution for, among other things, money laundering or for aiding and abetting violations of law. We would lose the revenues associated with these accounts and could be subject to material penalties and fines, both of which would seriously harm its business.

We are subject to certain risks by virtue of our international operations.

We operate and expand internationally. We expect to expand our international operations significantly by accessing new markets abroad and expanding our offerings in new languages: not less than all languages in SEA countries and Japan. Our platform is now available in English and several other languages. However, we may have difficulty modifying our technology and content for use in non-English-speaking markets or fostering new communities in non-English-speaking markets. Our ability to manage our business and conduct our operations internationally requires considerable management attention and resources, and is subject to the particular challenges of supporting a rapidly growing business in an environment of multiple languages, cultures, customs, legal systems, alternative dispute systems, regulatory systems and commercial infrastructures. Furthermore, in most international markets, we would not be the first entrant, and our competitors may be better positioned than we are to succeed. Expanding internationally may subject us to risks that we have either not faced before or increase our exposure to risks that we currently face, including risks associated with:

- recruiting and retaining qualified, multi-lingual employees, including customer support personnel;
- increased competition from local websites and guides and potential preferences by local populations for local providers;
- compliance with applicable foreign laws and regulations, including different privacy, censorship and liability standards and regulations and different intellectual property laws;
- providing solutions in different languages for different cultures, which may require that we modify our solutions and features to ensure that they are culturally relevant in different countries;
- the enforceability of our intellectual property rights;
- credit risk and higher levels of payment fraud;
- compliance with anti-bribery laws;
- currency exchange rate fluctuations;
- foreign exchange controls that might prevent us from repatriating cash earned outside the United States;
- political and economic instability in some countries;
- double taxation of our international earnings and potentially adverse tax consequences due to changes in the tax laws of the United States or the foreign jurisdictions in which we operate; and

- higher costs of doing business internationally.

We do not have liability business interruption, litigation or natural disaster insurance.

We do not have any business liability, disruption insurance or any other forms of insurance coverage for our operations in Malaysia because our business is still in planning and early stage. Any potential liability, business interruption, litigation or natural disaster may result in our business incurring substantial costs and the diversion of resources.

The economy of Malaysia in general might not grow as quickly as expected, which could adversely affect our revenues and business prospects.

Our business and prospects depend on the continuing development of the economy in Malaysia. We cannot assure you that the Malaysian economy will continue to grow at the same pace as in the past. Economic growth is determined by countless factors, and it is extremely difficult to predict with any level of absolute certainty. In the event that the Malaysian economy suffers, demand for the services and/or products of our wholly owned subsidiaries may diminish, which would in turn result in decreased likelihood of profitability. This could in turn result in a substantial need for restructuring of our business objectives and could result in a partial or entire loss of an investment in our Company.

We face the risk that changes in the policies of the Malaysian government could have a significant impact upon the business we may be able to conduct in Malaysia and the profitability of such business.

Policies of the Malaysian government can have significant effects on the economic conditions of Malaysia. A change in policies by the Malaysian government could adversely affect our interests by, among other factors: changes in laws, regulations or the interpretation thereof, confiscatory taxation, restrictions on currency conversion, imports or sources of supplies or the expropriation or nationalization of private enterprises. We cannot assure you that the government will continue to pursue current policies or that such policies may not be significantly altered, especially in the event of a change in leadership, social or political disruption, or other circumstances affecting Malaysia's political, economic and social environment.

We are subject to foreign exchange control policies in Malaysia.

The ability of our subsidiaries to pay dividends or make other payments to us may be restricted by the foreign exchange control policies in the countries where we operate. For example, there are foreign exchange policies in Malaysia which support the monitoring of capital flows into and out of the country in order to preserve its financial and economic stability. The foreign exchange policies are administered by the Foreign Exchange Administration, an arm of Bank Negara Malaysia ("BNM"), the central bank of Malaysia. The foreign exchange policies monitor and regulate both residents and non-residents. Under the current Foreign Exchange Administration rules issued by BNM, non-residents are free to repatriate any amount of funds from Malaysia in foreign currency other than the currency of Israel at any time (subject to limited exceptions), including capital, divestment proceeds, profits, dividends, rental, fees and interest arising from investment in Malaysia, subject to any withholding tax. In the event BNM or any other country where we operate introduces any restrictions in the future, we may be affected in our ability to repatriate dividends or other payments from our subsidiaries in Malaysia or in such other countries. Since we are a holding company and rely principally on dividends and other payments from our subsidiaries for our cash requirements, any restrictions on such dividends or other payments could materially and adversely affect our liquidity, financial condition and results of operations.

Malaysia is experiencing substantial inflationary pressures which may prompt the governments to take action to control the growth of the economy and inflation that could lead to a significant decrease in our profitability.

While the Malaysian economy has experienced rapid growth over the last two decades, they have also experienced inflationary pressures. As governments take steps to address inflationary pressures, there may be significant changes in the availability of bank credits, interest rates, limitations on loans, restrictions on currency conversions and foreign investment. There also may be imposition of price controls. If our revenues rise at a rate that is insufficient to compensate for the rise in our costs, it may have an adverse effect on our profitability. If these or other similar restrictions are imposed by a government to influence the economy, it may lead to a slowing of economic growth, which may harm our business, financial condition and results of operations.

If inflation increases significantly in SEA countries, our business, results of operations, financial condition and prospects could be materially and adversely affected.

Should inflation in SEA countries, including Malaysia, increase significantly, our costs, including our staff costs are expected to increase. Furthermore, high inflation rates could have an adverse effect on the countries' economic growth, business climate and dampen consumer purchasing power. As a result, a high inflation rate in SEA countries, including Malaysia, could materially and adversely affect our business, results of operations, financial condition and prospects.

Any potential disruption in and other risks relating to our merchants' supply chain could increase the costs of their products or services to consumers, potentially causing consumers to limit their spending or seek products or services from alternative businesses that may not be registered as a merchant with us, which may ultimately affect the total number of users using our platform and harm our business, financial condition and results of operations.

Our offline and online merchants obtain their products, or the raw materials comprised of their products or used in their services, from manufacturers and distributors located around the world, and may have entered into long-term contracts or exclusive agreements that would ensure their ability to acquire the types and quantities of products or raw materials they desire at acceptable prices and in a timely manner. Any potential disruption in and other risks relating to the offline or online merchants' supply chain as a result of the COVID-19 pandemic or Russia's invasion of Ukraine, could increase the costs of their products or services to consumers, potentially causing consumers to limit their spending or seek products or services from alternative businesses that may not be registered as a merchant with us, which may ultimately affect the total number of users using our platform and harm our business, financial condition and results of operations.

Our business will be exposed to foreign exchange risk.

We derive most of our revenue from the operations of our ZCITY App in Malaysia and expect to derive our revenue from Malaysia, other SEA countries and Japan in the future. Our functional currencies will by necessity be the currencies of the countries of SEA and Japan. Our reporting currency is the U.S. dollar. We translate our results of operations using the average exchange rate for the period, unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions, and we translate our financial position at the period-end exchange rate. Accordingly, any significant fluctuation between the currencies of countries of SEA and Japan on the one hand and the U.S. dollar on the other could expose us to foreign exchange risk.

Some of the currencies of the countries of SEA are not freely convertible. The foreign exchange management regime of many SEA countries has transitioned from a system of

fixed multiple exchange rates controlled by the state banks to a system of flexible exchange rates regulated largely by market forces, though transfers of currency is regulated and controlled in some countries. A significant depreciation in many of the currencies of countries of SEA against major foreign currencies may have a material adverse impact on our results of operations and financial condition because our reporting currency is the U.S. dollar. There can be no assurance, that the governments will continue to relax their foreign exchange regulations, that they will maintain the same foreign exchange policy or that there will be sufficient foreign currency available in the market for currency conversions. If, in the future, the regulations restrict our ability to convert local currencies or there is insufficient foreign currency available in the market, we may be unable to meet any foreign currency payment obligations.

Fluctuations in exchange rates in the Malaysian Ringgit (“RM”) could adversely affect our business and the value of our securities.

The value of the RM against the U.S. dollar and other currencies may fluctuate and is affected by, among other things, changes in Malaysia’s political and economic conditions. The value of our common stock will be indirectly affected by the foreign exchange rate between U.S. dollars and RM and between those currencies and other currencies in which our revenue may be denominated. Appreciation or depreciation in the value of the RM relative to the U.S. dollar would affect our financial results reported in U.S. dollar terms without giving effect to any underlying change in our business or results of operations. As we rely entirely on revenues earned in Malaysia, any significant revaluation of RM may materially and adversely affect our cash flows, revenues and financial condition. For example, to the extent that we need to convert U.S. dollars we receive from an offering of our securities into RM for our operations, appreciation of the RM against the U.S. dollar could cause the RM equivalent of U.S. dollars to be reduced and therefore could have a material adverse effect on our business, financial condition and results of operations. Conversely, if we decide to convert our RM into U.S. dollars for the purpose of making dividend payments on our common stock or for other business purposes and the U.S. dollar appreciates against the RM, the U.S. dollar equivalent of the RM we convert would be reduced. In addition, the depreciation of significant U.S. dollar denominated assets could result in a change to our operations and a reduction in the value of these assets.

Geopolitical conditions, including acts of war or terrorism or unrest in the regions in which we operate could adversely affect our business.

Most of our operations and business activities are conducted in Malaysia, whose economy and legal system remain susceptible to risks associated with an emerging economy and which is subject to higher geopolitical risks than developed countries. Social and political unrest could give rise to various risks, such as loss of employment and safety and security risks to persons and property. Additionally, our operations could be disrupted by acts of war, terrorist activity or other similar events, including the current or anticipated impact of military conflict and related sanctions imposed on Russia, Belarus and certain individuals and entities connected to Russian or Belarusian political, business, and financial organizations by the United States and other countries due to Russia’s invasion of Ukraine in February 2022. It is not possible to predict the broader consequences of the conflict, including related geopolitical tensions, and the measures and retaliatory actions taken by the U.S. and other countries in respect thereof as well as any counter measures or retaliatory actions by Russia or Belarus in response, including, for example, potential cyberattacks or the disruption of energy exports, is likely to cause regional instability, geopolitical shifts, and could materially adversely affect global trade, currency exchange rates, regional economies and the global economy. Any such event may in turn have a material and adverse effect on our business, results of operations and financial position.

Because our principal assets are located outside of the United States and all of our directors and all our officers reside outside of the United States, it may be difficult for you to enforce your rights based on U.S. Federal Securities Laws against us and our officers and directors or to enforce a judgment of a United States court against us or our officers and directors.

All of our directors and officers reside outside of the United States. In addition, substantially all of our assets are located outside of the United States. It may therefore be difficult for investors in the United States to enforce their legal rights based on the civil liability provisions of the U.S. federal securities laws against us in the courts of either the U.S. or Malaysia and, even if civil judgments are obtained in U.S. courts, to enforce such judgments in Malaysian courts.

Our failure to maintain effective internal controls over financial reporting could have an adverse impact on us.

We are required to establish and maintain appropriate internal controls over financial reporting. Failure to establish those controls, or any failure of those controls once established, could adversely impact our public disclosures regarding our business, financial condition or results of operations. In addition, management’s assessment of internal controls over financial reporting may identify weaknesses and conditions that need to be addressed in our internal controls over financial reporting or other matters that may raise concerns for investors. Any actual or perceived weaknesses and conditions that need to be addressed in our internal control over financial reporting, disclosure of management’s assessment of our internal controls over financial reporting or disclosure of our public accounting firm’s attestation to or report on management’s assessment of our internal controls over financial reporting may have an adverse impact on the price of our common stock.

In preparing our consolidated financial statements as of and for the year ended June 30, 2022, we and our independent registered public accounting firms identified 7 material weaknesses and other control deficiencies including significant deficiencies in our internal control over financial reporting, as defined in the standards established by the Public Company Accounting Oversight Board. A “material weakness” is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company’s annual or interim financial statements will not be prevented or detected on a timely basis.

The material weaknesses identified included the following: (1) we did not have sufficient full-time personnel with appropriate levels of accounting knowledge and experience to monitor the daily recording of transactions, address complex United States of America generally accepted accounting principles (“U.S. GAAP”) accounting issues and to prepare and review financial statements and related disclosures under U.S. GAAP; (2) we lack of a functional internal audit department or personnel that monitors the consistencies of the preventive internal control procedures and lack of adequate policies and procedures in internal audit function to ensure that our policies and procedures have been carried out as planned; (3) we lack of proper procedures developed and implemented for IT risk assessment and vulnerability management; (4) we lack of proper procedures developed and implemented for access to systems and data, which include user account management and password management; (5) we lack of proper procedures developed and implemented for segregation of duties and related monitoring; (6) we lack of proper procedures identified related party transaction which lead to revision of previously issued financial statements (See Note 2 of the accompanying consolidated financial statement footnotes); and (7) we lack of proper procedures developed and implemented for third party IT service vendor risk assessment and management.

Following the identification of the material weaknesses and control deficiencies, we plan to take remedial measures including (i) hiring more qualified accounting personnel with relevant U.S. GAAP and SEC reporting experience and qualifications to strengthen the financial reporting function and to set up a financial and system control framework; (ii) implementing regular and continuous U.S. GAAP accounting and financial reporting training programs for our accounting and financial reporting personnel; (iii) establishing internal audit function by engaging an external consulting firm to assist us with assessment of Sarbanes-Oxley Act compliance requirements and improvement of overall internal control; and (iv) strengthening corporate governance. However, the implementation of these measures may not fully address the material weaknesses in our internal control over financial reporting. Our failure to correct the material weaknesses or our failure to discover and address any other material weaknesses or control deficiencies could result in inaccuracies in our consolidated financial statements and could also impair our ability to comply with applicable financial reporting requirements and related regulatory filings on a timely basis. As a result, our business, financial condition, results of operations and prospects, as well as the trading price of our common stocks, may be materially and adversely affected. Moreover, ineffective internal control over financial reporting significantly hinders our ability to prevent fraud.

A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. In addition, the design of a control system must reflect the fact that there are resource constraints, and the benefit of controls must be relative to their costs. Because of the inherent limitations in all control systems, no system of controls can provide absolute assurance that all control issues and instances of fraud, if any, within our Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Further, controls can be circumvented by individual acts of some persons, by collusion of two or more persons, or by management override of the controls. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, a control may become inadequate because of changes in conditions or the degree of compliance with policies or procedures may deteriorate. Because of inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and may not be detected.

If we fail to have effective controls and procedures for financial reporting in place, we could be unable to provide timely and accurate financial information which could result in an investigation by the SEC and civil or criminal sanctions; investors losing confidence in the accuracy of our periodic reports filed under the Exchange Act; and a decline in our stock price.

We are an “emerging growth company” under the JOBS Act and we cannot be certain if the reduced disclosure requirements applicable to emerging growth companies will make our common stock less attractive to investors.

We are an “emerging growth company,” as defined in the JOBS Act, and we may take advantage of certain exemptions from various reporting requirements that are not applicable to other public companies that are not “emerging growth companies” including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved. We cannot predict if investors will find our common stock less attractive because we may rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile.

In addition, Section 107 of the JOBS Act also provides that an “emerging growth company” can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act of 1933 (the “Securities Act”) for complying with new or revised accounting standards. In other words, an “emerging growth company” can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have chosen to take advantage of the extended transition period for complying with new or revised accounting standards.

We will remain an “emerging growth company” until the last day of the fiscal year following the fifth anniversary of the date of the first sale of our common stock pursuant to an effective registration statement under the Securities Act, although we will lose that status sooner if our revenues exceed \$1.235 billion, if we issue more than \$1 billion in non-convertible debt in a three year period, or if the market value of our common stock that is held by non-affiliates exceeds \$700 million as of the last day of our most recently completed second fiscal quarter.

The elimination of personal liability against our directors and officers under Delaware law and the existence of indemnification rights held by our directors, officers and employees may result in substantial expenses.

Our certificate of incorporation, as amended (“Certificate of Incorporation”) eliminates the personal liability of our directors and officers to us and our stockholders for damages for breach of fiduciary duty as a director or officer to the extent permissible under Delaware law. Further, our bylaws (“Bylaws”) provide that we are obligated to indemnify each of our directors or officers to the fullest extent authorized by the Delaware law and, subject to certain conditions, advance the expenses incurred by any director or officer in defending any action, suit or proceeding prior to its final disposition. Those indemnification obligations could expose us to substantial expenditures to cover the cost of settlement or damage awards against our directors or officers, which we may be unable to afford. Further, those provisions and resulting costs may discourage us or our stockholders from bringing a lawsuit against any of our current or former directors or officers for breaches of their fiduciary duties, even if such actions might otherwise benefit our stockholders.

We have not paid dividends in the past and do not expect to pay dividends in the future, and any return on investment may be limited to the value of our stock.

We have never paid cash dividends on our common stock and do not anticipate paying cash dividends on our common stock in the foreseeable future. We currently intend to retain any future earnings to support the development of our business and do not anticipate paying cash dividends in the foreseeable future. Our payment of any future dividends will be at the discretion of our Board after taking into account various factors, including, but not limited to, our financial condition, operating results, cash needs, growth plans and the terms of any credit agreements that we may be a party to at the time. In addition, our ability to pay dividends on our common stock may be limited by Delaware state law. Accordingly, investors must rely on sales of their common stock after price appreciation, which may never occur, as the only way to realize a return on their investment. Investors seeking cash dividends should not purchase our common stock.

Regulatory Risks

Failure to comply with laws and regulations applicable to our business could subject us to fines and penalties and could also cause us to lose customers or otherwise harm our business.

Our business is subject to regulation by various governmental agencies in Malaysia, including agencies responsible for monitoring and enforcing compliance with various legal obligations, such as privacy and data protection-related laws and regulations, intellectual property laws, employment and labor laws, workplace safety, governmental trade laws, import and export controls, anti-corruption and anti-bribery laws, and tax laws and regulations. These laws and regulations impose added costs on our business. Noncompliance with applicable regulations or requirements could subject us to:

- investigations, enforcement actions, and sanctions;
- mandatory changes to our network and products;
- disgorgement of profits, fines, and damages;
- civil and criminal penalties or injunctions;
- claims for damages by our customers or channel partners;

- termination of contracts;
- failure to obtain, maintain or renew certain licenses, approvals, permits, registrations or filings necessary to conduct our operations; and
- temporary or permanent debarment from sales to public service organizations.

If any governmental sanctions are imposed, or if we do not prevail in any possible civil or criminal litigation, our business, results of operations and financial condition could be adversely affected. In addition, responding to any action will likely result in a significant diversion of our management's attention and resources and an increase in professional fees. Enforcement actions and sanctions could materially harm our business, results of operations and financial condition.

Any reviews by regulatory agencies or legislatures may result in substantial regulatory fines, changes to our business practices and other penalties, which could negatively affect our business and results of operations. Changes in social, political and regulatory conditions or in laws and policies governing a wide range of topics may cause us to change our business practices. Further, our expansion into a variety of new fields also could raise a number of new regulatory issues. These factors could negatively affect our business and results of operations in material ways.

Moreover, we are exposed to the risk of misconduct, errors and failure to functions by our management, employees and parties that we collaborate with, who may from time to time be subject to litigation and regulatory investigations and proceedings or otherwise face potential liability and penalties in relation to noncompliance with applicable laws and regulations, which could harm our reputation and business.

Regulation of the internet generally could have adverse consequences on our business.

We are also subject to regulations and laws in Malaysia specifically governing the internet and e-commerce. Existing and future laws and regulations may impede the growth of the Internet, e-commerce or other online services, and increase the cost of providing online services. These regulations and laws may cover sweepstakes, taxation, tariffs, user privacy, data protection, pricing, content, copyrights, distribution, electronic contracts and other communications, consumer protection, broadband residential Internet access and the characteristics and quality of services. It is not clear how existing laws governing issues such as property ownership, sales, use and other taxes, libel and personal privacy apply to the internet and e-commerce. Unfavorable resolution of these issues may harm our business and results of operations.

Privacy regulations could have adverse consequences on our business.

We receive, collect, store, process, transfer and use personal information and other user data. There are numerous international laws and regulations regarding privacy, data protection, information security and the collection, storing, sharing, use, processing, transfer, disclosure and protection of personal information and other content, the scope of which are changing, subject to differing interpretations, and may be inconsistent among countries, or conflict with other laws and regulations. We are also subject to the terms of our privacy policies and obligations to third parties related to privacy, data protection and information security. We strive to comply with applicable laws, regulations, policies and other legal obligations relating to privacy, data protection and information security to the extent possible. However, the regulatory framework for privacy and data protection worldwide is, and is likely to remain for the foreseeable future, uncertain and complex, and it is possible that these or other actual or alleged obligations may be interpreted and applied in a manner that we do not anticipate or that is inconsistent from one jurisdiction to another and may conflict with other rules or our practices. Further, any significant change to applicable laws, regulations, or industry practices regarding the collection, use, retention, security or disclosure of our users' data, or their interpretation, or any changes regarding the manner in which the express or implied consent of users for the collection, use, retention or disclosure of such data must be obtained, could increase our costs and require us to modify our services and features, possibly in a material manner, which we may be unable to complete, and may limit our ability to store and process user data or develop new services and features.

We also expect that there will continue to be new laws, regulations and industry standards concerning privacy, data protection and information security proposed and enacted in various jurisdictions.

Any failure or perceived failure by us to comply with our posted privacy policies, our privacy-related obligations to users or other third parties or any other legal obligations or regulatory requirements relating to privacy, data protection or information security may result in governmental investigations or enforcement actions, litigation, claims or public statements against us by consumer advocacy groups or others and could result in significant liability, cause our users to lose trust in us, and otherwise have an adverse effect on our reputation and business. Furthermore, the costs of compliance with, and other burdens imposed by, the laws, regulations and policies that are applicable to the businesses of our users may limit the adoption and use of, and reduce the overall demand for, our ZCITY App.

Additionally, if third parties we work with violate applicable laws, regulations or agreements, such violations may put our users' data at risk, could result in governmental investigations or enforcement actions, fines, litigation, claims or public statements against us by consumer advocacy groups or others and could result in significant liability, cause our users to lose trust in us and otherwise have an adverse effect on our reputation and business. Further, public scrutiny of or complaints about technology companies or their data handling or data protection practices, even if unrelated to our business, industry or operations, may lead to increased scrutiny of technology companies, including us, and may cause government agencies to enact additional regulatory requirements, or to modify their enforcement or investigation activities, which may increase our costs and risks.

Regulation of gift cards or "E-vouchers" could have adverse consequences on our business.

Our platform's payment system inevitably provides our customers with reward points that may or may not be deemed gift certificates, store gift cards, general-use prepaid cards or other vouchers or "gift cards," subject to, various laws of multiple jurisdictions. Many of these laws include specific disclosure requirements and prohibitions or limitations on the use of expiration dates and the imposition of certain fees. Various companies that provided deal products similar to ours around the world are currently or were defendants in purported class action lawsuits.

The application of various other laws and regulations to our products is uncertain. These include laws and regulations pertaining to unclaimed and abandoned property, partial redemption, revenue-sharing restrictions on certain trade groups and professions, sales and other local taxes and the sale of alcoholic beverages. In addition, we may become, or be determined to be, subject to United States federal or state laws or laws in Malaysia or other countries where we operate regulating money transmitters or aimed at preventing money laundering or terrorist financing, including the Bank Secrecy Act, the USA Patriot Act and other similar future laws or regulations in the United States and in the applicable SEA or East Asia countries.

If we become subject to claims or are required to alter our business practices as a result of current or future laws and regulations, our revenue could decrease, our costs could increase and our business could otherwise be harmed. In addition, the costs and expenses associated with defending any actions related to such additional laws and regulations and any payments of related penalties, fines, judgments or settlements could harm our business.

The requirements of being a public company are complex and have increased costs.

As a public company, we are subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"), the Dodd-Frank Wall Street Reform and Consumer Protection Act, and other applicable securities rules and regulations. Compliance with these rules and regulations increases our legal and financial

compliance costs, make some activities more difficult, time-consuming or costly and increase demand on our systems and resources. The Exchange Act requires, among other things, that we file annual, quarterly and current reports with respect to our business and operating results. The Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. In order to maintain and, if required, improve our disclosure controls and procedures and internal control over financial reporting to meet this standard, significant resources and management oversight may be required. As a result, management's attention may be diverted from other business concerns, which could harm our business and operating results. We may need to hire more employees in the future to maintain compliance with these requirements, which will increase our costs and expenses.

In addition, changing laws, regulations and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs and making some activities more time consuming. These laws, regulations and standards are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. We intend to invest resources to comply with evolving laws, regulations and standards, and this investment may result in increased general and administrative expenses and a diversion of management's time and attention from revenue-generating activities to compliance activities. If our efforts to comply with new laws, regulations and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to practice, regulatory authorities may initiate legal proceedings against us and our business may be harmed.

We also expect that being a public company and these new rules and regulations will make it more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. These factors could also make it more difficult for us to attract and retain qualified members of our board of directors ("Board"), particularly to serve on our audit committee and remuneration committee, and qualified executive officers.

As a result of disclosure of information in this prospectus and in our prior SEC filings, our business and financial condition has become more visible, which we believe may result in increased threatened or actual litigation, including by competitors and other third parties. If such claims are successful, our business and operating results could be harmed, and even if the claims do not result in litigation or are resolved in our favor, these claims, and the time and resources necessary to resolve them, could divert the resources of our management and harm our business and operating results.

Failure to comply with the U.S. Foreign Corrupt Practices Act and Malaysia anti-corruption laws could subject us to penalties and other adverse consequences.

We are required to comply the Malaysia's anti-corruption laws and the United States Foreign Corrupt Practices Act, which generally prohibits U.S. companies from engaging in bribery or other prohibited payments to foreign officials for the purpose of obtaining or retaining business. In addition, we are required to maintain records that accurately and fairly represent our transactions and have an adequate system of internal accounting controls. Foreign companies, including some of our competitors, are not subject to these prohibitions. Corruption, extortion, bribery, pay-offs, theft and other fraudulent practices occur from time-to-time in Malaysia. If our competitors engage in these practices, they may receive preferential treatment from personnel of some companies, giving our competitors an advantage in securing business or from government officials who might give them priority in obtaining new licenses, which would put us at a disadvantage. Although we inform our personnel that such practices are illegal, we cannot assure you that our employees or other agents will not engage in such conduct for which we might be held responsible. If our employees or other agents are found to have engaged in such practices, we could suffer severe penalties and other consequences that may have a material adverse effect on our business, financial condition and results of operations. In addition, our brand and reputation, our sales activities or the price of our ordinary shares could be adversely affected if we become the target of any negative publicity as a result of actions taken by our employees or other agents.

Litigation is costly and time consuming and could have a material adverse effect our business, results or operations and reputation.

We and/or our directors and officers may be subject to a variety of civil or other legal proceedings, with or without merit. From time to time in the ordinary course of its business, we may become involved in various legal proceedings, including commercial, employment and other litigation and claims, as well as governmental and other regulatory investigations and proceedings. Such matters can be time-consuming, divert management's attention and resources and cause us to incur significant expenses. Furthermore, because litigation is inherently unpredictable, the results of any such actions may have a material adverse effect on our business, operating results or financial condition.

Even if the claims are without merit, the costs associated with defending these types of claims may be substantial, both in terms of time, money, and management distraction. In particular, patent and other intellectual property litigation may be protracted and expensive, and the results are difficult to predict and may require us to stop offering certain features, purchase licenses or modify our products and features while we develop non-infringing substitutes or may result in significant settlement costs.

The results of litigation and claims to which we may be subject cannot be predicted with certainty. Even if these matters do not result in litigation or are resolved in our favor or without significant cash settlements, these matters, and the time and resources necessary to litigate or resolve them, could harm our business, results or operations and reputation.

We face potential liability and expense for legal claims based on the content on our ZCITY App.

We face potential liability and expense for legal claims relating to the information that we publish on our website and our ZCITY App, including claims for copyright or trademark infringement, among others. These claims could divert management time and attention away from our business and result in significant costs to investigate and defend, regardless of the merits of the claims. In some instances, we may elect or be compelled to remove content or may be forced to pay substantial damages if we are unsuccessful in our efforts to defend against these claims. If we elect or are compelled to remove valuable content from our website or mobile app, our ZCITY App may become less useful to consumers and our traffic may decline, which could have a negative impact on our business and financial performance.

Our intellectual property rights may be inadequate to protect us against others claiming violations of their proprietary rights and the cost of enforcement could be significant.

The future success of our business is dependent upon the intellectual property rights surrounding our technology, including trade secrets, know-how and continuing technological innovation. Although we will seek to protect our proprietary rights, our actions may be inadequate to protect any proprietary rights or to prevent others from claiming violations of their proprietary rights. There can be no assurance that other companies are not investigating or developing other technologies that are similar to our technology. In addition, effective intellectual property protection may be unenforceable or limited in certain countries, and the global nature of the Internet makes it impossible to control the ultimate designation of our technology. Any of these claims, with or without merit, could subject us to costly litigation. If the protection of proprietary rights is inadequate to prevent unauthorized use or appropriation by third parties, the value of our brand and other intangible assets may be diminished. Any of these events could have an adverse effect on our business and financial results.

Effective trade secret, copyright, trademark and domain name protection is expensive to develop and maintain, both in terms of initial and ongoing registration requirements and

expenses and the costs of defending our rights. We are seeking to protect our trademarks and domain names in an increasing number of jurisdictions, a process that is expensive and may not be successful or which we may not pursue in every location. Litigation may be necessary to enforce our intellectual property rights, protect our respective trade secrets or determine the validity and scope of proprietary rights claimed by others. Any litigation of this nature, regardless of outcome or merit, could result in substantial costs and diversion of management and technical resources, any of which could adversely affect our business and operating results. We may incur significant costs in enforcing our trademarks against those who attempt to imitate our brand. If we fail to maintain, protect and enhance our intellectual property rights, our business and operating results may be harmed.

If we are unable to protect the confidentiality of our trade secrets, our business and competitive position could be harmed.

In addition to patent protection, we also rely upon copyright and trade secret protection, as well as non-disclosure agreements and invention assignment agreements with our employees, consultants and third parties, to protect our confidential and proprietary information. In addition to contractual measures, we try to protect the confidential nature of our proprietary information using commonly accepted physical and technological security measures. Such measures may not, for example, in the case of misappropriation of a trade secret by an employee or third party with authorized access, provide adequate protection for our proprietary information. Our security measures may not prevent an employee or consultant from misappropriating our trade secrets and providing them to a competitor, and recourse we take against such misconduct may not provide an adequate remedy to protect our interests fully. Unauthorized parties may also attempt to copy or reverse engineer certain aspects of our product that we consider proprietary. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret can be difficult, expensive and time-consuming, and the outcome is unpredictable. Even though we use commonly accepted security measures, trade secret violations are often a matter of state law, and the criteria for protection of trade secrets can vary among different jurisdictions. In addition, trade secrets may be independently developed by others in a manner that could prevent legal recourse by us. If any of our confidential or proprietary information, such as our trade secrets, were to be disclosed or misappropriated, or if any such information was independently developed by a competitor, our business and competitive position could be harmed.

Third parties may assert that our employees or consultants have wrongfully used or disclosed confidential information or misappropriated trade secrets.

We employ individuals who previously worked with other companies, including our competitors or potential competitors. Although we try to ensure that our employees and consultants do not use the proprietary information or know-how of others in their work for us, we may be subject to claims that we or our employees, consultants or independent contractors have inadvertently or otherwise used or disclosed intellectual property, including trade secrets or other proprietary information, of a former employer or other third party. Litigation may be necessary to defend against these claims. If we fail in defending any such claims or settling those claims, in addition to paying monetary damages or a settlement payment, we may lose valuable intellectual property rights or personnel. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management and other employees.

Risks Related to this Offering and Ownership of our Common Stock

Our management will have broad discretion over the use of any net proceeds from this offering and you may not agree with how we use the proceeds, and the proceeds may not be invested successfully.

Our management will have broad discretion as to the use of any net proceeds from this offering and could use them for purposes other than those contemplated at the time of this offering. As of the date of this prospectus, we will use the net proceeds of this offering for general corporate purposes, including working capital. We have not allocated any specific portion of the net proceeds to any particular purpose and our management will have the discretion to allocate the proceeds as it determines. We will have significant flexibility and broad discretion in applying the net proceeds of this offering, and we may not apply these proceeds effectively. Our management might not be able to yield a significant return, if any, on any investment of these net proceeds, and you will not have the opportunity to influence our decisions on how to use our net proceeds from this offering.

There is no established public trading market for the pre-funded warrants being offered in this offering, and we do not expect a market to develop for the pre-funded warrants.

There is no established public trading market for the pre-funded warrants being offered in this offering, and we do not expect a market to develop. In addition, we do not intend to apply to list the pre-funded warrants on any national securities exchange or other nationally recognized trading system. Without an active market, the liquidity of the pre-funded warrants will be limited. Further, the existence of the pre-funded warrants may act to reduce both the trading volume and the trading price of our common stock.

The pre-funded warrants are speculative in nature.

Except as otherwise provided in the pre-funded warrants, until holders of pre-funded warrants acquire our common stock upon exercise of the pre-funded warrants, holders of pre-funded warrants will have no rights with respect to our common stock underlying such pre-funded warrants. Upon exercise of the pre-funded warrants, the holders will be entitled to exercise the rights of a stockholder of our common stock only as to matters for which the record date occurs after the exercise date.

Moreover, following this offering, the market value of the pre-funded warrants is uncertain. There can be no assurance that the market price of our common stock will ever equal or exceed the price of the pre-funded warrants, and, consequently, whether it will ever be profitable for investors to exercise their pre-funded warrants.

A large number of shares of our common stock issuable upon conversion of the Convertible Debentures may be sold in the market, which may depress the market price of our common stock and substantially dilute stockholders' voting power.

A total of 22,880,000 shares of common stock issuable upon conversion of the Convertible Debentures were registered for resale pursuant to the Form S-1, subject to the limitation that the holder may not convert those securities to the extent that the holder would own more than 4.99% of our outstanding common stock immediately after conversion. However, this limitation does not prevent the holder from selling shares of our common stock and then receive additional shares of our common stock through a subsequent conversion. In this way, the selling stockholder could acquire and sell more than 4.99% of the outstanding common stock in a relatively short time frame while never holding more than 4.99% at one time. Further since the exercise price under the Convertible Debentures is based on market prices of our common stock during the ten trading days prior to each conversion, declines in the market price of our common stock down to the conversion floor price (\$0.25 per share) result in, subject to the floor price, higher conversion rates and consequently higher rates of dilution to stockholders for each dollar of principal of a Convertible Debenture being converted during such declines. As of August [*], 2023 there were 18,780,778 shares of common stock outstanding and [*] shares of common stock owned by non-affiliates. Sales of a substantial number of shares of our common stock in the public markets could depress the market price of our common stock, cause substantial dilution to stockholders' voting power and impair our ability to raise capital through the sale of additional equity securities. If all [*] shares of common stock that could potentially be underlying the Convertible Debentures are issued, the percentage of our common stock held by the existing non-affiliate stockholders would be reduced from approximately [*]% to approximately [*]%. We cannot predict the effect that future sales of our common stock by the holders or others would have on the market price of our common stock.

The Occurrence of a Trigger Event or an Event of Default under a Convertible Debenture could lead to increased amounts payable under the Convertible Debentures and could cause an acceleration of the Convertible Debentures and materially and adversely affect our operations.

If the price of our Company stock closes at a price of less than \$0.25 on five to seven consecutive trading days, a Trigger Event will have occurred and will be required to pay, on a monthly basis, to the holder the Trigger Premium Amount, a 7% redemption premium and accrued and unpaid interest on the Convertible Debentures. The Events of Default contained in the Convertible Debentures (as described under “Prospectus Summary—Private Placement of the Convertible Debentures—Terms of the Convertible Debentures”) are customary events of default with acceleration rights. If an event of default occurs and is continuing, the per annum interest rate on the Convertible Debentures will increase from 4% to 15% and the holder will be entitled to declare the full unpaid principal amount of the Convertible Debentures, together with interest and other amounts owing in respect thereof, immediately due and payable in cash; provided that an Event of Default that occurs because of the bankruptcy or insolvency of the Company shall be automatic. If a Trigger Event, an Event of Default or both occur, our costs related to the Convertible Debentures could substantially increase and we may not have the funds required to repay the holders the accelerated amounts due under the Convertible Debentures, which could lead to the holders to take action against the Company such as commencing litigation which could have material adverse effects on our business and prospects.

Stockholders may experience future dilution as a result of this and future equity offerings.

In order to raise additional capital, we may in the future offer additional shares of our common stock or other securities convertible into or exchangeable for our common stock. Investors purchasing our shares or other securities in the future could have rights superior to existing common stockholders, and the price per share at which we sell additional shares of our common stock or other securities convertible into or exchangeable for our common stock in future transactions may be higher or lower than the price per share in this offering.

If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about our business, our stock price and trading volume could decline.

The trading market for our common stock will depend in part on the research and reports that securities or industry analysts publish about us or our business. Several analysts may cover our stock. If one or more of those analysts downgrade our stock or publish inaccurate or unfavorable research about our business, our stock price would likely decline. If one or more of these analysts cease coverage of our Company or fail to publish reports on us regularly, demand for our stock could decrease, which might cause our stock price and trading volume to decline.

We may not be able to continue to satisfy listing requirements of Nasdaq to maintain a listing of our common stock.

Our common stock is currently listed on Nasdaq and we must meet certain financial and liquidity criteria to maintain such listing. If we violate the maintenance requirements for continued listing of our common stock, our common stock may be delisted. In addition, our board may determine that the cost of maintaining our listing on a national securities exchange outweighs the benefits of such listing. A delisting of our common stock from Nasdaq may materially impair our stockholders’ ability to buy and sell our common stock and could have an adverse effect on the market price of, and the efficiency of the trading market for, our common stock. In addition, the delisting of our common stock could significantly impair our ability to raise capital.

If there is no viable public market for our common stock, you may be unable to sell your shares at or above your purchase price.

Although our common stock is listed on Nasdaq, an active trading market for our shares may not be sustained following the purchase of your common stock. You may be unable to sell your shares quickly or at the market price if trading in shares of our common stock is not active. Further, an inactive market may also impair our ability to raise capital by selling shares of our common stock and may impair our ability to enter into strategic partnerships or acquire companies or products by using our shares of common stock as consideration.

We may be subject to securities litigation, which is expensive and could divert our management’s attention.

The market price of our securities may be volatile, and in the past companies that have experienced volatility in the market price of their securities have been subject to securities class action litigation. We may be the target of this type of litigation in the future. Securities litigation against us could result in substantial costs and divert our management’s attention from other business concerns.

You should consult your own independent tax advisor regarding any tax matters arising with respect to the securities offered in connection with this offering.

Participation in this offering could result in various tax-related consequences for investors. All prospective purchasers of the resold securities are advised to consult their own independent tax advisors regarding the U.S. federal, state, local and non-U.S. tax consequences relevant to the purchase, ownership and disposition of the resold securities in their particular situations.

IN ADDITION TO THE ABOVE RISKS, BUSINESSES ARE OFTEN SUBJECT TO RISKS NOT FORESEEN OR FULLY APPRECIATED BY MANAGEMENT. IN REVIEWING THIS FILING, POTENTIAL INVESTORS SHOULD KEEP IN MIND THAT OTHER POSSIBLE RISKS MAY ADVERSELY IMPACT THE COMPANY’S BUSINESS OPERATIONS AND THE VALUE OF THE COMPANY’S SECURITIES.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains “forward-looking statements.” Forward-looking statements reflect the current view about future events. When used in this prospectus, the words “anticipate,” “believe,” “estimate,” “expect,” “future,” “intend,” “plan” or the negative of these terms and similar expressions, as they relate to us or our management, identify forward-looking statements. Such statements, include, but are not limited to, statements relating to our business strategy, our future operating results and liquidity and capital resources outlook. Forward-looking statements are based on our current expectations and assumptions regarding our business, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. Our actual results may differ materially from those contemplated by the forward-looking statements. They are neither statements of historical fact nor guarantees of assurance of future performance. We caution you therefore against relying on any of these forward-looking statements. Important factors that could cause actual results to differ materially from those in the forward-looking statements include, without limitation:

- Our ability to effectively operate our business segments;

- Our ability to manage our research, development, expansion, growth and operating expenses;
- Our ability to evaluate and measure our business, prospects and performance metrics;
- Our ability to compete, directly and indirectly, and succeed in a highly competitive and evolving industry;
- Our ability to respond and adapt to changes in technology and customer behavior;
- Our ability to protect our intellectual property and to develop, maintain and enhance a strong brand; and
- other factors (including the risks contained in the section of this prospectus entitled “Risk Factors”) relating to our industry, our operations and results of operations.

Should one or more of these risks or uncertainties materialize, or should the underlying assumptions prove incorrect, actual results may differ significantly from those anticipated, believed, estimated, expected, intended or planned.

Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. We cannot guarantee future results, levels of activity, performance or achievements. Except as required by applicable law, including the securities laws of the United States, we do not intend to update any of the forward-looking statements to conform these statements to actual results.

USE OF PROCEEDS

We estimate that the net proceeds to us from this offering, assuming no exercise of the over-allotment option will be approximately \$[*] (\$[*] if the over-allotment option is exercised in full), after deducting underwriter discounts and commissions and other estimated offering expenses payable by us for this offering. We intend to use the net proceeds from the sale of our securities by us in this offering for general corporate purposes, including working capital.

MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Our common stock is listed on The Nasdaq Capital Market under the symbol “TGL.”

As of August [*], 2023, 18,780,778 shares of our common stock were issued and outstanding and were held by 28 stockholders of record.

We also have outstanding warrants to purchase 100,000 shares of our common stock issued to the underwriter in our initial public offering. The warrant has an exercise price of \$5.00 per share.

DIVIDEND POLICY

We have not declared any cash dividends since inception and we do not anticipate paying any dividends in the foreseeable future. Instead, we anticipate that all of our earnings will be used to provide working capital, to support our operations, and to finance the growth and development of our business. The payment of dividends is within the discretion of the Board and will depend on our earnings, capital requirements, financial condition, prospects, applicable Delaware law, which provides that dividends are only payable out of surplus or current net profits, and other factors our Board might deem relevant. There are no restrictions that currently limit our ability to pay dividends on our common stock other than those generally imposed by applicable state law.

CAPITALIZATION

The following table sets forth our consolidated cash and capitalization, as of June 30, 2023. Such information is set forth on the following basis:

- on an actual basis; and
- on a pro forma basis giving effect to the sale of [*] shares of common stock by us in this public offering at a public offering price of \$[*] per share and pre-funded warrants to purchase up to [*] shares of common stock at a public offering price of \$[*] per pre-funded warrant (and excluding shares of common stock issuable and any proceeds that may be received upon exercise of the pre-funded warrants), after deducting the underwriter discount and commissions and offering expenses paid by us.

You should read the following table in conjunction with “Use of Proceeds,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our financial statements and related notes included in this prospectus.

The pro forma information set forth below is illustrative only and will be adjusted based on the actual public offering price and other terms of this offering determined at pricing.

	Actual	Pro Forma ⁽¹⁾
Cash	\$	\$
Short term debt, including related party loans and amounts due to related parties	\$	\$
Long term debt, including related party loans, convertible notes payable, net of unamortized discounts		
Total indebtedness	\$	\$
Stockholders’ equity:		
Common stock, \$0.00001 par value, 150,000,000 shares authorized, 17,901,353 shares issued and outstanding, actual; 150,000,000 shares authorized, [*] shares issued and outstanding, pro forma		
Additional paid-in capital		
Accumulated deficit		
Accumulated other comprehensive loss		
Total stockholders’ (deficit) equity		
Total capitalization	\$	\$

(1) Excludes (i) 100,000 shares of our common stock underlying the underwriter’s warrant issued in our initial public offering and (ii) 300,000 shares of our common stock underlying a warrant issued to Exchange Listing, LLC for consulting services.

DILUTION

Purchasers of our common stock in this offering will experience an immediate and substantial dilution in the net tangible book value of their shares of common stock. Dilution in net tangible book value represents the difference between the public offering price per share and the pro forma net tangible book value per share of our common stock immediately after the offering.

The historical net tangible book value of our common stock as of June 30, 2023, was \$[*] or \$[*] per share. Historical net tangible book value per share of our common stock represents our total tangible assets (total assets less intangible assets) less total liabilities divided by the number of shares of common stock outstanding as of that date. After giving effect to the sale of [*] shares in this offering at an offering price of \$[*] per share and pre-funded warrants to purchase up to [*] shares of common stock at an offering price of \$[*] per share (and excluding shares of common stock issuable and any proceeds that may be received upon exercise of the pre-funded warrants) less estimated underwriting fees and offering expenses of approximately \$[*] for net proceeds of approximately \$[*], our pro forma net tangible book value as of June 30, 2023 would have been \$[*] or approximately \$[*] per share of our common stock. This represents an immediate increase in net tangible book value per share of \$[*] to the existing stockholders and an immediate dilution in net tangible book value per share of \$[*] to new investors who purchase shares of common stock in the offering. The following table illustrates this per share dilution to new investors:

Public offering price per share	\$	[*]
Historical net tangible book value per share as of June 30, 2023	\$	[*]
Increase in net tangible book value per share after giving effect to the offering	\$	[*]
Pro forma net tangible book value per share as of June 30, 2023	\$	[*]
Dilution in net tangible book value per share to new investors	\$	[*]

After completion of this offering, our existing stockholders would own approximately [*]% and our new investors would own approximately [*]% of the total number of shares of our common stock outstanding after this offering.

To the extent that outstanding options or warrants are exercised, you will experience further dilution. In addition, we may choose to raise additional capital due to market conditions or strategic considerations even if we believe we have sufficient funds for our current or future operating plans. To the extent that additional capital is raised through the sale of equity or convertible debt securities, the issuance of these securities may result in further dilution to our stockholders.

The dilution information set forth in the table above is illustrative only and will be adjusted based on the actual public offering price and other terms of this offering determined at pricing.

Capitalization Table

	Shares Purchased		Total Consideration		Per Share	
	Number	Percent	Amount	Percent		
Existing stockholders	17,901,353	[*]%	\$	[*]	\$	[*]
New Investors	[*]	[*]%	\$	[*]	\$	[*]
	[*]	[*]%	\$	[*]	\$	[*]

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with the section headed "Selected Consolidated Financial and Operating Data" and our consolidated financial statements and the related notes included elsewhere in this prospectus. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results and the timing of selected events could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under "Risk Factors" and elsewhere in this prospectus.

Overview

Treasure Global Inc. is a holding company incorporated on March 20, 2020, under the laws of the State of Delaware. TGI has no substantive operations other than holding all of the outstanding shares of ZCITY Sdn. Bhd. (formerly known as Gem Reward Sdn. Bhd, changed name on July 20, 2023) ("ZCITY"), which was established under the laws of the Malaysia on June 6, 2017, through a reverse recapitalization.

Prior to March 11, 2021, TGI and ZCITY were separate companies under the common control of Kok Pin "Darren" Tan, which resulted from Mr. Tan's prior 100% ownership of TGI and his prior 100% voting and investment control over ZCITY pursuant to the Beneficial Shareholding Agreements. For a more detailed description of the Beneficial Shareholding Agreements and Mr. Tan's common control over TGI and ZCITY see "Prospectus Summary—Corporate Structure."

On March 11, 2021, TGI and ZCITY were reorganized into a parent subsidiary structure pursuant to the Share Swap Agreement in which TGI exchanged the swap shares (the "Swap Shares") for all equity of ZCITY. Pursuant to the Share Swap Agreement, the purchase and sale of the Swap Shares was completed on March 11, 2021, but the issuance of the Swap Shares did not occur until October 27, 2021 when TGI amended its certificate of incorporation to increase the number of its authorized common stock to a number that was sufficient to issue the Swap Shares. As a result of the Share Swap Agreement, (i) ZCITY became the 100% subsidiary of TGI and Kok Pin "Darren" Tan no longer had any control over the ZCITY ordinary shares and (ii) Kok Pin "Darren" Tan, the Initial ZCITY Shareholders, and Chong Chan "Sam" Teo owned 100% of the shares of TGI common stock (Kok Pin "Darren" Tan owning approximately 97%). Subsequent to the date of the Share Swap Agreement, Kok Pin "Darren" Tan transferred 9,529,002 of his 10,000,000 shares of TGI common stock to 16 individuals and entities and currently owns less than 5% of our common stock.

On August 15, 2022, we had closed our initial underwritten public offering of 2,300,000 shares of common stock, par value \$0.00001 per share, at \$4.00 per share. Meanwhile we received net proceeds of approximately \$8.2 million, net of underwriting discounts and commissions and fees, and other estimated offering expenses amounted to approximately \$1.0 million.

We have created an innovative O2O e-commerce platform business model offering consumers and merchants instant rebates and affiliate cashback programs, while providing a seamless e-payment solution with rebates in both e-commerce (i.e., online) and physical retailers/merchant (i.e., offline) settings.

Our proprietary product is an App branded "ZCITY App", which was developed through ZCITY. The ZCITY App was successfully launched in Malaysia June 2020. ZCITY is equipped with the know-how and expertise to develop additional/add-on technology-based products and services to complement the ZCITY App, thereby growing its reach and

user base.

Through simplifying a user's e-payment gateway experience, as well as by providing great deals, rewards and promotions with every use, we aim to make the ZCITY App Malaysia's top reward and loyalty platform. Our longer-term goal is for the ZCITY App and its ever-developing technology to become one of the most well-known commercialized applications more broadly in Southeast Asia and Japan.

As of July 31, 2023, we had over 2,599,836 registered users and over 2,032 registered merchants.

SEA consumers have access to a plethora of smart ordering, delivery and "loyalty" websites and apps, but in our experience, SEA consumers very rarely receive personalized deals based on their purchases and behavior.

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The ZCITY App targets consumer through the provision of personalized deals based on consumers' purchase history, location and preferences. Our technology platform allows us to identify the spending trends of our customers (the when, where, why, and how much). We are able to offer these personalized deals through the application of our proprietary artificial intelligence (or "AI") technology that scours the available database to identify and create opportunities to extrapolate the greatest value from the data, analyze consumer behavior and roll out attractive rewards-based campaigns for targeted audiences. We believe this AI technology is currently a unique market differentiator for the ZCITY App.

We operate our ZCITY App on the hashtag: "#RewardsOnRewards". We believe this branding demonstrates to users the ability to spend ZCITY App-based Reward Points (or "RP") and "ZCITY Cash Vouchers" with discount benefits at checkout. Additionally, users can earn rewards from selected e-Wallet or other payment methods.

ZCITY App users do not require any on-going credit top-up or need to provide bank card number with their binding obligations. We have partnered with Malaysia's leading payment gateway, IPAY88, for secure and convenient transactions. Users can use our secure platform and enjoy cashless shopping experiences with rebates when they shop with e-commerce and retail merchants through trusted and leading e-wallet providers such as Touch'n Go eWallet, Boost eWallet, GrabPay eWallet and credit card/online banking like the "FPX" (the Malaysian Financial Process Exchange) as well as more traditional providers such as Visa and Mastercard.

Key Factors that Affect Operating Results

We believe the key factors affecting our financial condition and results of operations include the following:

Our Ability to Create Value for Our Users and Generate Revenue

Our ability to create value for our users and generate our revenues from merchants is driven by the factors described below:

- *Number and volume of transactions completed by our consumers.* Consumers are attracted to ZCITY by the breadth of personalized deals/rewards and the interactive user experience our platform offers. The number and volume of transaction completed by our member consumers is affected by our ability to continue to enhance and expand our product and service offerings and improve the user experience.
- *Empowering data and technology.* Our ability to engage our member consumers and empower our merchants and their brands is affected by the breadth and depth of our data insights, such as the accuracy of our members' shopping preferences, and our technology capabilities and infrastructure, and our continued ability to develop scalable services and upgrade our platform user experience to adapt to the quickly evolving industry trends and consumer preferences.

Our Investment in User Base, Technology, People and Infrastructure

We have made, and will continue to make, significant investments in our platform to attract consumers and merchants, enhance user experience and expand the capabilities and scope of our platform. We expect to continue to invest in our research and development team as well as in our technology capabilities and infrastructure, which will lower our margins but deliver overall long-term growth.

Inflation

Although Malaysia is experiencing a high inflation rate, we do not believe that inflation has had a material adverse effect on our business as of June 30, 2022, but we will continue to monitor the effects of inflation on our business in future periods.

Supply Chain Disruptions

Although there have been global supply chain disruptions as a result of the COVID-19 pandemic or Russia's recent invasion of Ukraine that may have affected the operations of some of our online or offline merchants, these disruptions have not had a material adverse effect on our business as of June 30, 2022, but we will continue to monitor the effects of supply chain disruptions on our business in future periods.

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Key Operating Metrics

Our management regularly reviews a number of metrics to evaluate our business, measures our performance, identifies trends, formulates financial projections and makes strategic decisions. The main metrics we consider, and our results for each quarter during the years ended June 30, 2021 and 2022, are set forth in the table below:

	For the quarters ended						
	December 31, 2020	March 31, 2021	June 30, 2021	September 30, 2021	December 31, 2021	March 31, 2022	June 30, 2022
Number of new registered user (1)	44,532	281,470	262,784	245,582	288,540	364,218	466,534
Number of active users (2)	42,225	300,270	347,596	362,805	421,287	448,247	443,430
Number of new participating merchants	613	651	270	44	15	14	7

(1) Registered are persons who have registered on the ZCITY App.

(2) Active users are users who have logged into the ZCITY App at least once.

	As of December 31, 2020	As of March 31, 2021	As of June 30, 2021	As of September 30, 2021	As of December 31, 2021	As of March 31, 2022	As of June 30, 2022
Accumulated registered users	58,868	340,338	603,122	848,704	1,137,244	1,501,462	1,967,996
Accumulated Participating merchants	984	1,635	1,905	1,949	1,964	1,978	1,985

We have experienced substantial growth in registered users and active users since we launched ZCITY App in June 2020. As of June 30, 2022, we recorded 1,967,996 registered users and 443,430 active users from ZCITY App. Our average percentage of growth of register and active users throughout the quarter ended June 30, 2022 since the establishment of the ZCITY App was approximately 143.4% and 283.8%, respectively. However, the average percentage of growth of registered and active users decreased in the last five quarters from June 30, 2022 which was a result of the resurgence of the COVID-19 outbreak and the imposition by the Malaysian Government of a Movement Control Order (“MCO”) in May and June of 2021 as the majority of our participating merchants are restaurant owners or service providers and required the spending from our participating members to be in person. Despite the negative impact of the COVID-19 resurgence, we expect our product and loyalty program revenue to continue to grow in 2022 and beyond as a growing proportion of the Malaysian population have been fully vaccinated and we expect to continue to attract more people to engage with our platform.

We continuously monitor the development and participation of active users as a proportion of its total registered user base to ensure the effectiveness of our marketing and feature implantation strategies. Accordingly, the proportion of total registered users that we consider active users at the end of each quarter is as follows:

Starting	Ending	Total registered users	Total active users	Total active users to total registered users
July 1, 2020	September 30, 2020	14,336	2,945	20.5%
October 1, 2020	December 31, 2020	58,868	42,225	71.7%
January 1, 2021	March 31, 2021	340,338	300,270	88.2%
April 1, 2021	June 30, 2021	603,122	347,596	57.6%
July 1, 2021	September 30, 2021	848,704	362,805	42.7%
October 1, 2021	December 31, 2021	1,137,244	421,287	37.0%
January 1, 2022	March 31, 2022	1,501,462	448,247	29.8%
April 1, 2022	June 30, 2022	1,967,996	443,430	22.5%

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We continuously monitor the development of the churn and retention rates of the active user base. Active users churn rate is the percentage of customers who had stopped subscribing in our platform while retention rate is the percentage of customers who are retained in our platform. Accordingly, our churn and retention rates of the active user base at the end of each quarter is as follows:

Starting	Ending	Total active users	New active users (registered within the quarter)	Existing active users	Active users churn rate	Active users retention rate
July 1, 2020	September 30, 2020	2,945	2,879	66	N/A	N/A
October 1, 2020	December 31, 2020	42,225	41,142	1,083	63.3%	36.7%
January 1, 2021	March 31, 2021	300,270	281,432	18,838	55.4%	44.6%
April 1, 2021	June 30, 2021	347,596	262,780	84,816	71.8%	28.2%
July 1, 2021	September 30, 2021	362,805	245,580	117,225	66.3%	33.7%
October 1, 2021	December 31, 2021	421,287	288,536	132,751	63.4%	36.6%
January 1, 2022	March 31, 2022	448,247	361,143	87,104	78.5%	21.5%
April 1, 2022	June 30, 2022	443,430	368,390	75,040	83.3%	16.7%

The retention rate and churn rate for our active users are calculated as follows:

$$\text{Retention rate of active users for any quarter} = \frac{\text{Existing active users}}{\text{Total active users in the past quarter}}$$

$$\text{Churn rate of active users for any quarter} = \frac{\text{Total active users from past quarter minus current quarter existing active users}}{\text{Total active users in the past quarter}}$$

Over the last 21 months, we have used different strategies to build and maintain our users and increase their engagement. Initially, we focused on mass marketing strategies to attract registered users. Subsequently, we have shifted to a more targeted approach focused on increasing user engagement and user spending.

Results of Operation

For the years ended June 30, 2022 and 2021

Revenue

Our breakdown of revenues by categories for the years ended June 30, 2022 and 2021, respectively, is summarized below:

	For the Years Ended June 30,				Change %
	2022	%	2021	%	
Product and loyalty program revenue	\$ 79,409,756	99.7%	\$ 13,889,370	99.1%	471.8%
Transaction revenue	53,667	0.1%	30,562	0.2%	75.6%
Agent subscription revenue	15	0.0%	100,421	0.7%	(99.9)%

Member subscription revenue	211,441	0.2%	-	-	100%
Total revenues	<u>\$ 79,674,879</u>	100.0%	<u>\$ 14,020,353</u>	100.0%	468.3%

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Total revenues increased by approximately \$ 65.7 million or 468.3% to approximately \$79.7 million for the year ended June 30, 2022 from approximately \$14.0 million for the year ended June 30, 2021. The increase was mainly attributable to the exponential growth of the registered users on our “ZCITY” platform as we acquired 1,364,874 new registered users for year ended June 30, 2022 compared to 603,122 new registered users for the same period in 2021. The increase of registered users enhanced the traffic to our platform and allowed us to monetize our revenue streams including product revenue, loyalty program revenue, transaction revenue and member subscription revenue. The change for each revenue stream was as follows:

Product and loyalty program revenue

Product revenue was generated through sales of our e-voucher, health care products, and other products through our ZCITY App while loyalty program revenue was recognized when our customers redeem their previously earned reward points from our loyalty program or upon expiration of the reward point. We have experienced significant growth in registered users and active users since we launched our ZCITY App in June 2020. As of June 30, 2022, we recorded 1,967,996 registered users and 443,430 active users from ZCITY App. Our average percentage in the growth of registered and active users throughout the quarter ended June 30, 2022 since the establishment of ZCITY App was approximately 143.4% and 283.8%, respectively. However, the average percentage rate of growth of both registered and active users decreased over the last five quarters prior to June 30, 2022 which was the result of the resurgence of the COVID-19 outbreak and implementation of MCO in May and June of 2021 as the majority of our participating merchants are restaurant owners or service providers and required spending from our participating members to be in person. Despite the negative impact of the COVID-19 resurgence, we expect our product and loyalty program revenue continued to grow for 2022 and beyond as more population in the Malaysia have been fully vaccinated and we will continue to attract more people to engage with our platform.

Transaction revenue

Transaction revenue primarily consists of fees charged to merchants for participating in our ZCITY App upon a successful sales transaction and payment service taken place between the merchants and their customers online. Our transaction revenue increased by approximately \$23,000 or 75.6% to approximately \$54,000 for the year ended June 30, 2022 from approximately \$31,000 for the year ended June 30, 2021. The increase was mainly attributable to our engagement with 1,985 local merchants connecting them with their customers through our ZCITY App as of June 30, 2022 compared to 1,905 as of June 30, 2021. Our average percentage of growth of new merchants was approximately 36.0% throughout the quarters as of June 30, 2022 since the establishment of ZCITY App. Even though we experienced a slowdown in adding new merchants to our platform during the last five quarters ended June 30, 2022, due to the resurgence of COVID-19.

Agent subscription revenue

Agent subscription revenue primarily consists of fees charged to the agents in exchange for rights by introducing merchants to join our merchant network and to earn a future fixed percentage of commission fees upon completion of each sales transaction between the referred merchants and their customers. Agent subscription revenue decreased by \$100,406 or 99.9% to \$15 for the year ended June 30, 2022 from \$100,421 for the year ended June 30, 2021. The decrease was mainly due to our shift in business strategies to Zmember subscription revenue which is a member oriented program designated to attract more customer to engage with our ZCITY App.

Member subscription revenue

Member subscription revenue primarily consists of fees charged to customers who signed up for Zmember, a membership program that includes exclusive saving, bonus, and referral rewards. Member subscription revenue increased by 100.0% to \$211,441 for the year ended June 30, 2022 as we launched the Zmember program for the year ended June 30, 2022 to enhance our customer engagement with our ZCITY App. As of June 30, 2022, we had 9,370 customers who subscribed to our Zmember program.

Cost of Revenue

Our breakdown of cost of revenues by categories for the years ended June 30, 2022 and 2021, respectively, is summarized below:

	For the Years Ended		Change
	2022	2021	
Product and loyalty program revenue	<u>\$ 79,198,691</u>	<u>\$ 13,880,408</u>	470.6%
Total cost of revenue	<u>\$ 79,198,691</u>	<u>\$ 13,880,408</u>	470.6%

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Cost of revenues mainly consist of the purchases of the gift card or “E-voucher” pin code, and health care products which is directly attributable to our product revenue. Total cost of revenue increased by approximately \$65.3 million or 470.6% for the year ended June 30, 2022 compared with the same period in 2021. The increase was in line with our increase revenue.

Gross Profit

Our gross profit from our major revenue categories is summarized as follows:

	For the year Ended June 30, 2022	For the year Ended June 30, 2021	Change	Percentage Change
Product and loyalty program revenue				
Gross profit	\$ 211,065	\$ 8,962	\$ 202,103	2,255.1%
Gross margin	0.3%	0.1%	0.2%	
Transaction revenue				
Gross profit	\$ 53,667	\$ 30,562	\$ 23,105	75.6%

Gross margin		100.0%		100.0%		-%
Agent subscription revenue						
Gross profit	\$	15	\$	100,421	\$	(100,406)
Gross margin		100.0%		100.0%		-%
Member subscription revenue						
Gross profit	\$	211,441	\$	-	\$	211,441
Gross margin		100.0%		-%		(100.0)%
Total						
Gross profit	\$	476,188	\$	139,945	\$	336,243
Gross margin		0.6%		1.0%		(0.4)%

Gross profit for the year ended June 30, 2022 amounted to approximately \$0.5 million as compared to approximately \$0.1 million for the year ended June 30, 2021. Gross margin was approximately 0.6% and 1.0% for the years ended June 30, 2022 and 2021, respectively. The increase in gross profit was mainly due to an increase in product and loyalty revenue and transaction revenue as result of growth of registered users and active users for the year ended June 30, 2022. The decrease in gross margin was mainly due to the increase of product and loyalty program revenue which brought up the denominator of our gross profit and resulted in lower overall gross margin for the year ended June 30, 2022. In the year ended June 30, 2021, our agent subscription revenue had 100% gross margin and with lower denominator of our gross profit and resulted in higher overall gross margin for the year ended June 30, 2021. Our product and loyalty program gross margin increased from 0.1% for the year ended June 30, 2021 to 0.3% for the year ended June 30, 2022. As more members signed up to our platform, we had slightly reduced discounts to attract users to sign up and these factors resulted in higher product and loyalty program gross margin for the year ended June 30, 2022.

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Operating Expenses

Our operating expenses consist of selling expenses, general and administrative expenses, research and development expenses, and stock-based compensation.

Selling expenses

Selling expenses amounted to approximately \$6.3 million and \$3.0 million for the years ended June 30, 2022 and 2021, respectively. Representing an increase of approximately \$3.2 million or 107.1%. The increase was mainly due to an increase in marketing and promotion expenses of approximately \$3.4 million related to promoting our ZCITY App and eventually attracting more people to sign up as members. Marketing and promotion expense also consists of redemptions of reward points which are generated from non-spending related activities (registration as a new user, referral of a new user and Spin & Win eligibility to receive reward points) in exchange for discounted credit of purchasing our products upon conversion of using the reward points. For the years ended June 30, 2022 and 2021, we incurred approximately \$2.8 million and \$0.4 million, respectively, in marketing and promotion expense, and recognized the same amount of product revenue at the time of redemption of the non-spending related activities reward points by our customers.

General and administrative expense

General and administrative expenses amounted to approximately \$2.8 million and \$4.2 million for the years ended June 30, 2022 and 2021, respectively. Representing a decrease of approximately \$1.5 million or 34.9%. The decrease was mainly due to decrease of approximately \$2.4 million in professional/consulting fees (including related parties) as we incurred less consulting fees related to the preparation for our initial public offering in the United States for the year ended June 30, 2022 as compared to the same period in 2021. The decrease was offset by an increase of approximately \$0.6 million in salaries expenses as a result of expansion of our business operation after the launch of our ZCITY App.

Research and development expenses

Research and development expense amounted to approximately \$0.3 million and \$0.4 million for the years ended June 30, 2022 and 2021, respectively, representing a decrease of approximately \$0.1 million or 38.8%. The decrease was mainly due to our ZCITY App becoming more sophisticated as less maintenance was required for the year ended June 30, 2022.

Stock-Based Compensation expenses

Stock-based compensation expenses amounted to approximately \$1.3 million and \$0 for the years ended June 30, 2022 and 2021, respectively, representing increase of approximately \$1.3 million. The increase was mainly due to our engaging with Exchange Listing, LLC, to provide advisory services in capital markets, corporate governance, and organizational meetings in preparation for our initial public offering in the United States.

Other Expense, net

Other expense, net amounted to approximately \$1.5 million and \$0.3 million for the years ended June 30, 2022 and 2021, respectively. Representing an increase of approximately \$1.2 million or 374.3%. The increase was mainly attributable to the interest expense incurred as well as amortization of debt discount from convertible notes. For the year ended June 30, 2022, we incurred interest expense of approximately \$0.3 million and amortization of debt discount of approximately \$1.3 million. For the year ended June 30, 2021, we incurred interest expense of approximately \$0.2 million and amortization of debt discount of approximately \$0.2 million.

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Provision for Income Taxes

Provision for income tax were amount to \$15,600 and \$2,000 for the years ended June 30, 2022 and 2021. The amount was attributable to tax imposed on Treasure Global Inc from the State of Delaware, as we are required to remit franchise tax to the State of Delaware on an annual basis.

We also were subject to controlled foreign corporations Subpart F income ("Subpart F") tax, which is a tax primarily on passive income from controlled foreign corporations with a tax rate of 35%. In addition, the Tax Cuts and Jobs Act imposed a global intangible low-taxed income ("GILTI") tax, which is a tax on certain off-shore earnings at an effective rate of 10.5% for tax years (50% deduction of the current enacted tax rate of 21%) with a partial offset for 80% foreign tax credits. If the foreign tax rate is 13.125% or higher, there will be no U.S. corporate tax after the 80% foreign tax credits are applied.

For the years ended June 30, 2022 and 2021, our foreign subsidiary did not generate any income that are subject to Subpart F tax and GILTI tax.

Net Loss

Our net loss increased by approximately \$3.8 million from approximately \$8.0 million for the year ended June 30, 2021 to approximately \$11.7 million for the year ended June 30, 2022, predominately due to reasons as discussed above.

Liquidity and Capital Resources

In assessing liquidity, we monitor and analyze cash on-hand and operating expenditure commitments. Our liquidity needs are to meet working capital requirements and operating expense obligations. To date, we financed our operations primarily through cash flows from contribution from shareholders, issuance of convertible notes, related party loans, and our completion of initial underwritten public offering.

As of June 30, 2022 and 2021, we had approximately \$1.8 million and \$2.8 million, respectively, in cash and cash equivalent which primarily consists of bank deposits, which are unrestricted as to withdrawal and use. We have a working capital deficit of approximately \$15.9 million and \$1.6 million as at June 30, 2022 and June 30, 2021, respectively.

Subsequent to June 30, 2022, we have additionally borrowed approximately \$2.7 million under Tophill Loan Agreement 2 on terms identical to the Tophill Loan Agreement 1 which all principal and accrued and unpaid interest outstanding will automatically be converted into shares of our common stock at a conversion price that is equal to 80% of the initial public offering price.

On August 15, 2022, we had completed our initial underwritten public offering of 2,300,000 shares of common stock, par value \$0.00001 per share, at \$4.00 per share. We received aggregate net proceeds from the closing of approximately \$8.2 million, after deducting underwriting discounts and commissions and fees, and other estimated offering expenses which amounted to approximately \$1.0 million.

After the completion of the underwritten initial public offering, following the conversion of convertible notes payable, net of unamortized discounts to equity, we expect our working capital to change from a deficit of approximately \$15.9 million to a positive working capital of approximately \$5.6 million.

Despite of receiving the net proceeds from our initial underwritten public offering, our management is of the opinion that we will not have sufficient funds to meet the working capital requirements and debt obligations as they become due starting from one year from the date of this report due to our recurring loss. Therefore, our management has determined there is substantial doubt about our ability to continue as a going concern. If we are unable to generate significant revenue, we may be required to curtail or cease our operations. Management is trying to alleviate the going concern risk through the following sources:

- Equity financing to support our working capital;
- Other available sources of financing (including debt) from Malaysian banks and other financial institutions; and
- Financial support and credit guarantee commitments from our related parties.

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The following summarizes the key components of our cash flows for the years ended June 30, 2022 and 2021:

	For the Years Ended	
	June 30, 2022	June 30, 2021
Net cash used in operating activities	\$ (8,663,901)	\$ (6,797,648)
Net cash used in investing activities	(311,739)	(84,850)
Net cash provided by financing activities	8,163,893	9,796,905
Effect of exchange rate on cash and cash equivalents	(186,419)	(71,381)
Net change in cash and cash equivalents	<u>\$ (998,166)</u>	<u>\$ 2,843,026</u>

Operating Activities

Net cash used in operating activities for the year ended June 30, 2022 was approximately \$8.7 million and were mainly comprised of the net loss of approximately \$11.7 million, decrease of account payable (including related parties) of approximately \$0.2 million as we had paid out part of the accounts payable balance to the third parties or related parties vendors timely, decrease of customer deposits, related parties of approximately \$0.2 million as we had returned the deposit related to I.T professional service back to the related parties due to projects being abandoned, and a decrease of other payables, related parties as we paid out the remaining balance of professional fee incurred from two related parties of approximately \$0.1 million. The net cash used in operating activities was mainly offset by amortization of debt discount of approximately \$1.3 million, stock-based compensation of approximately \$1.3 million, decrease of inventories of approximately \$0.2 million as we improved our inventories turnover rate due to demand of our product, and the increase in other payables and accrued liability of approximately \$0.7 million mainly related to the accrued professional expenses.

Net cash used in operating activities for the year ended June 30, 2021 was approximately \$6.8 million and mainly comprised of the net loss of approximately \$7.9 million, an increase in inventories of approximately \$0.4 million as we needed to stock gift cards or “E-vouchers” following the launch of our ZCITY App for resale and an increase in prepayments of approximately \$0.2 million as our vendors required us to make more increased deposits to secure our E-voucher purchases. The net cash used in operating activities was mainly offset by the amortization of the debt discount of approximately \$0.2 million, a decrease in other receivables and other current assets of approximately \$0.5 million as we collected our security deposits during the period, the increase in accounts payable (including related parties) of approximately \$0.2 million as a result of making more purchase on account, the increase in customer deposits (including related parties) of approximately \$0.3 million as we collected customer deposit from third parties and related parties related to our I.T professional services, and the increase in other payables and accrued liabilities (including related party) of approximately \$0.5 million mainly related to the accrued professional expenses.

Investing Activities

Net cash used in investing activities for the year ended June 30, 2022 was approximately \$0.3 million, which was in respect of purchase of equipment for our operations.

Net cash used in investing activities for the year ended June 30, 2021 was approximately \$85,000, which was in respect of purchase of equipment for our operations.

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Financing Activities

Net cash provided by financing activities for the year ended June 30, 2022 was approximately \$8.2 million, which were mainly comprised of proceeds received from the issuance of convertible notes from third parties and related parties of approximately \$8.6 million, and proceeds received from third parties loans of approximately \$1.5 million, offset by repayment to related parties loan of approximately \$1.8 million, and approximately \$0.1 million payment of deferred offering costs.

Net cash provided by financing activities for the year ended June 30, 2021 was approximately \$9.8 million, which were mainly comprised of capital contributions received from the shareholders of approximately \$0.2 million, proceeds received from the issuance of convertible note from third parties and related parties and senior note of approximately \$5.5 million and proceeds borrowed from our related parties of approximately \$4.0 million.

Off-Balance Sheet Arrangements

As of June 30, 2022, we had no significant off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to our stockholders.

Critical Accounting Estimate

Our financial statements and accompanying notes have been prepared in accordance with U.S. GAAP. The preparation of these financial statements and accompanying notes requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. We have identified certain accounting estimates that are significant to the preparation of our financial statements. These estimates are important for an understanding of our financial condition and results of operation. Certain accounting estimates are particularly sensitive because of their significance to financial statements and because of the possibility that future events affecting the estimate may differ significantly from management's current judgments. We believe the following critical accounting estimates involve the most significant estimates and judgments used in the preparation of our financial statements.

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as of the date of the consolidated financial statements and the reported amounts of revenues and expenses during the periods presented. Significant accounting estimates reflected in our consolidated financial statements include the estimated retail price per point and estimated breakage to calculate the revenue recognized in our loyalty program revenue, the useful lives of property and equipment, impairment of long-lived assets, allowance for doubtful accounts, realization of deferred tax assets and uncertain tax position, and fair value of our stock price to determine the beneficial conversion feature ("BCF") within the convertible note. Actual results could differ from these estimates.

Accounts receivable, net

Accounts receivable are recorded at the invoiced amount less an allowance for any uncollectible accounts and do not bear interest, which are due after 30 days. Accounts receivable include money due from agent subscription revenue and sales of health care product on its ZCITY App. Management reviews the adequacy of the allowance for doubtful accounts on an ongoing basis, using historical collection trends and aging of receivables. Management also periodically evaluates individual customer's financial condition, credit history, and the current economic conditions to make adjustments in the allowance when it is considered necessary. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. Our management continues to evaluate the reasonableness of the valuation allowance policy and update it if necessary. Our allowance for accounts receivables were \$227 and \$25,690, as of June 30, 2022 and 2021, respectively.

Inventories

Inventories are stated at the lower of cost or net realizable value, cost being determined on a first-in-first-out method. Costs include gift card or "E-voucher" pin code which are purchased from our suppliers as merchandized goods or store credit, and healthcare products. Management compares the cost of inventories with the net realizable value and if applicable, an allowance is made for writing down the inventory to its net realizable value, if lower than cost. On an ongoing basis, inventories are reviewed for potential write-down for estimated obsolescence or unmarketable inventories which equals the difference between the costs of inventories and the estimated net realizable value based upon forecasts for future demand and market conditions. When inventories are written-down to the lower of cost or net realizable value, it is not marked up subsequently based on changes in underlying facts and circumstances. As of June 30, 2022 and 2021, impairments of inventories amounted to \$8,805 and \$0, respectively, were provided for E-vouchers.

Other receivables and other current assets, net

Other receivables and other current assets primarily include refundable advance to third party service provider and other deposits. Management regularly reviews the aging of receivables and changes in payment trends and records allowances when management believes collection of amounts due are at risk. Accounts considered uncollectable are written off against allowances after exhaustive efforts at collection are made. No allowance of other receivable and other current assets were recorded as of June 30, 2022 and 2021.

Prepayments

Prepayments and deposits are mainly cash deposited or advanced to suppliers for future inventory purchases. This amount is refundable and bears no interest. For any prepayments determined by management that such advances will not be in receipts of inventories, services, or refundable, we will recognize an allowance account to reserve such balances. Management reviews its prepayments on a regular basis to determine if the allowance is adequate, and adjusts the allowance when necessary. Delinquent account balances are written-off against allowance for doubtful accounts after management has determined that the likelihood of collection is not probable. Our management continues to evaluate the reasonableness of the valuation allowance policy and update it if necessary. No allowance of prepayments were recorded as of June 30, 2022 and 2021.

Impairment for long-lived assets

Long-lived assets, including property and equipment with finite lives are reviewed for impairment whenever events or changes in circumstances (such as a significant adverse change to market conditions that will impact the future use of the assets) indicate that the carrying value of an asset may not be recoverable. We assessed the recoverability of the assets based on the undiscounted future cash flows the assets are expected to generate and recognize an impairment loss when estimated undiscounted future cash flows expected to result from the use of the asset plus net proceeds expected from disposition of the asset, if any, are less than the carrying value of the asset. If an impairment is identified, we would reduce the carrying amount of the asset to its estimated fair value based on a discounted cash flows approach or, when available and appropriate, to comparable market values. No impairment for long-lived assets were recorded as of June 30, 2022 and 2021.

Revenue recognition

Loyalty program

- Performance obligations satisfied over time

Our Z-City reward loyalty program allows members to earn points on purchases that can be redeemed for rewards that include discounts on future purchases. When members purchase our product or make purchase with our participated vendor through Z-City, we allocate the transaction price between the product or service, and the reward points earned based on the relative stand-alone selling prices and expected point redemption. The portion allocated to the reward points is initially recorded as contract liability and subsequently recognized as revenue upon redemption or expiration.

The two primary estimates utilized to record the contract liability for reward points earned by members are the estimated retail price per point and estimated breakage. The estimated retail price per point is based on the actual historical retail prices of product purchased or service obtained through the redemption of reward points. We estimate breakage of reward points based on historical redemption rates. We continually evaluate its methodology and assumptions based on developments in retail price per point redeemed, redemption patterns and other factors. Changes in the retail price per point and redemption rates have the effect of either increasing or decreasing the contract liability through current period revenue by an amount estimated to represent the retail value of all points previously earned but not yet redeemed by loyalty program members as of the end of the reporting period.

Income taxes

Deferred taxes are accounted for using the asset and liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the consolidated financial statements and the corresponding tax basis used in the computation of assessable tax profit. In principle, deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilized. Deferred tax is calculated using tax rates that are expected to apply to the period when the asset is realized or the liability is settled. Deferred tax is charged or credited in the income statement, except when it is related to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Current income taxes are provided for in accordance with the laws of the relevant taxing authorities.

An uncertain tax position is recognized as a benefit only if it is “more likely than not” that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the “more likely than not” test, no tax benefit is recorded.

Convertible notes

We evaluate our convertible notes to determine if those contracts or embedded components of those contracts qualify as derivatives. The result of this accounting treatment is that the fair value of the embedded derivative is recorded at fair value each reporting period and recorded as a liability. In the event that the fair value is recorded as a liability, the change in fair value is recorded in the statements of operations as other income or expense.

In circumstances where the embedded conversion option in a convertible instrument is required to be bifurcated and there are also other embedded derivative instruments in the convertible instrument that are required to be bifurcated, the bifurcated derivative instruments are accounted for as a single, compound derivative instrument.

If the conversion features of conventional convertible debt provide for a rate of conversion that is below market value at issuance, this feature is characterized as a beneficial conversion feature (“BCF”). A BCF is recorded by us as a debt discount pursuant to ASC Topic 470-20 “Debt with Conversion and Other Options.” In those circumstances, the convertible debt is recorded net of the discount related to the BCF, and we amortize the discount to interest expense, over the life of the debt.

Recent Accounting Pronouncements

See Note 2 of the notes to the consolidated financial statements included elsewhere in this report for a discussion of recently issued accounting standards.

BUSINESS

Our Mission

Our mission is to bring together the worlds of online e-commerce and offline physical retailers; widening consumer choice and rewarding loyalty, while sustaining and enhancing our earning potential.

Our Company

We have created an innovative online-to-offline (“O2O”) e-commerce platform business model offering consumers and merchants instant rebates and affiliate cashback programs, while providing a seamless e-payment solution with rebates in both e-commerce (i.e., online) and physical retailers/merchant (i.e., offline) settings.

Our proprietary product is an internet application (or “App”) branded “ZCITY App”, which was developed through our wholly owned subsidiary, Zcity Sdn. Bhd. (formerly known as Gem Reward Sdn. Bhd, changed name on July 20, 2023) (“ZCITY”). The ZCITY App was successfully launched in Malaysia in June 2020. ZCITY is equipped with the know-how and expertise to develop additional/add-on technology-based products and services to complement the ZCITY App, thereby growing its reach and user base.



Through simplifying a user's e-payment gateway experience, as well as by providing great deals, rewards and promotions with every use, we aim to make the ZCITY App Malaysia's top reward and payment gateway platform. Our longer-term goal is for the ZCITY App and its ever-developing technology to become one of the most well-known commercialized applications more broadly in Southeast Asia and Japan.

As of July 31, 2023, we had over 2,599,836 registered users and over 2,032 registered merchants.

Corporate Structure

Treasure Global, Inc. is a Delaware corporation that was incorporated on March 20, 2020. We issued 10,000,000 shares to Kok Pin "Darren" Tan, our founder and former Chief Executive Officer on July 1, 2020, who as a result became our sole shareholder. As of August 1, 2022, we had a total of 48 full time employees.

Zcity Sdn. Bhd. (formerly known as Gem Reward Sdn. Bhd, changed name on July 20, 2023) ("ZCITY"), a Malaysia private limited company was incorporated on June 6, 2017. Prior to the incorporation of ZCITY, Darren Tan entered into a Beneficial Shareholding Agreement ("Beneficial Shareholding Agreement 1") with two individuals, one of which is a vice president of the Company (the "Initial ZCITY Shareholders"), which provided for the Initial Shareholders to hold the ZCITY shares issued to them in equal amounts and for the sole benefit of Kok Pin "Darren" Tan and provided Kok Pin "Darren" Tan with control over the voting and disposition over such shares as well as control over the issuance of additional ZCITY shares in consideration for equity in a company that had not been determined on the date of Beneficial Shareholding Agreement 1. On November 10, 2020, Kok Pin "Darren" Tan instructed the Initial ZCITY Shareholders to issue 1 million additional ZCITY shares to shares to Chong Chan "Sam" Teo, currently our Chief Executive Officer, and as a result each Initial ZCITY Shareholder and Chong Chan "Sam" Teo held 1 million shares of ZCITY. On November 10, 2020 Chong Chan "Sam" Teo entered into a Beneficial Shareholding Agreement with Kok Pin "Darren" Tan with terms similar to Beneficial Shareholding Agreement 1 ("Beneficial Shareholding Agreement 2" and together with the Beneficial Shareholding Agreement 1, "Beneficial Shareholding Agreements"). As a result of Kok Pin "Darren" Tan's 100% ownership of our common stock and the Beneficial Shareholding Agreements, TGI and ZCITY were both under the sole control of Kok Pin "Darren" Tan.

TGI and ZCITY were reorganized into a parent subsidiary structure pursuant to a Share Swap Agreement, dated March 11, 2021, as amended on March 11, 2021 among TGI, the Initial ZCITY Shareholders and Chong Chan "Sam" Teo (the "Share Swap Agreement"), in which TGI exchanged 321,585 shares of its common stock (the "Swap Shares") for all equity of ZCITY. Pursuant to the Share Swap Agreement, the purchase and sale of the Swap Shares was completed on March 11, 2021, but the issuance of the Swap Shares did not occur until October 27, 2021 when TGI amended its certificate of incorporation to increase the number of its authorized common stock to a number that was sufficient to issue the Swap Shares. As a result of the Share Swap Agreement, (i) ZCITY became the 100% subsidiary of TGI and Kok Pin "Darren" Tan no longer had any control over ZCITY's ordinary shares; and (ii) Kok Pin "Darren" Tan, the Initial ZCITY Shareholders and Chong Chan "Sam" Teo owned 100% of the TGI common stock (Darren Tan owning 97%). Subsequent to the date of the Share Swap Agreement, Kok Pin "Darren" Tan transferred 9,529,002 of his 10,000,000 shares of TGI common stock to 16 individuals and entities and currently owns less than 5% of our common stock.

We operate solely through our subsidiaries: (i) ZCITY; (ii) AY Food Ventures Sdn Bhd; (iii) Morgan Global Sdn. Bhd; and (iv) Foodlink. ZCITY owns all intellectual property rights to copyrightable, patentable, and other protectable intangible assets relating to our business, including trademarks.

Corporate Information

Our principal executive offices are located at 276 5th Avenue, Suite 704 #739, New York, New York 10001 and No.29, Jalan PPU 2A, Taman Perindustrian Pusat Bandar Puchong, 47100 Puchong, Selangor, Malaysia. Our corporate website address is <https://treasureglobal.co>. Our ZCITY website address is <https://zcity.io>.

Market Opportunity

We expect that continued strong economic expansion, robust population growth, rising level of urbanization, the emergence of the middle class and the increasing rate of adoption of mobile technology provide market opportunities for our Company in Southeast Asia ("SEA"). SEA is a large economy and, as of 2020, its gross domestic product ("GDP") was US\$3.08 trillion¹⁵. In comparison, the respective GDP for both the European Union ("EU") and the United States ("US") totaled US\$15 trillion and US\$20.89 trillion¹⁶ in 2020. SEA has experienced rapid economic growth rates in recent years, far exceeding growth in major world economies such as Japan, the EU and the US. According to the IMF, Malaysia's GDP growth averaged more than 4.3% from 2016 to 2019, but contracted by 6.0% in 2020 due to the COVID-19 pandemic and is expected to average 5.7% growth for the next five years (including 2021).¹⁷ The GDP of Malaysia amounted to US\$337 billion in 2020 and is projected to reach approximately US\$500 billion by 2025.¹⁸

SEA continues to enjoy robust population growth. The United Nations Population Division estimates that the population of the SEA countries in 2000 was approximately 525 million people growing to 668 million in 2020. According to the World Bank, Malaysia had a population of approximately 32 million people in 2020 compared to 23 million people in 2000.¹⁹

¹⁵ <https://www.statista.com/statistics/796245/gdp-of-the-asean-countries/>

¹⁶ <https://www.statista.com/statistics/263591/gross-domestic-product-gdp-of-the-united-states/>

¹⁷ <https://www.imf.org/en/News/Articles/2021/03/17/pr2172-malaysia-imf-executive-board-concludes-2021-article-iv-consultation-with-malaysia>

¹⁸ IMF Staff Report March 2021

A high percentage of Malaysians have lived in cities for the last decade and that percentage is increasing. Since 2010,²⁰ Malaysia's urbanization has increased from approximately 71% to approximately 77% in 2020. By comparison, in 2020 the urbanization rates for China, Vietnam and India were approximately 64%, 37% and 35%, respectively.²¹

Urbanization is highly correlated with the size and growth of the middle class. Simply put, urbanization drives middle class consumption demand. According to the World Bank, Malaysia is likely to transition from an upper-middle-income economy to a high-income economy between 2024 and 2028, a reflection of the country's economic transformation development trajectory over past decades. In fact, Malaysia's gross national income per capita is at US\$11,200 according to latest estimates, only US\$1,335 short of the current threshold level that defines a high-income economy.²³

And despite the ongoing effects from the Covid-19 pandemic, the Internet economy continues to boom in SEA. According to Google Temasek e-Conomy SEA 2021 Report (the "Google Report"), internet usage in the region increased with 40 million new users added in 2021 for a total of 440 million compared to 360 million in 2019 and 400 million in 2020.²⁴ Eighty nine percent of Malaysia's population is now online, compared to approximately fifty six percent in 2010;²⁵ 81% and 80% of Malaysia and SEA's internet users, respectively, have made at least one purchase online. E-commerce, online media and food delivery adoption and usage surged with the total value of goods and services sold via the Internet, or gross merchandise value ("GMV"), in SEA, expected to reach approximately US\$170 billion by year end 2021 according to the Google Report. In fact, according to the Google Report, the SEA Internet sector GMV is forecast to grow to over US\$360 billion by 2025 up from the \$300 billion forecast in the Google, Temasek, Bain SEA Report 2020.²⁶

Malaysia's internet economy has grown from \$14 billion in 2020 to \$21 billion in 2021 (47% growth) and is expected to grow to \$35 billion in 2025.²⁷

As consumers in these markets that gradually shifting towards online platforms model, the total value of internet-based transactions has grown tremendously and is expected to keep doing so. According to the Google Report, total GMV of South Asia's Internet economy is expected to skyrocket from US\$174 billion in 2021 to US\$363 billion in 2025.

We believe that these ongoing positive economic and demographic trends in SEA and South Asia propel demand for our e-commerce platform.

20 Statista.com

21 Statisia.com

22 <https://www.worldbank.org/en/country/malaysia/overview#1>

23 The World Bank Press Release dated March 16, 2021, <https://www.worldbank.org/en/news/press-release/2021/03/16/aiminghighmalaysia>

24 https://services.google.com/fh/files/misc/e_economy_sea_2021_report.pdf

25 <https://www.statista.com/statistics/975058/internet-penetration-rate-in-malaysia/>

26 https://www.bain.com/globalassets/noindex/2020/e_economy_sea_2020_report.pdf

27 <https://www.digitalnewsasia.com/digital-economy/e-economy-sea-report-2021-malaysias-internet-economy-crosses-us21-bil>

About the ZCITY App

SEA consumers have access to a plethora of smart ordering, delivery and "loyalty" websites and apps, but in our experience, SEA consumers very rarely receive personalized deals based on their purchases and behavior.

The ZCITY App targets consumers through the provision of personalized deals based on consumers' purchase history, location and preferences. Our technology platform allows us to identify the spending trends of our customers (the when, where, why, and how much). We are able to offer these personalized deals through the application of our proprietary artificial intelligence (or "AI") technology that scours the available database to identify and create opportunities to extrapolate the greatest value from the data, analyze consumer behavior and roll out attractive rewards-based campaigns for targeted audiences. We believe this AI technology is currently a unique market differentiator for the ZCITY App.

We operate our ZCITY App on the hashtag: "#RewardsOnRewards". We believe this branding demonstrates to users the ability to spend ZCITY App-based Reward Points (or "RP") and "ZCITY Cash Vouchers" with discount benefits at checkout. Additionally, users can use RP while they earn rewards from selected e-Wallet or other payment methods.

ZCITY App users do not require any on-going credit top-up or need to provide bank card number with their binding obligations. We have partnered with Malaysia's leading payment gateway, IPAY88, for secure and convenient transactions. Users can use our secure platform and enjoy cashless shopping experiences with rebates when they shop with e-commerce and retail merchants through trusted and leading e-wallet providers such as Touch'n Go eWallet, Boost eWallet, GrabPay eWallet and credit card/online banking like the "FPX" (the Malaysian Financial Process Exchange) as well as more traditional providers such as Visa and Mastercard.

Our ZCITY App also provides the following functions:

1. Registration and Account verification
Users may register as a ZCITY App user simply, using their mobile device. They can then verify their ZCITY App account by submitting a valid email address to receive new user "ZCITY Newbie Rewards".
2. Geo-location-based Homepage
Based on users' location, nearby merchants and exclusive offers are selected and directed to them on their homepage for a smooth, user-friendly interaction.

3. **Affiliate Partnership**
Our ZCITY App is affiliated with more than 5 local services providers such as Shopee and Lazada. The ZCITY App allows users to enjoy more rewards when they navigate from the ZCITY App to a partner's website.
4. **Bill Payment & Prepaid service**
Users can access and pay utility bills, such as water, phone, internet and TV bills, while generating instant discounts and rewards points with each payment.
5. **Branded e-Vouchers**
Users can purchase their preferred e-Vouchers with instant discounts and rewards points with each checkout.
6. **User Engagement through Gamification**
Users can earn daily rewards by playing our ZCITY App minigame "Spin & Win" where they can earn further ZCITY RP, ZCITY e-Vouchers as well as monthly grand prizes.

ZCITY has collaborated with the Ministry of Domestic Trade and Cost of Living (KPDN) for the launch of the 'Payung Rahmah' program (ZCITY RAHMAH Package). This program offers a comprehensive package of living essential e-vouchers on the ZCITY app for items such as petrol, food, and bills. ZCITY users will be able to purchase vouchers for these items at reduced prices, thereby assisting low-income Malaysians and helping to address this societal challenge.

7. **ZCITY RAHMAH Package**
ZCITY has collaborated with the Ministry of Domestic Trade and Cost of Living (KPDN) for the launch of the 'Payung Rahmah' program (ZCITY RAHMAH Package). This program offers a comprehensive package of living essential e-vouchers on the ZCITY app for items such as petrol, food, and bills. ZCITY users will be able to purchase vouchers for these items at reduced prices, thereby assisting low-income Malaysians and helping to address this societal challenge
8. **TAZTE Smart F&B system**
ZCITY App offers a "Smart F&B" system that provides a one stop solution and digitalization transformation for all registered Food and Beverage ("F&B") outlets located in Malaysia. It also allows merchants to easily record transactions with QR Digital Payment technology, set discounts and execute RP redemptions and rewards online on the ZCITY App.

By utilizing our CRM analytics software to attract and retain consumers through personalized promotions, we believe that data-driven engagement can be more efficiently harnessed to generate greater profitability.

9. **Zstore**
Zstore is ZCITY App's e-mall service that offers group-buys and instant rebate to users with embedded AI and big data analytics to provide an express shopping experience. The functionality and benefit of users to use the Zstore can be summarized within the chart below:

Set out below is an illustration of some of our key partnerships by category:



Retail Merchant Agreements. We have retail merchant agreements with Morganfield's Holdings Sdn. Bhd., Hui Lau Shan and the Alley which together own more than 100 offline food and beverage franchises in Malaysia. Each of these retail merchants have signed our standard retail merchant agreement which allow merchants to sell their products on the ZCITY App for which we receive a commission ranging from 1% to 10% depending on the category of goods or services being purchased on the ZCITY App. These agreements also provide that each party may use the intellectual property marks of the other party without charge. These agreements may be terminated by either party with 30 days' notice.

Services Partners Agreements. We have service provider agreements with Coup Marketing Asia Pacific Sdn. Bhd. D/B/A Pay's Gift and MOL Access Portal Sdn. Bhd. D/B/A Razor Gold in which Pay's Gift and Razor Gold provide us with e-vouchers for use on the ZCITY App that provide users with discounts on goods and services of many top multinational and lifestyle brands, including gas, clothing, fast food, movie theaters and others. We pay the service partner for the cost of the e-voucher plus a service fee. These contracts provide for the use by us of the trademarks of the service providers and may be terminated at any time with 30 days' notice.

Local Strategic Partner Agreements. We have local strategic partner agreements with iPay88 (M) Sdn. Bhd. ("iPay88") and TNG Digital Sdn. Bhd. ("TNG"). The agreements we enter into with these local strategic partners provide us with payment gateways (i.e. online "checkout" portals) used to enter credit card information for payment of goods and services.

The iPay88 agreement was entered into on August 6, 2021 and provides our users with payment gateways that include credit card processing, online banking services from

certain banks in Malaysia and eWallet payment processing for certain brands for which iPay88 receives a fee ranging from 1.0% to 1.6% of the processed transaction depending on the credit card used or if the transaction is online banking or eWallet.

The TNG agreement was entered into on May 31, 2023 and provides our users with eWallet payment gateway services that will be accepted from June 26, 2023 to August 31, 2023. TNG eWallet users on the ZCITY App will also receive RM3.00 or RM5.00 cash back vouchers from TNG (which can only be used on the ZCITY App) for each transaction of at minimum spend at RM30 and RM50 respectively. TNG provides cash back for up to 1,500,000 transactions. The agreement was entered and has no termination provision.

ZCITY has also entered into an agreement with Apigate Sdn Bhd, a wholly-owned subsidiary of Axiata Digital, branded as Boost Connect. This agreement was entered into on July 28, 2023, and commenced on the same date, July 28, 2023. It shall continue until March 1, 2024. Apigate Sdn Bhd is a global digital monetization and customer growth platform ecosystem provider, which offers us the services for the reselling of digital vouchers.

Local Demands Agreements. We have local demand agreements with Digi Telecommunication Sdn. Bhd. (“Digi”) and ATX Distribution Sdn. Bhd. (“ATX”) which provide ZCITY App users bill payment services.

The Digi agreement was entered on December 16, 2021 and provides our users with bill payment services for all of its telecommunication products and services to postpaid subscribers. We receive a commission from Digi of 0.5% for each transaction. ZCITY App users may also use us Digi’s prepaid automatic internet payment service for which we receive a commission from Digi of 2.5% for each reload. The Digi agreement may be terminated by either party with 30 days’ notice.

The ATX agreement was entered into on November 8, 2021 whereby ATX and provides our users with bill payment services for many companies in Malaysia, including but not limited to, certain utilities, telecommunication companies, insurance companies, entertainment companies and charities. We receive a commission on each transaction from ATX at different rates depending on the company for which the bill is being paid. The ATX agreement may be terminated by either party with 30 days’ notice.

The Company has both direct and indirect relationships with merchants and service providers. In terms of the Company’s indirect relationships, through the Pay’s Gift agreement the Company is able to offer mobile e-vouchers for leading brands including SHELL, PUBG, Giant, Lotus, Lazada, Zalora and Watsons; while via the ipay88 agreement, the Company gains access to other e-wallet providers, such as Boost and Grabpay. Additionally, through the company’s agreement with ATX Distribution, it is able to gain access to bill payment services provided by Astro and Air Selangor.

Download ZCITY App



ZCITY App is free to download from the Google Play Store, Apple iOS Store, and Huawei AppGallery.

ZCITY Apps’s Reward Points Program

Operating under the hashtag #RewardsOnRewards, we believe the ZCITY App reward points program encourages users to sign up the app, as well as increasing user engagement and spending on purchases/repeat purchases and engenders user loyalty.

Furthermore, we believe the simplicity of the steps to obtaining Reward Points (or “RP”) is an attractive incentive to user participation in that participants receive:

- 200 RP for registration as a new user;
- 100 RP for referral of a new user;
- Conversion of Malaysian ringgit spent into RP;
- 50% RP of every referred user paid amount as a result of the referral; and
- Spin & Win eligibility to receive RP (which may be “doubled up” when participants share the Spin & Win program on social media).

The key objectives of our RP are:

- **Social Engagement:**
RP are offered to users for increased social engagement.
- **Spending:**
RP incentivizes users with every MYR spent in order to increase the spending potential and to build users loyalty.
- **Sign-up:**
Drives loyalty and greater customer engagement. Every new user onboarded will get 200 RP as welcoming gift.
- **Referral Program:**
Rewards users with RP when they refer a new user.

Offline Merchant

When using our ZCITY App to make payment to a registered physical merchant, the system will automatically calculate the amount of RP to deduct. The deducted RP amount is based on the percentage of profit sharing as with the merchant and the available RP of the user.

Online Merchant

When using our ZCITY App to pay utility bills or purchase any e-vouchers, our system shows the maximum RP deduction allowed and the user determines the amount of discount deducted subject to maximum deductions described below and the number of RP owned by such user.

Different features have different maximum deduction amounts. For example, for bill payments, the maximum deduction is up to 3% of the bill amount. For e-vouchers, the maximum deduction is up to 5% of the voucher amount.

In order to increase the spending power of the user, our ZCITY App RP program will credit RP to the user for all MYR paid.

Merchant Facing Business

At present, our ZCITY merchants are concentrated in the F&B and lifestyle sectors. Moving forward, we plan to expand our product/service offering to include grocery stores, convenience stores, “micro-SME” (“small to medium size enterprises”) loan programs, affiliate programs and advertising agencies.



We believe that ZCITY’s TAZTE Smart F&B System, launched in the fourth quarter of 2022, provides merchants with a one-stop automated solution to digitalize their business. It offers an innovative and integrated technology ecosystem that addresses and personalizes each merchant’s technological needs and aims to be at the forefront of creating a smart consumer experience, thereby eliminating conventional and outdated standalone point of sale (or “POS”) systems.

TAZTE allows merchants to effortlessly record transactions with online payment or QR digital payment technology, set discounts and execute RP redemptions and rewards online, all via our ZCITY App. It utilizes ZCITY App’s CRM analytics software to attract and retain consumers through personalized, data-driven engagement to generate greater profitability.

TAZTE Smart F&B System also features a ‘Deviceless Queue System’ that reduces staff headcount and a private domain delivery service that will allow merchants access to multiple dedicated delivery partners to ensure outstanding delivery service to consumers.

Licensing Agreements

Abe Yus

On June 6, 2023, AY Food Ventures Sdn Bhd (“AYFV”), one of our wholly owned subsidiaries entered into a licensing agreement with Sigma Muhibah Sdn Bhd (“Abe Yus”), a food & beverage company, in which Abe Yus granted AYFV the exclusive worldwide right to grant sub-licensees to any third parties to use Abe Yus’ trademarks for its food & beverage business chain (the “Abe Yus Licensing Agreement”). As the master franchisor, AYFV will manage brand loyalty and raw material supply. Under the Abe Yus Licensing Agreement, all the Abe Yus F&B outlets will be obligated to adopt TAZTE, our digital F&B management system, across all our businesses.

On May 1, 2023, through our subsidiary, Morgan Global Sdn. Bhd. and Morganfield's Holdings Sdn. Bhd. ("Morganfield's"), a restaurant chain specializing in comfort food and American-style barbecue, entered into a Worldwide Master License Agreement (the "Morganfield's License Agreement"), in which Morganfield's granted us an exclusive worldwide license to grant sub-licensees to third parties to use Morganfield's trademarks for the restaurant business. Pursuant to the Morganfield's License Agreement, Morganfield's will also adopt our digital food & beverage management system, TAZTE, in its nine franchisees in Malaysia, China and Singapore, accelerating the rollout of TAZTE in the region.

The term of the Morganfield's License Agreement is for a period of five years, from May 1, 2023 to May 1, 2028, and will automatically renew for another five years upon expiration of the initial term unless the Morganfield's License Agreement is terminated. We will be entitled the right to collect payment of the total monthly collections from our sub-licensees, namely current licensees and the newly-appointed sub-licensees provided that we pay to Morganfield's the monthly management fees, the amount of which will range depending on our total monthly collection from our sublicensees in any given period, with a minimum monthly payment of RM 90,000 in year 1, RM 100,000 in year 2, RM 110,000 in year 3, RM 120,000 in year 4 and RM 130,000 in year 5.

Foodlink

As we became closer to the F&B industry and increased our understanding, we saw a significant opportunity that would not only support the distribution of TAZTE, but establish several new revenue streams for us. Our strategic plan is to establish synergies with our technology solutions by becoming a master licensor of F&B companies in Southeast Asia. We will adopt TAZTE into new restaurants, while also receiving revenue from monthly licensing fees and start-up fees with little barrier to entry.

Under the subsidiary named "Foodlink" that TGL has established to house F&B master franchisor activity, the subsidiary will manage all brand royalties and related IP through lease, ownership or JV agreements; and provide F&B consulting including market & product optimization as well as supply chain monetization. TAZTE Smart F&B System shall be adopted in Morgan Global and AY Food Venture licensee holder.

Tourism AI Application

On July 19, 2023, we entered into a Collaboration Agreement (the "Collaboration Agreement") with VCI Global Limited (NASDAQ: VCIG) ("VCI Global"), a multi-disciplinary consulting group focused on business and technology, in which VCI Global and us shall collaborate to develop an AI-powered travel platform ("Travel Platform") which utilizes advanced technology, including high-tech and predictive technology, to assist its users in discovering the best places to visit, explore, dine and engage in various activities during their travel in Malaysia. Furthermore, the Travel Platform aims to facilitate the seamless booking of flights, hotels, car rentals, theme park tickets and concert show tickets. Pursuant to the Collaboration Agreement, VCI Global and us shall share ownership and profits generated from this collaboration on a 50:50 basis.

On July 20, 2023, ZCITY entered into a Software Development Agreement (the "Software Agreement") with VCI Global, in which ZCITY shall create, design, produce, develop, finalize, commission and deliver to VCI Global the Travel Platform. Pursuant to the Software Agreement, VCI Global shall pay ZCITY in either cash or VCI Global shares of common stock equal to USD \$1 million as service consideration.

Marketing Strategy - Consumer

With the number of available apps for download from the world's leading app stores totaling over four million, we believe that structured and innovative user marketing strategy is the only way to stand out in today's app market. Aside from focusing on app development and building our app features properly, we believe we need to get our app featured on the leading platforms to most successfully extend our reach and user base.

We believe that our ZCITY App marketing strategy covers the user from when they first learn about our ZCITY App, to when they become a regular repeat user. The marketing strategy for the ZCITY App involves defining our target audience, learning how best to reach them, how best to communicate with them, and analyzing their "in-app" behavior to make continuous AI driven improvements as users move through the recruitment funnel.

Ultimately, the goal of our ZCITY App marketing strategy is to acquire users that will not only drive repeat engagement, but will also become loyal advocates for the ZCITY App.

At the initial launch of the ZCITY App in June 2020, we combined both online and offline strategies in branding and marketing, which we believed would effectively communicate our objectives, reaching a prospective target audience and turning that target audience into users of our ZCITY App.

Other than just user experience and features offered in the app itself, we believe consumers are choosing brands whose messaging, marketing and values go beyond the product, and have a potentially deeper meaning to the user. For example, they may consider brand trustworthiness and identity to be major influences on their market decisions. As a result, we have focused on building brand loyalty to drive on going marketing success, increase repeat users and attain greater market share.

In this regard, we have chosen to adapt various marketing strategies, such as re-targeting users and enticing current users to use our app on multiple occasions, by providing what users look for when they choose our app in order to increase engagement and retention. The diagram below reflects the strategies we engage in to promote marketing success and avoid missed opportunities.

The Offline/Online Marketing Landscape



We adopt a multi-pronged approach to user outreach through outdoor digital billboards, radio commercials, third party editorials and advertorials, social media postings on platforms such as Facebook, Instagram, TikTok, YouTube, as well as the targeting of users through Google ads and direct email marketing to encourage downloads and promote various campaigns.

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Since the outbreak of the COVID-19 pandemic, we have been very focused on reaching our target audience through digital media due to movement restrictions and retail closures. Advertisements especially on social media have become more routine.



Social media-based advertising can be very targeted, helping to convert new users into repeat users and building brand loyalty. We reach potential users based on criteria,

including, among others, job title, interests, marital status, and recent locations. We believe that it is much easier to measure and optimize social media campaigns while they are active. If an advertisement isn't producing expected results, we can suspend the campaign or reallocate funds on demand.

Another key media vehicle that we utilize is Universal App Campaign (or "UAC") by Google. UAC helps promote our ZCITY App across Google's largest properties including Google Search, Google Play Store, YouTube, and the Google Display Network. It combines information Google has on users' tendencies and perceived intents outside of the app (such as what they have searched for, what other apps they have downloaded and what they watched on YouTube) with advertisers' information on user actions in the app.

UAC then uses machine learning technology to make decisions for each ad by analyzing potential data signal combinations in real-time, including the platform where users are most likely to engage with our ad (such as YouTube or Gmail), the right ad format (whether video, text, or combination of the two) and keywords that will perform best for our marketing goals.

In addition, in order to obtain more accurate data for analysis, AppsFlyer SDK is installed in our ZCITY App, where it provides conversion data of user acquisition and retention campaigns. Through AppsFlyer SDK, we can monitor digital media activities to optimize our marketing budget. The data can be utilized and turned into actionable insights (to run campaigns and promotions which users are more favorable to) that will share our strategic and tactical business decisions, while boosting the ZCITY App brand presence.



Measure

Measurement suite

Measure every action with confidence

Cost aggregation

Understand your true mobile marketing ROI

Protect

Fraud protection

Protect your marketing budget from mobile ad fraud

Analyze

Marketing analytics

Turn insights on campaign performance into action

Incrementality

Prove the real value of your marketing campaigns

Connect

Raw data & APIs

Connect all of your data with ease, in real time

Engage

CX & deep linking

Boost revenue with exceptional customer experiences

Audience segmentation

Create meaningful conversations with your customers

Marketing Strategy - Merchants "6Cs" Strategy

In order to roll out our system, we plan to implement our 6Cs marketing strategy: clients, convenience, competition, consistency with creative content, corporate social responsibilities and credibility.

Clients (Soon-to-be F&B Owners). We have forecast potential merchants by category, which will enable us to create a marketing plan that will attract them by aligning our promotional content with their business interests and ideals. We will initiate advertisements that connect with their preferences and generate brand loyalty. We have developed "The PILOT" program where we plan offer prospective merchant F&B owners a free TAZTE Smart F&B system to facilitate their O2O business.

Convenience. We plan to demonstrate the convenience provided by our ZCITY App by launching a digitalization initiative which can get a merchant up and running on our platform within 24 hours. We believe this strategy emphasizes the ease of onboarding potential merchants and the potential positive transformation of their business in the shortest amount of time.

Competition. To further differentiate our system from our competitors, we expect to identify, compare and discover issues within their business model of operations against our own business model. The "SWITCH 180" program is where we plan to offer F&B owners not only a free TAZTE Smart F&B system, but we will also offer additional support such as artificial intelligence inventory management system and discount vouchers.

Consistency with Creative Content. We plan to maintain a consistent brand image across all our current marketing approaches with creative and innovative content. We strive to make our brand recognizable to stand out among competitors to increase brand awareness and recognition.

Corporate Social Responsibilities. We expect to integrate social and environmental concerns in our business operations to gain positive publicity and recognition and greater market exposure. For example, our "Love Delivery" program under TAZTE will allow consumers to donate food through our merchant family to charitable establishments such as orphanages and senior centers and similar charitable organizations. Our "Green Oil" program will allow our merchants to contribute to zero pollution by recycling used cooking oil with one of our strategic partners.

Credibility. We expect to prove our credibility by presenting our expertise to potential merchants who are seeking alternative business strategies in the ever-expanding technological age. We believe that promoting a credible and reliable system for merchants will increase referrals and positive reviews. Our "TAZTE Cares <3" program offers F&B owners free business operations "health checks" and offers troubleshooting solutions by introducing TAZTE Smart F&B System into their business.

Revenue Model

ZCITY's revenues are generated from a diversified mix of:

- e-commerce activities for users;
- services to merchants to help them grow their businesses; and
- membership subscription fees.

The revenue streams consist of "Consumer Facing" revenues and "Merchant Facing" revenues.

The revenue streams can be further categorized as following: (1) product and loyalty program revenue, (2) transaction revenue, and (3) agent subscription revenue. Please see "Management's Discussion and Analysis- Revenue Recognition."

Our Competitive Strengths

Powerful, Unique and Integrated App. We have designed an application – the ZCITY App – which serves both consumers and merchants in ways that concurrently maximize value creation and enhance the shopping experience. Furthermore, through the application of our proprietary developed AI technology, we can offer consumers a more personalized and targeted rewards offering/experience.

Unique Loyalty Program. Operating under our hashtag #RewardsOnRewards, we believe our RP program increases user engagement and loyalty. Through consumer redemption and platform issuance of RP, we believe our system is advantageous to both consumers and merchants.

Attractive Markets. We currently operate in Malaysia, which according to the IMF is expected to average 5.7% GDP growth over the next five years. See "Business—Market Opportunity."

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As we scale our operations, we intend to expand to other countries in Southeast Asia, which possesses solid economic fundamentals, fast growing middle classes, favorable demographic trends and accelerating adoption of mobile technology.

Experienced Management Team. Our executives and directors combine decades of on-the-ground local e-commerce operations and social media marketing experience, as well as professional expertise in the global finance field.

Our Growth Strategy

Our main goal is focused on the recruitment of new consumers and the registration of as many TAZTE merchants as possible in the most efficient way in the shortest amount of time. We believe that this approach establishes a cycle where more consumers lead to more merchants and more merchants lead to more consumers. External partnerships play an important part in our business, as we will continue sourcing more delivery partners to offer our merchants greater flexibility.

Consumer Growth. We strive to provide consumers with a smarter shopping experience from ordering to receiving goods and services as one seamless process. Our marketing efforts will focus on attracting consumers by awarding RP upon the execution of successful transactions (where they can redeem instant rebates).

Merchant Growth. We believe that our TAZTE program is an example of an O2O platform focusing on transforming traditional ways of operating F&B business with digitalized smart ecosystems which better streamline merchant business operations and directly contribute to higher revenues. We feel TAZTE has the potential for our ZCITY App to pioneer a generation of technologically astute "Smart Merchants", effectively encouraging more merchants to join the technological trend. Apart from the technological advantages, merchants would be able to gain access to a significant consumer database of nearly 1 million registered users currently for their own brand marketing.

Partner Growth. We are continuously enhancing the ZCITY App through adding further strategic partnerships. We believe that collaborations will enable merchants and consumers to have more options to choose from and the delivery speed and rates related to transparency will benefit all parties.

Expansion Growth. With our proven systems and by leveraging our large network, leading technology, operational excellence, and product expertise, we expect the ZCITY App to launch and scale our expansion plans to neighboring countries such as Indonesia, Thailand, and Japan, by partnering with or acquiring local establishments.

Acquisition Growth. In order to complement our organic growth strategy, we will continue to evaluate investment and acquisition opportunities that will enable us to become market leaders. Our anticipated investments and acquisitions of other e-commerce platforms in different verticals are expected to expand our service offerings and attract new consumers and merchants. We expect negotiations with acquisition targets in the e-Commerce industries. Furthermore, we would expect to finance such acquisitions through internal and potential financings from the stock market.

28 IMF: Malaysia's GDP to grow 9pct in 2021, fastest among Asean-5 countries <https://www.malaysiakini.com/news/520659>

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Strategic Partnerships

We have entered into agreements with various Malaysian companies i.e.: TouchnGo e-wallet marketing, iPay88, Boost eWallet, Digi and Grabpay eWallet to provide essential services to our ZCITY App platform.

Strategic partnerships are vital to our strategy and operations, as they enable the ZCITY App to offer more value-added services to both our consumers and merchants. Through our partnerships, we intend to gain low-cost access to our partners' users, where possible, to drive user conversion. Our marketing approach to acquire strategic partners focuses on the benefits of brand awareness, stressing the ability to access a larger pool of consumers and clients while reducing marketing expenses via joint marketing efforts like crossover marketing campaigns, digital marketing and affiliate programs.

Competitive Outlook

We compete with other online platforms and apps for merchants, who can sell their products/services on other online shopping marketplaces and other food ordering platforms. We also compete with other e-commerce platforms and apps, fashion and lifestyle retailers and restaurants for the attention of consumers. Consumers have the choice of shopping with any online or offline retailer, large marketplaces or restaurant chain. We compete for consumers and merchants based on our ability to deliver a personalized e-

commerce experience with an easy-to-use mobile app, unique cross-business reward system, instant rebate & cashback, and a trusted payment gateway which is both secure and convenient.

Within the Malaysian market, we believe the principal competitors to the ZCITY App to include, but not limited to Fave, Shopback and EZ. We have set out below how we perceive the ZCITY App differentiates its offering from these competitors in the Malaysian market both downstream (services provided to consumers) and upstream (services provided to merchants).

		Multiple Payment Modes	Real Cashback Withdrawal	Instant Cash Rebate	Support Online and Offline	User Referral Model		Merchant Driven Functionality	Cross Platform Profit Sharing	Business Automation	Group Purchasing
  	DOWNSTREAM	✓	✗	✗	✓	✓	UPSTREAM	✗	✗	✗	✗
		✗	✓	✗	✓	✓		✗	✗	✗	✗
		✓	✗	✓	✓	✓		✓	✓	✓	✓

The information with respect to Fave was obtained from Fave’s website at <https://help.myfave.com/hc/en-us/articles/115000181194-How-do-I-pay-with-FavePay->

The information with respect to Shop Back was obtained from Shop Back’s website at <https://support.shopback.my/hc/en-us/articles/360037382453-Is-there-a-payment-method-not-eligible-for-Cashback->

We expect to be able to successfully compete for merchants based on our unique cross-business reward system, reward points module, instant rebate and cashback program, upcoming new features, which we expect will build lasting customer loyalty for our merchants, as well as our personalized, data-driven approach to customer engagement, both of which ensure that our success is aligned with that of our merchants.

Intellectual Property Matters

Our technology and ZCITY App are comprised of copyrightable and/or patentable subject matter licensed by our Malaysian subsidiary, ZCITY. Our intellectual property assets include trade secrets associated with our software platform. We have successfully carried out development of our multilayer cloud-based software platform based upon our reliance on third parties for payment and reward points deployment. As a result, we can monetize our software by making it available in locations such as the Apple iOS Store, Google Play Store, Huawei AppGallery and compatible with existing payment systems depending on the country’s regulatory requirements. We are currently focusing on using our intellectual property in Malaysia and plan to expand further into Southeast Asia as part of our strategy. The loss of all of these third-party payment facilitators could not be easily replaced and therefore could materially affect our business and results of operations.

Trademarks. ZCITY has filed one trademark application stylized as “ZCITY” with the trademark offices of Malaysia. The name and mark, ZCITY App and other trade names and service marks of ZCITY in this prospectus are our property.

Patents. ZCITY has filed one patent application entitled “A Revenue Allocation System” with the Patents Registration Office of Malaysia.

We manage all our intellectual property matters in Malaysia including the registration of patents, trademarks, trade names, and service marks in the name of ZCITY, our subsidiary in Malaysia. While we have not delineated each of our trademarks, the foregoing constitutes our material trademarks. Without prejudice to the generality of foregoing, ZCITY is, inter alia, the direct owner of the registered trademark “ZCITY” in connection with artificial intelligence software, electronic payment services, loyalty programs, SaaS platforms, and other subsets of our business.

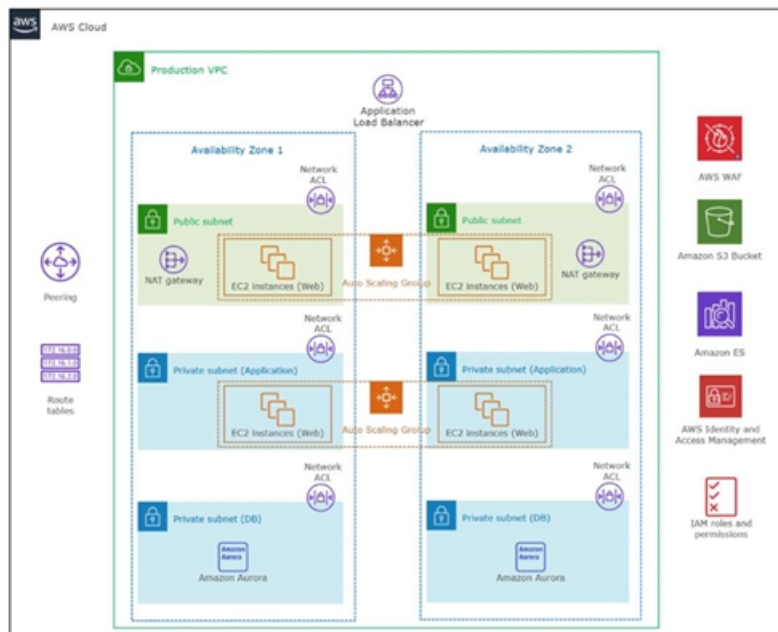
Information Technology Protection. All of our software development professionals are required to sign and are bound by the IT Infrastructure, Security, Email, Intranet Usage Policy Manual (the “IT Policy Manual”), which governs use of our hardware, software, code, source code, data, computational data, screen data, analytics dashboards, data displayed on screens, emails, intranet and internet. This IT Policy Manual establishes standard practices and rules for responsible, safe, and productive use of our intellectual property, information and assets and is expected to ensure the protection of information and prevention of any misuse.

We have internally implemented the “Active Directory and VPN” to manage access to our assets in order to prevent any intentional or unintentional leaks of sensitive data, documentation or information, as well as to prevent users from installing irrelevant software or malware viruses.

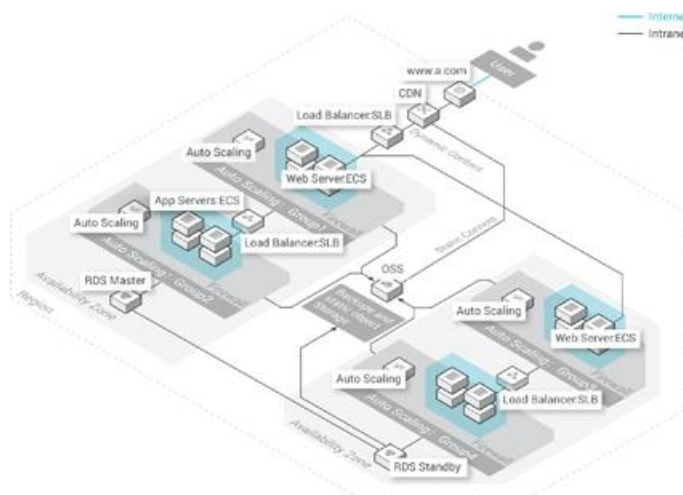
Our ZCITY App’s server is hosted on the AWScloud and is compliant with SOC2, which we believe securely manages our data across six aspects:

- Security – protects the system resources against unauthorized access. Apply security group rules as security control. Enabled AWS WAF rule for more protection. AWS WAF (Web Application Firewall) is a managed security service provided by Amazon Web Services (AWS) that helps protect web applications from various web-based attacks. It acts as a protective layer between your web applications and the internet, allowing you to control and monitor incoming traffic to your web applications.
- Availability – makes sure the server accessibility meets the SLA. Regularly review and report on server availability metrics to track performance against SLA targets. Provide transparent reporting to stakeholders, including customers, about server uptime and downtime. Moreover, continuously monitor and analyze server performance data (AWS) to identify areas for improvement. Implement optimizations to enhance server availability and performance over time.
- Processing integrity– data process monitoring couple with quality assurance procedures can help ensure processing integrity.
- Confidentiality – data is encrypted during network transmission. Subscribed to the cloud flare service, which offers a range of services to protect websites, applications, and company data.
- Privacy – data collection, use, retention, disclosure and disposal of personal information in conformity.
- Backup – Enabled AWS Backup service. It helps you centralize and automate the backup of data across various AWS services and on-premises resources. AWS Backup is designed to be efficient, scalable, and reliable.

We practice Disaster Recovery SOP to easily overcome disaster events efficiently. We have in place a “Disaster Recovery” (“DR”) initiative, which we rely on the “AWS” cloud facilities to ensure as described below:



The architecture diagram shows how “AWS” cloud architect is powered by distributed servers and database services across multiple zones to ensure disaster recovery on deployment across multiple data centers, once the Application Load Balancer (ALB) detects the primary unavailable then it will direct all traffic to other in-service data centers.²⁹



²⁹ Disaster Recovery – First-in-class automated disaster recovery mechanism with multi-AZ support <https://docs.aws.amazon.com/whitepapers/latest/disaster-recovery-workloads-on-aws/disaster-recovery-options-in-the-cloud.html>

The controls for restricting user access to our system and data, include:

- 1) User authorization
- 2) Maintaining the user access log
- 3) Periodic review user access
- 4) Revoking user access
- 5) Managing Privileged User accesses
- 6) Separation of Duties to reduce the risk of misuse of client code and assets
- 7) Change management, risk management and issue management are exercised as part of Management Reviews

Litigation

From time to time, we may become involved in legal proceedings arising in the ordinary course of our business. We believe that we do not have any pending or threatened litigation which, individually or in the aggregate, would have a material adverse effect on our business, results of operations, financial condition, and/or cash flows.

Properties

We lease and maintain our offices at located at 276 5th Avenue, Suite 704 #739, New York, New York 10001 and No.29, Jalan PPU 2A, Taman Perindustrian Pusat Bandar Puchong, 47100 Puchong, Selangor, Malaysia.

MANAGEMENT

The following are our executive officers and directors and their respective ages and positions as of August [*], 2023.

Name	Age	Position
Chong Chan “Sam” Teo	40	Chief Executive Officer, Director
Su Chen “Chanell” Chuah	44	Chief Operating Officer
Meng Chun “Michael” Chan	51	Chief Financial Officer
Su Huay “Sue” Chuah	41	Chief Marketing Officer
Chen Hoe “Samuel” Sam	42	Chief Technology Officer
Jau Long “Jerry” Ooi	41	Vice President
Ho Yi Hui	45	Executive Director
Joseph R. “Bobby” Banks	61	Director
Marco Baccanello	61	Director
Jeremy Roberts	49	Director

Chong Chan “Sam” Teo is our Chief Executive Officer and a Director. Mr. Teo is an experienced corporate strategist who has contributed to building high-performance teams through implementation of organizational innovation within multiple companies operating in the fintech and ecommerce fields. Prior to this role, Mr. Teo served as Chief Operations Officer of the Company from July 2020 to June 2021, where he, among other things, led sales and strategic business development. From March 2020 to June 2021, Mr. Teo was the Chief Executive Officer of ZCITY, leading ZCITY in strategic/tactical planning, forecasting, capital budgeting, and financial cost controls. Prior to that role, Mr. Teo served as Director of Business Development of ZCITY from May 2018 to February 2020, where he was in charge of sales and business development. From May 2016 to April 2018, Mr. Teo was the Managing Director of Modes Cube Sdn Bhd, leading its business delivery team. Mr. Teo earned a Bachelor’s degree in Quantity Survey from the Sheffield Hallam University in 2006, and received a Diploma in Quantity Survey from the Tunku Abdul Rahman College in 2004.

Su Chen “Chanell” Chuah is our Chief Operating Officer. From 2020 to present Ms. Chuah has been Chief Operating Officer for ZCITY. At ZCITY, Ms. Chuah has, among other things, lead project management ensuring exchange listing related matters are executed according to plan; maintained liaison with exchange listing advisors’ counterpart to ensure corporate compliance elements are taken care of within the organization; ensured alignment of business directions/communication among internal and external stakeholders with regards to overall organization goals and plans and also the proprietary product planning. From 2016 to 2021 Ms. Chuah was the Chief Operating Officer for World Cloud Ventures Sdn Bhd. At World Cloud, Ms. Chuah’s responsibilities were, among other things, project management for mobile app, ihappyhour; ensuring portal development, business development planning, marketing strategy planning and business readiness; leading the application of MSC status for the company under the product: ihappyhour and successfully getting the approval; project management for Loyalty Reward Program, ZCITY Reward, ensuring development of IT portal, business readiness, marketing readiness, business development, legal agreement matters and customer service and project management for e-commerce program, ze.la.fa covering the IT platform development, online seller recruitment, agreement preparation and customer service. Ms. Chuah earned a Bachelor’s of Business in Finance and Banking from Charles Stuart University in 2010.

Meng Chun “Michael” Chan is our Chief Financial Officer, appointed as of July 31, 2023. Prior to his appointment as Chief Financial Officer, Mr. Chan was the Company’s Financial Controller from January 3, 2023, where he handled finance, and accounts matters as well as assisting with M&A and fund raising. From May 2022 to September 2022, he was the Chief Financial Officer for Ikkhas Group of companies handling overall corporate finance including potential IPO, fund raising, banking, tax and accounts and investment. From January 2022 to May 2022, he was the Head of Group Treasury for Sime Darby Plantation Bhd (“Sime Darby”), a public listed company in Malaysia. At Sime Darby, Mr. Chan managed group cashflow, including banking facilities, worked on group inter-company reconciliations, financial reports and budget and cashflow plans. From July 2020 to February 2021, Mr. Chan, served as Group Deputy CEO/Group Chief Financial Officer for Smart Glove Holding Sdn Bhd, a Malaysian private company where he helped reorganize and prepare business for a potential initial public offering. From November 2015 to June 2020, Mr. Chan served as Chief Financial Officer for TS Global Network Sdn Bhd, a member company of PT Telkom Indonesia, where he completed the restructuring and turnaround as well as leading the successful adoption of MFRS standards. Prior to this, from April 2013 to November 2015, he was a Chief Financial Officer for Pasukhas Group Bhd. He was with Carimin Group of Companies from May 2000 to Aug 2012 before leaving as Group Financial Controller.

Mr. Chan Meng Chun received his Advance Diploma in Accounting from Institute of Financial Accountants (United Kingdom) in 2007 and a Master’s Degree in Finance and Accounting from University of Wales in 2014. Mr Chan Meng Chun is a fellow member of the Institute of Public Accountants (Australia) and fellow member of the Institute of Financial Accountants (United Kingdom).

Su Huay “Sue” Chuah is our Chief Marketing Officer. From March 2021 to present Ms. Chuah has been the Chief Marketing Officer for ZCITY. At ZCITY, her responsibilities have been, among other things, to set marketing goals to establish strategic direction and plan positioning; plan, implement and manage marketing strategies; and contribute to the overall development of the company. From 2017 to 2021 Ms. Chuah was the Branding & Communication Director for Click Internet Traffic Sdn Bhd. At Click, Ms. Chuah, among other things, participated in the development of the brand marketing strategies in order to establish strategic direction and program positioning; defined the departmental vision to instill it in all levels of the marketing department to make up part of the working culture and oversaw the brand planning process inclusive of the definition of target consumers and the development of marketing mix and strategies. From 2016 to 2017, Ms. Chuah was the Brand Manager for Click and her key responsibilities were, among other things, to oversee a wide array of business functions including branding, communication channels, product development, online and offline promotions, and market research; team management and support their efforts and report to higher level and to identify how the brand is currently positioned in the market and identify future trends. Ms. Chuah received a Bachelor’s degree in Mass Communication from Limkokwing University College of Creative Technology in 2005.

Chen Hoe “Samuel” Sam is our Chief Technology Officer. From 2018 to 2020 Mr. Sam was the Senior Technical Manager for ARB Development SDN Bhd. At ARB Development, Mr. Sam, among other things, established the company’s technical vision and lead all aspects of the company’s technological development; directed the company’s strategic direction, development and future growth and provided leadership to department to meet customer’s deadlines. In 2018 Mr. Sam was the Lead Programmer

for World Cloud Ventures Sdn Bhd. At World Cloud. Mr. Sam, among other things, managed a team of programmers, to support and develop in-house software application; gathered requirements from management, and developed solutions; and embedded bidding feature for a membership mobile application. From 2017 to 2018 Mr. Sam was the Senior Manager for Tone Excel International Sdn Bhd. At Tone, Mr. Sam Managed internal MIS Team; worked with vendor to maintain in-house Hardware/Software/Network infrastructure; re-organized hosting server structure and removed redundant server; and worked with vendor to restructure current software framework to enable the System backbone support web application and mobile application. From 2015 to 2017, Mr. Sam was the Chief Technology Officer for Isynergy Universal Sdn Bhd. At Isynergy, Mr. Sam, among other things, setup an IT team to maintain and enhance their core business system (Software/Hardware); worked with CBO to carry out the new system development, integration and implementation; and worked with MIS Outsourcing Company to maintain in-house Hardware/Software/Email issue. Mr. Sam earned a Bachelor's degree in Computer Science/Information Technology in 2004 and a Graduate diploma of Computer Science/Information Technology in 2003.

Jau Long "Jerry" Ooi is our Vice President. From 2017 to present, Mr. Ooi has been the Managing Director of Ezytronic Sdn Bhd, where he leads business development. Prior to that role, Mr. Ooi served as Sales & Marketing Manager of Ezytronic Sdn Bhd, where he was in charge of sales structure, marketing strategy, and team development. Mr. Ooi received a Diploma in Computer Science/Information Technology in 2002.

Ho Yi Hui is an Executive Director. From 2019 to present Ms. Ho has been an Executive Director at Hanz Consulting Group Sdn. Bhd. where she provides professional and business consultation services, in terms of compliance and advisory for audit, tax and company secretarial related matters and professional training and coaching, From March 2018 to October 2019 she worked for RSM Tax Consultants (Malaysia) Sdn Bhd. as a Tax Executive Director where she led a team of 30 tax associates, seniors, managers and directors. Ms. Ho obtained an Advanced Diploma in Commerce Business Studies (Financial Accounting) and a Diploma in Business Studies (Accounting) from Tunku Abdul Rahman College in 2001.

Joseph R. "Bobby" Banks is a Director. Mr. Banks is a seasoned financial services executive. He previously worked in the New York and London offices of Goldman Sachs in the Corporate Finance, Mergers & Acquisitions and Communications, Media & Entertainment investment banking departments. Upon leaving Goldman Sachs, Mr. Banks joined JP Morgan Chase in their London Office as a Managing Director and Head of the Telecom and Media investment banking business in Europe, the Middle East and Africa ("EMEA"). He subsequently ran the Equity Capital Markets business for JP Morgan Chase also in EMEA. Mr. Banks has also worked in venture capital from 2014 to 2017 serving as Group Chief Financial Officer, Member of the Investment Committee, Chief Investor Relations Officer and Executive Board Member of Mountain Partners AG, a Zurich based venture capital firm. Since 2017, Mr. Banks has been an independent financial and strategy advisor to a number of companies across industries. Mr. Banks has a BA in Government from Dartmouth College and an MBA in Finance from the Wharton School at the University of Pennsylvania.

Marco Baccanello is a Director. Mr. Baccanello is an experienced corporate finance executive with expertise in advising companies operating in a broad range of industries, particularly within the technology space, in early to late-stage financings, growth strategy and strategic disposals, restructurings and acquisitions. In addition, he has experience in the preparation of the listing and initial public offering documents for companies on NASDAQ and international exchanges, with an emphasis on funding requirements and regulatory filings. Mr. Baccanello also has developed acquisition and marketing strategies for multiple digital opportunities, focusing on content published to app stores, including rapidly growing digital businesses in the technology and gaming space. From 2016 to present, Mr. Baccanello is a member of the Corporate Development team where he leads and manages business plan developments. Prior to that role, he was the Chief Financial Officer of PlayJam from 2010 to 2016, where he planned, implemented and managed all the finance activities, including business planning, budgeting, forecasting and negotiations. Mr. Baccanello's experience as a former chartered accountant at PricewaterhouseCoopers and director of a private equity firm, specifically his expertise in managing growth businesses within the services, media and technology industries, make him a qualified director to serve on our Board. Mr. Baccanello earned a Bachelor's degree in Economics at the University of Southampton.

Jeremy Roberts is a Director. Mr. Roberts is an experienced Corporate Financier with track-record of sourcing, structuring and negotiating and completing complex M&A deals and financing across a broad range of sectors and geographies. From 2013 to present Mr. Roberts has been the founder and Director of J and L Roberts Advisors in London, UK., a corporate consultancy firm. At J and L, Mr. Roberts has, among other things, advised family owners, High Net Worth Individuals, corporate and private equity groups on growth strategies and expansion; structuring and raising capital for various business ventures; as well as M&A assignments. From 2013 to 2014 he was the Managing Director and consultant for i76 Sp Zoo in Warsaw, Poland. At i76, he completed Ipopema 76's first acquisition: Impress Group from Constantia Industries and worked on post-acquisition and separation matters to post-acquisition optimize internal group structure. From 2011 to 2013 Mr. Roberts was a Principal at Corven Corporate Finance in London, UK. From 2002 to 2011, Mr. Roberts was a Director of Lansdowne Capital, an investment banking boutique, where he originated and executed transactions within the broader industrials sector. Between 2000 and 2002, Mr. Roberts was a Vice President in the investment banking division of Credit Suisse in London. Mr. Roberts earned a BSc in Economics and Politics from University of Bath in 1994.

Code of Ethics

Our Board has adopted a written code of business conduct and ethics ("Code") that applies to our directors, officers and employees, including our principal executive officer, principal financial officer and principal accounting officer or controller, or persons performing similar functions. We have posted on our website a current copy of the Code and all disclosures that are required by law in regard to any amendments to, or waivers from, any provision of the Code.

Board Leadership Structure and Risk Oversight

Our Board has responsibility for the oversight of our risk management processes and, either as a whole or through its committees, regularly discusses with management our major risk exposures, their potential impact on our business and the steps we take to manage them. The risk oversight process includes receiving regular reports from Board committees and members of senior management to enable our Board to understand our risk identification, risk management and risk mitigation strategies with respect to areas of potential material risk, including operations, finance, legal, regulatory, cybersecurity, strategic and reputational risk.

Board of Directors

Our business and affairs are managed under the direction of our Board. Our Board consists of five directors, three of whom qualify as "independent" under the listing standards of Nasdaq.

Directors serve until the next annual meeting and until their successors are elected and qualified. Officers are appointed to serve until their successors have been elected and qualified.

Director Independence

Our Board is composed of a majority of "independent directors" as defined under the rules of Nasdaq. We use the definition of "independence" applied by Nasdaq to make this determination. Nasdaq Listing Rule 5605(a)(2) provides that an "independent director" is a person other than an officer or employee of the company or any other individual having a relationship which, in the opinion of the Company's Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. The Nasdaq listing rules provide that a director cannot be considered independent if:

- the director is, or at any time during the past three (3) years was, an employee of the company;

- the director or a family member of the director accepted any compensation from the company in excess of \$120,000 during any period of twelve (12) consecutive months within the three (3) years preceding the independence determination (subject to certain exemptions, including, among other things, compensation for board or board committee service);

- the director or a family member of the director is a partner in, controlling shareholder of, or an executive officer of an entity to which the company made, or from which the company received, payments in the current or any of the past three fiscal years that exceed 5% of the recipient's consolidated gross revenue for that year or \$200,000, whichever is greater (subject to certain exemptions);
- the director or a family member of the director is employed as an executive officer of an entity where, at any time during the past three (3) years, any of the executive officers of the company served on the compensation committee of such other entity; or
- the director or a family member of the director is a current partner of the company's outside auditor, or at any time during the past three (3) years was a partner or employee of the company's outside auditor, and who worked on the company's audit.

Under such definitions, our Board has undertaken a review of the independence of each director. Based on information provided by each director concerning his background, employment and affiliations, our Board has determined that Jeremy Roberts, Marco Baccanello and Joseph "Bobby" Banks are independent directors of the Company.

Committees of the Board of Directors

Our Board has established an audit committee, a compensation committee and a nominating and corporate governance committee. The composition and responsibilities of each of the committees of our Board is described below. Members serve on these committees until their resignation or until as otherwise determined by our Board.

Audit Committee

We have established an audit committee consisting of Marco Baccanello, Joseph "Bobby" Banks and Jeremy Roberts. Marco Baccanello is the Chairman of the audit committee. In addition, our Board has determined that Marco Baccanello is an audit committee financial expert within the meaning of Item 407(d) of Regulation S-K under the Securities Act. The audit committee's duties, which are specified in our Audit Committee Charter, include, but are not limited to:

- reviewing and discussing with management and the independent auditor the annual audited financial statements, and recommending to the Board whether the audited financial statements should be included in our annual disclosure report;
- discussing with management and the independent auditor significant financial reporting issues and judgments made in connection with the preparation of our financial statements;
- discussing with management major risk assessment and risk management policies;
- monitoring the independence of the independent auditor;
- verifying the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by law;
- reviewing and approving all related-party transactions;
- inquiring and discussing with management our compliance with applicable laws and regulations;
- pre-approving all audit services and permitted non-audit services to be performed by our independent auditor, including the fees and terms of the services to be performed;

- appointing or replacing the independent auditor;
- determining the compensation and oversight of the work of the independent auditor (including resolution of disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work;
- establishing procedures for the receipt, retention and treatment of complaints received by us regarding accounting, internal accounting controls or reports which raise material issues regarding our financial statements or accounting policies; and
- approving reimbursement of expenses incurred by our management team in identifying potential target businesses.

The audit committee is composed exclusively of "independent directors" who are "financially literate" as defined under the Nasdaq listing standards. The Nasdaq listing standards define "financially literate" as being able to read and understand fundamental financial statements, including a company's balance sheet, income statement and cash flow statement.

Compensation Committee

We have established a compensation committee of the Board to consist of Joseph "Bobby" Banks, Jeremy Roberts and Marco Baccanello, each of whom is an independent director. Each member of our compensation committee is also a non-employee director, as defined under Rule 16b-3 promulgated under the Exchange Act, and an outside director, as defined pursuant to Section 162(m) of the Code. Joseph "Bobby" Banks is the chairman of the compensation committee. The compensation committee's duties, which are specified in our Compensation Committee Charter, include, but are not limited to:

- reviews, approves and determines, or makes recommendations to our Board regarding, the compensation of our executive officers;
- administers our equity compensation plans;

- reviews and approves, or makes recommendations to our Board, regarding incentive compensation and equity compensation plans; and
- establishes and reviews general policies relating to compensation and benefits of our employees.

Nominating and Corporate Governance Committee

We have established a nominating and corporate governance committee consisting of Jeremy Roberts, Joseph “Bobby” Banks and Marco Baccanello. Jeremy Roberts is the Chairman of the nominating and corporate governance committee. The nominating and corporate governance committee’s duties, which are specified in our Nominating and Corporate Governance Audit Committee Charter, include, but are not limited to:

- identifying, reviewing and evaluating candidates to serve on our Board consistent with criteria approved by our Board;
- evaluating director performance on our Board and applicable committees of our Board and determining whether continued service on our Board is appropriate;
- evaluating nominations by stockholders of candidates for election to our Board; and
- corporate governance matters.

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Family Relationships

Su Chen “Chanell” Chuah, our Chief Operating Officer and Su Huay “Sue” Chuah, our Chief Marketing Officer are sisters.

Involvement in Certain Legal Proceedings

Except as disclosed below, to our knowledge, none of our current directors or executive officers has, during the past ten (10) years:

- been convicted in a criminal proceeding or been subject to a pending criminal proceeding (excluding traffic violations and other minor offenses);
- had any bankruptcy petition filed by or against the business or property of the person, or of any partnership, corporation or business association of which he was a general partner or executive officer, either at the time of the bankruptcy filing or within two (2) years prior to that time;
- been subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction or federal or state authority, permanently or temporarily enjoining, barring, suspending or otherwise limiting, his or her involvement in any type of business, securities, futures, commodities, investment, banking, savings and loan, or insurance activities, or to be associated with persons engaged in any such activity;
- been found by a court of competent jurisdiction in a civil action or by the SEC or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended, or vacated;
- been the subject of, or a party to, any federal or state judicial or administrative order, judgment, decree, or finding, not subsequently reversed, suspended or vacated (not including any settlement of a civil proceeding among private litigants), relating to an alleged violation of any federal or state securities or commodities law or regulation, any law or regulation respecting financial institutions or insurance companies including, but not limited to, a temporary or permanent injunction, order of disgorgement or restitution, civil money penalty or temporary or permanent cease-and-desist order, or removal or prohibition order, or any law or regulation prohibiting mail or wire fraud or fraud in connection with any business entity; or
- been the subject of, or a party to, any sanction or order, not subsequently reversed, suspended or vacated, of any self-regulatory organization (as defined in Section 3(a)(26) of the Exchange Act), any registered entity (as defined in Section 1(a)(29) of the Commodity Exchange Act), or any equivalent exchange, association, entity or organization that has disciplinary authority over its members or persons associated with a member.

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EXECUTIVE COMPENSATION

The following table illustrates the compensation paid by the Company to its executive officers. The disclosure is provided for the fiscal years ended June 30, 2023 and 2022. We refer to these individuals as our “named executive officers”:

Name and Principal Position	Fiscal Year Ended		Salary (\$)	Total (\$)	
	June 30,				
Chong Chan “Sam” Teo (2) Chief Executive Officer	2023	\$	[*]	\$	[*]
	2022	\$	26,309	\$	26,309
Voon Him “Victor” Hoo Chairman and Managing Director	2023	\$	-	\$	-
	2022	\$	120,000	\$	120,000

(1) Salaries were paid in Malaysian Ringgits, U.S. dollar amounts are approximate.

(2) Mr. Teo was appointed Chief Executive Officer on June 16, 2021.

None of our other executives earned compensation in excess of \$100,000 in fiscal years ended June 30, 2023 or 2022 and therefore pursuant to Instruction 1 to Item 402(m)(2) of Regulation S-K, only the compensation for our Chief Executive Officer and Chief Financial Officer is provided.

Equity Awards

None.

Employment Agreements

Teo Employment Agreement Chong Chan “Sam” Teo, our Chief Executive Officer, and the Company entered into an Executive Employment Agreement dated as of July 1, 2020 (the “Teo Employment Agreement”), pursuant which Mr. Teo was appointed as our Chief Operating Officer. On June 16, 2021, Mr. Teo resigned as our Chief Operating Officer and was appointed Chief Executive Officer. Mr. Teo is still otherwise employed under the terms of the Teo Employment Agreement. The Teo Employment Agreement provides Mr. Teo with a basic salary of MYR 10,000 (approximately \$2,408) per month, which was increased to MYR 10,500 per month on August 1, 2020, and benefits that are generally given to our senior executives. The Company or Mr. Teo may terminate the Chuah Employment Agreement with two months’ notice. Mr. Teo was also employed as the Chief Executive Officer of ZCITY since March 1, 2020 on identical terms.

Director Compensation Table

The following table illustrates the compensation paid by the Company to its directors. Only the independent directors are entitled to receive board compensation. The disclosure is provided for the fiscal year ended June 30, 2023.

Name	Salary per director (\$)	Total per director (\$)
Joseph “Bobby” Banks and Jeremy Roberts all received identical compensation	\$ [*]	\$ [*]
Marco Baccanello	\$ [*]	\$ [*]

The independent directors (Joseph “Bobby” Banks, Marco Baccanello and Jeremy Roberts) are entitled to receive \$6,000 per month, commencing October 16, 2021. As Chairman of the Audit Committee Mr. Baccanello also received \$[*] per month during the fiscal year ended June 30, 2023 for the establishment of the Audit Committee and its procedures and processes.

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PRINCIPAL STOCKHOLDERS

The following table sets forth certain information, as of August [*], 2023 with respect to the holdings of (1) each person who is the beneficial owner of more than 5% of Company voting stock, (2) each of our directors, (3) each executive officer, and (4) all of our current directors and executive officers as a group.

Beneficial ownership of the voting stock is determined in accordance with the rules of the SEC and includes any shares of company voting stock over which a person exercises sole or shared voting or investment power, or of which a person has a right to acquire ownership at any time within 60 days of August [*], 2023. Except as otherwise indicated, we believe that the persons named in this table have sole voting and investment power with respect to all shares of voting stock held by them. Applicable percentage ownership in the following table is based on 18,780,778 shares of common stock issued and outstanding on August [*], 2023, and [*] shares of common stock issued and outstanding after this offering (excludes (i) 100,000 shares of our common stock underlying the underwriter’s warrant and (ii) 300,000 shares of our common stock underlying a warrant issued to Exchange Listing, LLC), plus, for each individual, any securities that individual has the right to acquire within 60 days of [*], 2023.

To the best of our knowledge, except as otherwise indicated, each of the persons named in the table has sole voting and investment power with respect to the shares of our common stock beneficially owned by such person, except to the extent such power may be shared with a spouse. To our knowledge, none of the shares listed below are held under a voting trust or similar agreement, except as noted. To our knowledge, there is no arrangement, including any pledge by any person of securities of the Company, the operation of which may at a subsequent date result in a change in control of the Company.

Name and Address of Beneficial Owner ⁽¹⁾	Title	Common Stock	Percent of Common Stock
Officers and Directors			
Chong Chan “Sam” Teo	Chief Executive Officer	1,725,997	9.19%
Su Chen “Chanell” Chuah	Chief Operating Officer	476,000	2.5%
Meng Chun “Michael” Chan	Chief Financial Officer	—	
Su Huay “Sue” Chuah	Chief Marketing Officer	426,000	2.3%
Chen Hoe “Samuel” Sam	Chief Technology Officer	—	
Jau Long “Jerry” Ooi	Vice President	318,696	1.7%
Joseph R. “Bobby” Banks	Director	—	
Marco Baccanello	Director	—	
Jeremy Roberts	Director	—	
Officers and Directors as a Group (total of 9 persons)		2,824,891	15.9%
5% Stockholders			
Chong Chan “Sam” Teo		1,725,997	9.19%
The Evolutionary Zeal Sdn Bhd ⁽²⁾		1,500,000	8.0%
Tophill Holdings Sdn. Bhd.		2,756,879	14.68%

(1) Unless otherwise indicated, the principal address of the named directors and directors and 5% stockholders of the Company is care of Treasure Global Inc., 276 5th Avenue, Suite 704 #739, New York, New York 10001.

(2) Controlled by two individuals, Wan Zainudin bin Wan Ibrahim and Roslina binti Omar.

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CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Other than as disclosed below, and except for the regular salary and bonus payments made to our directors and officers in the ordinary course of business as described in “Executive Compensation,” there have been no transactions since July 1, 2021, or any currently proposed transaction or series of similar transactions to which the Company was or is to be a party, in which the amount involved exceeds USD\$120,000 and in which any current or former director or officer of the Company, any 5% or greater shareholder of the Company or any member of the immediate family of any such persons had or will have a direct or indirect material interest.

Su Chen “Chanell” Chuah, our Chief Operating Officer and Su Huay “Sue” Chuah, our Chief Marketing Officer are sisters.

Jeremy Roberts and Marco Baccanello, both of whom are independent directors of the Company are also independent directors of VCI Global Limited, the parent of V Capital Kronos Berhad, which was an affiliate of the Company during its last fiscal year. V Capital Kronos Berhad is not currently an affiliate of the Company.

Kok Pin “Darren” Tan, the Company’s former Chief Executive Officer, has loaned the Company \$134,381 on an interest free basis.

Chong Chan “Sam” Teo, the Company’s Chief Executive Officer, has loaned the Company \$197,807 on an interest free basis.

During the fiscal year ended June 30, 2022, the Company fully repaid a \$1,405,951 loan from World Cloud Ventures Sdn. Bhd. Jau Long “Jerry” Ooi, a Vice President of the Company owns 50% of the equity of World Cloud Ventures Sdn. Bhd. As of June 30, 2022, World Cloud Ventures Sdn. Bhd. was the holder of the World Cloud Note, which has subsequently been converted into shares of the Company’s common stock.

During the fiscal year ended June 30, 2022, the Company fully repaid a \$289,303 loan from Cloudmaxx Sdn. Bhd. Jau Long “Jerry” Ooi, a Vice President of the Company owns 30% of the equity of Cloudmaxx Sdn. Bhd. As of June 30, 2022, Cloudmaxx Sdn. Bhd. was also the holder of the Cloudmaxx Note, which has subsequently been converted in full into shares of the Company’s common stock.

Voon Him “Victor” Hoo owns more than 50% of the equity of V Capital Kronos Berhad. V Capital Kronos Berhad owned 14.55% of our outstanding shares of common stock during our last fiscal year and was the holder of the V Capital Note, which was subsequently been converted in full into shares of the Company’s common stock. V Capital Kronos Berhad does not currently own any of the Company’s common stock.

During the fiscal year ended June 30, 2022, the Company paid \$690,367 to True Sight for consulting services. Su Huay “Sue” Chuah, our Chief Marketing Officer is a 40% shareholder of True Sight Sdn Bhd.

In March of 2023, Voon Him “Victor” Hoo received 285,714 shares of our common stock upon his resignation from our board of directors.

DESCRIPTION OF SECURITIES

The following description of our securities is only a summary and is qualified in its entirety by reference to the actual terms and provisions of the capital stock contained in our Certificate of Incorporation and our Bylaws.

General

We are authorized to issue one class of stock. The total number of shares of stock which we are authorized to issue is 170,000,000 shares of capital stock, 150,000,000 of which are common stock, \$0.00001 par value per share of which 18,780,778 shares of which are outstanding and 20,000,000 shares of which are preferred stock of which none are outstanding. As of [*], 2023, there were 28 holders of record of our common stock.

Common Stock

The holders of our common stock are entitled to the following rights:

Voting Rights. Each share of our common stock entitles its holder to one vote per share on all matters to be voted or consented upon by the stockholders.

Dividend Rights. Subject to limitations under Delaware law, holders of our common stock are entitled to receive ratably such dividends or other distributions, if any, as may be declared by our Board out of funds legally available therefor.

Liquidation Rights. In the event of the liquidation, dissolution or winding up of our business, the holders of our common stock are entitled to share ratably in the assets available for distribution after the payment of all of our debts and other liabilities.

Other Matters. The holders of our common stock that are not to be issued upon conversion of the convertible promissory notes have no subscription, redemption or conversion privileges; in addition, such common stock does not entitle its holders to preemptive rights. All of the outstanding shares of our common stock are fully paid and non-assessable.

Pre-funded Warrants

The term “pre-funded” refers to the fact that the purchase price of our common stock in this offering includes almost the entire exercise price that will be paid under the pre-funded warrants, except for a nominal remaining exercise price of \$0.00001. The purpose of the pre-funded warrants is to enable investors that may have restrictions on their ability to beneficially own more than 4.99% (or, upon election of the holder, 9.99%) of our outstanding common stock following the consummation of this offering the opportunity to make an investment in the Company without triggering their ownership restrictions, by receiving pre-funded warrants in lieu of our common stock which would result in such ownership of more than 4.99% (or 9.99%), and receive the ability to exercise their option to purchase the shares underlying the pre-funded warrants at such nominal price at a later date.

Exercise of Warrants. Each pre-funded warrant is exercisable for one share of our common stock, with an exercise price equal to \$0.00001 per share, at any time that the pre-funded warrant is outstanding. There is no expiration date for the pre-funded warrants. The holder of a pre-funded warrant will not be deemed a holder of our underlying common stock until the pre-funded warrant is exercised.

Subject to limited exceptions, a holder of pre-funded warrants will not have the right to exercise any portion of its pre-funded warrants if the holder (together with such holder’s affiliates, and any persons acting as a group together with such holder or any of such holder’s affiliates) would beneficially own a number of shares of common stock in excess of 4.99% (or, at the election of the purchaser prior to the date of issuance, 9.99%) of the shares of our common stock then outstanding after giving effect to such exercise.

The exercise price and the number of shares issuable upon exercise of the pre-funded warrants is subject to appropriate adjustment in the event of recapitalization events, stock dividends, stock splits, stock combinations, reclassifications, reorganizations or similar events affecting our common stock. The pre-funded warrant holders must pay the exercise price in cash upon exercise of the pre-funded warrants, unless such pre-funded warrant holders are utilizing the cashless exercise provision of the pre-funded warrants.

Upon the holder's exercise of a pre-funded warrant, we will issue the shares of common stock issuable upon exercise of the pre-funded warrant within two trading days following our receipt of a notice of exercise, provided that payment of the exercise price has been made (unless exercised to the extent permitted via the "cashless" exercise provision). Prior to the exercise of any pre-funded warrants to purchase common stock, holders of the pre-funded warrants will not have any of the rights of holders of the common stock purchasable upon exercise, including the right to vote, except as set forth therein.

Pre-funded warrants may be exercised only if the issuance of the shares of common stock is covered by an effective registration statement, or an exemption from registration is available under the Securities Act and the securities laws of the state in which the holder resides. We intend to use commercially reasonable efforts to have the registration statement, of which this prospectus forms a part, effective when the pre-funded warrants are exercised. The pre-funded warrant holders must pay the exercise price in cash upon exercise of the pre-funded warrants unless there is not an effective registration statement or, if required, there is not an effective state law registration or exemption covering the issuance of the shares underlying the pre-funded warrants (in which case, the pre-funded warrants may only be exercised via a "cashless" exercise provision).

Fundamental Transaction. In the event we consummate a merger or consolidation with or into another person or other reorganization event in which our common stock are converted or exchanged for securities, cash or other property, or we sell, lease, license, assign, transfer, convey or otherwise dispose of all or substantially all of our assets or we or another person acquire 50% or more of our outstanding shares of common stock, then following such event, the holders of the pre-funded warrants will be entitled to receive upon exercise of such pre-funded warrants the same kind and amount of securities, cash or property which the holders would have received had they exercised their pre-funded warrants immediately prior to such fundamental transaction. Any successor to us or surviving entity shall assume the obligations under the pre-funded warrants.

Exchange Listing. We do not intend to apply for listing of the pre-funded warrants on any securities exchange or other trading system.

Book-Entry Form

The pre-funded warrants will be registered securities and will be evidenced by a global certificate, which will be deposited on behalf of the Company with a custodian for The Depository Trust Company ("DTC") and registered in the name of Cede & Co., a nominee of DTC. If DTC subsequently ceases to make its book-entry settlement system available for the pre-funded warrants, we may instruct the Warrant Agent regarding making other arrangements for book-entry settlement. In the event that any pre-funded warrants are not eligible for, or it is no longer necessary to have the pre-funded warrants available in, book-entry form, then we may instruct the Warrant Agent to provide written instructions to DTC to deliver to the Warrant Agent for cancellation the global certificate, and we will instruct the Warrant Agent to deliver to DTC separate warrant certificates as requested through the DTC system.

Prior to due presentment for registration of transfer of any Pre-funded Warrants, the Company and the Warrant Agent may deem and treat the person in whose name that Pre-funded Warrants will be registered on the Warrant register (the "holder") as the absolute owner of such Pre-funded Warrants for purposes of any exercise thereof, and for all other purposes, and neither the Company nor the Pre-funded Warrants Agent will be affected by any notice to the contrary. Notwithstanding the foregoing, nothing herein will prevent the Company, the Warrant Agent or any agent of the Company or the Warrant Agent from giving effect to any written certification, proxy or other authorization furnished by DTC governing the exercise of the rights of a holder of a beneficial interest in any pre-funded warrants. The rights of beneficial owners in a pre-funded warrants evidenced by the global certificate will be exercised by the holder or a participant through the DTC system, except to the extent set forth herein or in the global certificate.

A holder whose interest in a global warrant is a beneficial interest in a global warrant held in book-entry form through DTC (or another established clearing corporation performing similar functions), will effect exercises by delivering to DTC (or such other clearing corporation, as applicable) the appropriate instruction form for exercise, complying with the procedures to effect exercise that are required by DTC (or such other clearing corporation, as applicable).

Warrant Agent

The pre-funded warrants will be issued in registered form under a pre-funded warrant agent agreement (the "Warrant Agent Agreement") between us and our warrant agent, Vstock Transfer, LLC (the "Warrant Agent"). The material provisions of the pre-funded warrants are set forth herein, and a copy of the Pre-funded Warrant Agent Agreement is filed with the SEC as an exhibit to the registration statement of which this prospectus forms a part.

Beneficial Ownership Exercise Limitation

Each holder of the pre-funded warrants will be subject to a requirement that they will not have the right to exercise the warrants to the extent that, after giving effect to such exercise, such holder (together with its affiliates) would beneficially own in excess of 4.99% (subject to increase at the option of the holder to 9.99% upon 61 days' prior written notice) of the shares of our common stock outstanding immediately after giving effect to such exercise.

Preferred Stock

As of August [*], 2023 we have not issued any shares of preferred stock. However, our Board has the authority to issue up to 20,000,000 shares of preferred stock in one or more classes or series and to fix the designations, powers, preferences, and rights, and the qualifications, limitations or restrictions thereof including dividend rights, dividend rates, conversion rights, voting rights, terms of redemption, redemption prices, liquidation preferences and the number of shares constituting any class or series, without further vote or action by the stockholders.

While we do not currently have any plans for the issuance of any shares of preferred stock, the issuance of shares of preferred stock could adversely affect the rights of the holders of common stock and, therefore, reduce the value of the common stock. It is not possible to state the actual effect of the issuance of any shares of preferred stock on the rights of holders of the common stock until the Board determines the specific rights of the holders of the preferred stock; however, these effects may include:

- Restricting dividends on the common stock;
- Diluting the voting power of the common stock;
- Impairing the liquidation rights of the common stock; or
- Delaying or preventing a change in control of the Company without further action by the stockholders.

Convertible Notes

On February 28, 2023, we entered into the Securities Purchase Agreement with YA II PN, Ltd. (the "Selling Stockholder"), pursuant to which the Selling Stockholder agreed to

purchase the Convertible Debentures, in the aggregate principal amount of up to \$5,500,000 in a private placement for a purchase price with respect to each Convertible Debenture of 92% of the initial principal amount of such Convertible Debenture. The purchase by the Selling Stockholder of the First Convertible Debenture which has an initial issuance principal amount of \$2,000,000 occurred on February 28, 2023 for a purchase price of \$1,840,000 and the closing of the purchase of the Second Convertible Debenture which has an initial issuance a principal amount of \$3,500,000 occurred shortly after the registration statement related to the prospectus for the shares of common stock issuable upon the conversion of the Convertible Debentures (the "Selling Stockholder Registration Statement") was declared effective by the SEC for a purchase price of \$3,220,000. The total purchase price paid to us by the Selling Stockholder for the Convertible Debentures in the Private Placement was \$5,060,000.

Each Convertible Debenture accrues or will accrue interest on its full outstanding principal amount at 4% per annum and has a 12-month term. Assuming no conversions, prepayments or events of default have been made on or occurred with respect to the First Convertible Debenture, on the maturity date thereof, interest of \$80,000 shall have accrued and be payable on the First Convertible Debenture. Upon the occurrence and continuance of an Event of Default (as defined below) with respect to any Convertible Debenture, its per annum interest rate will increase to 15%. As of [*], 2023, no Event of Default has occurred under the First Convertible Debenture. Upon the occurrence and continuance of an Event of Default under the Second Convertible Debenture, its per annum interest rate will increase to 15%.

"Event of Default" means with respect to any Convertible Debenture: (i) the Company's failure to pay to amounts due under such Convertible Debenture; (ii) the Company or any subsidiary of the Company is subject to bankruptcy or insolvency proceeding or similar proceeding and such proceedings remain undismissed for a period of sixty one (61) days; (iii) the Company or any subsidiary of the Company shall default in any of its payment obligations under any debenture, mortgage, credit agreement or other facility, indenture agreement, factoring agreement or other instrument under which there may be issued, or by which there may be secured or evidenced any indebtedness for borrowed money or money due under any long term leasing or factoring arrangement of the Company in an amount exceeding \$100,000 and such default shall result in the full amount of such indebtedness becoming or being declared due and payable and such default is not thereafter cured within five (5) Business Days; (iv) the Company's common stock shall cease to be quoted or listed for trading, as applicable, on any national exchange for a period of ten (10) consecutive trading days; (v) the Company shall be a party to certain change of control transactions (unless in connection with such change of control transaction such Convertible Debenture is retired); (vi) the Company's (A) failure to deliver required number of shares of common stock as required under such Convertible Debenture or (B) notice, written or oral, to any holder of such Convertible Debenture of the Company's intention not to comply with a request for conversion of such Convertible Debenture; (vii) the Company shall fail for any reason to deliver the payment in cash pursuant to a Buy-In (as defined in the Convertible Debenture) within five (5) Business Days after such payment is due; (viii) the Company's failure to timely file with the SEC any of its periodic reports and such default is not thereafter cured within five (5) business days; (ix) any representation or warranty made or deemed to be made by or on behalf of the Company in or in connection with such Convertible Debenture or any of the other documents related to the Private Placement, or any waiver hereunder or thereunder, shall prove to have been incorrect in any material respect (or, in the case of any such representation or warranty already qualified by materiality, such representation or warranty shall prove to have been incorrect) when made or deemed made; (x) any material provision of any Transaction Document, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder, ceases to be in full force and effect; or the Company or any other person or entity contests in writing the validity or enforceability of any provision of any Convertible Debenture or any of the other documents related to the Private Placement; or the Company denies in writing that it has any or further liability or obligation under any Convertible Debenture or any of the other documents related to the Private Placement, or purports in writing to revoke, terminate (other than in line with the relevant termination provisions) or rescind any Convertible Debenture or any of the other documents related to the Private Placement; (xi) the Company uses the proceeds of the issuance of such Convertible Debenture, whether directly or indirectly, and whether immediately, incidentally or ultimately, to purchase or carry margin stock (within the meaning of Regulations T, U and X of the Federal Reserve Board, as in effect from time to time and all official rulings and interpretations thereunder or thereof), or to extend credit to others for the purpose of purchasing or carrying margin stock or to refund indebtedness originally incurred for such purpose; or (xii) any Event of Default (as defined in the other Convertible Debenture or in any other documents related to the Private Placement) occurs with respect to any other Convertible Debenture, or any breach of any material term of any other debenture, note, or instrument held by the holder of such Convertible Debenture in the Company or any agreement between or among the Company and such holder; or (xiii) the Company shall fail to observe or perform any material covenant, agreement or warranty contained in, or otherwise commit any material breach or default of any provision of such Convertible Debenture (except as may be covered by another Event of Default) or any other any other document related to the Private Placement) which is not cured or remedied within the time prescribed or if no time is prescribed within ten (10) business days of notification thereof.

If any Event of Default occurs under a Convertible Debenture (other than an event with respect to a bankruptcy or insolvency), at the Selling Stockholder election, all amounts owing in respect thereof, to the date of acceleration shall become immediately due and payable in cash; provided that, in the case of a bankruptcy or insolvency of the Company, all amounts owing in respect thereof, to the date of acceleration shall automatically become immediately due and payable in cash, in each case without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Company. The Selling Stockholder will also have the right to convert such Convertible Debenture at the applicable conversion price.

The Convertible Debentures provide a conversion right, in which any portion of the principal amount of the Convertible Debentures, together with any accrued but unpaid interest, may be converted into our common stock at a conversion price equal to the lower of (i) \$1.6204 (the "Fixed Price") or (ii) 93% of the lowest daily volume weighted average price (the "VWAP") of the common stock during the ten (10) trading days immediately preceding the date of conversion (but not lower than a floor price of \$0.25).

If a Trigger Event occurs, then the Company shall make monthly payments beginning on the 10th calendar day after the date on which a Trigger Event occurs and then on the same day of each successive calendar month. Each monthly payment shall be in an amount equal to the sum of (i) the lesser of (x) \$1,000,000 and (y) the outstanding principal of the Convertible Debentures (the "Triggered Principal Amount"), plus (ii) a redemption premium of 7% of such Triggered Principal Amount, plus (iii) accrued and unpaid interest hereunder as of each payment date. The obligation of the Company to make monthly payments shall cease if any time after the Trigger Date the daily VWAP is greater than the Floor Price for a period of 5 of 7 consecutive Trading Days in the event of a Floor Price Trigger unless a new Trigger Event occurs.

"Trigger Event" means the daily VWAP is less than the \$0.25 for five Trading Days during a period of any 5 of 7 consecutive trading days.

Under the Convertible Debentures, the Company has the right, but not the obligation, to redeem ("Optional Redemption") early a portion or all amounts outstanding under the Convertible Debentures; *provided* that (i) the closing price of the Company's common stock on the date of such Optional Redemption is less than \$1.6204 and (ii) the Company provides the Holder with at least 5 business days' prior written notice (each, a "Redemption Notice") of its desire to exercise an Optional Redemption. The "Redemption Amount" shall be equal to the outstanding Principal balance being redeemed by the Company, plus a 10% premium on the principal amount being redeemed, plus all accrued and unpaid interest. If we elect to redeem the full \$5,500,000 principal amount of the Convertible Debentures, such premium payable will equal to \$550,000.

The Selling Stockholder Registration Statement registers the resale by the Selling Stockholder of up to 22,880,000 shares of common stock that can be issuable upon the conversion of the Convertible Debentures. The number of shares that were registered was calculated by dividing (x) the sum of the aggregate principal amount of Convertible Debentures (\$5,500,000) plus one year of accrued interest on the Convertible Debentures (\$220,000) by (y) the conversion floor price (\$0.25), which is the lowest possible conversion price pursuant to the terms of the Convertible Debentures.

We sold an aggregate of \$5,500,000 of the Convertible Debentures and received a purchase price of \$5,060,000 from the Selling Stockholder.

As of July 31, 2023, a total of \$[*] is due under the Convertible Notes, net of unamortized discounts of \$[*].

Warrants

On July 1, 2021, we agreed to issue a five-year warrant to purchase 300,000 shares of our common stock to Exchange Listing, LLC pursuant to a consulting agreement dated July 1, 2021 between us and Exchange Listing, LLC. The warrant exercise price of \$4.00 per share. Upon completion of the Company's initial offering, Exchange listing LLC

had exercised all of its warrants on cashless basis and received 157,143 shares of the Company's common stock.

On August 10, 2022, we issued the underwriter in our initial public offering warrants (the "Representative's Warrants") to purchase an aggregate of 100,000 shares of our common stock, at an exercise price of \$5.00 per share. The Representative's Warrant may be exercised beginning on August 10, 2022, until August 10, 2027. As of August [*], 2023, no Representative's Warrants were exercised.

Options

None.

Section 203 of the Delaware General Corporation Law

We are subject to the provisions of Section 203 of the DGCL regulating corporate takeovers. This statute prevents certain Delaware corporations, under certain circumstances, from engaging in a "business combination" with:

- a stockholder who owns 15% or more of our outstanding voting stock (otherwise known as an "interested stockholder");
- an affiliate of an interested stockholder; or
- an associate of an interested stockholder, for three years following the date that the stockholder became an interested stockholder.

A "business combination" includes a merger or sale of more than 10% of our assets. However, the above provisions of Section 203 do not apply if:

- our Board approves the transaction that made the stockholder an "interested stockholder," prior to the date of the transaction; or
- after the completion of the transaction that resulted in the stockholder becoming an interested stockholder, that stockholder owned at least 85% of our voting stock outstanding at the time the transaction commenced, other than statutorily excluded shares of common stock.

Transfer Agent and Registrar

The transfer agent and registrar for our common stock will be Vstock Transfer LLC.

Listing

We will apply to have our common stock listed on the Nasdaq Capital Market under the symbol "TGL" which listing is a condition to this offering.

UNDERWRITING

The representative is acting as the sole book-running manager of the offering and as representative of the underwriters named below. Subject to the terms and conditions of the underwriting agreement dated the date of this prospectus, the underwriters named below, through the representative, have severally agreed to purchase, and we have agreed to sell to the underwriters, the following respective number of shares set forth opposite the underwriter's name.

Underwriter	Number of Shares	Number Of Pre-funded Warrants
[*]	[*]	[*]

Subject to the terms and conditions set forth in the underwriting agreement, the underwriter has agreed to purchase all of the Shares offered by this prospectus (other than those covered by the option described below), if any are purchased.

We have granted the underwriter a 45-day option to purchase up to [*] additional shares of common stock and/or pre-funded warrants, representing 15% of the shares of common stock and the pre-funded warrants sold in the offering, solely to cover over-allotments, if any. If this option is exercised in full to purchase shares of common stock only, the total price to the public will be \$[*] and the total net proceeds, before expenses, to us will be approximately \$[*]. The purchase price to be paid per additional pre-funded warrant shall be equal to the public offering price of the shares of common stock minus \$0.00001.

The underwriter is offering the shares of common stock subject to various conditions and may reject all or part of any order. The underwriter has advised us that the underwriter proposes initially to offer the shares to the public at the public offering price set forth on the cover page of this prospectus and to dealers at a price less a concession not in excess of \$[*] per share to brokers and dealers. After the shares of common stock are released for sale to the public, the underwriter may change the offering price, the concession and other selling terms at various times.

The following table provides information regarding the amount of the discounts and commissions to be paid to the underwriter by us, before expenses:

	Per Share	Per Pre-funded Warrant	Total	
			Without Over-Allotment	With Over-Allotment
Public offering price	\$	\$	\$	\$
Underwriting discount ([*]%)(1)	\$	\$	\$	\$
Non-accountable expense allowance ([*]%)	\$	\$	\$	\$
Proceeds, before expenses, to us	\$	\$	\$	\$

(1) We have agreed to pay the underwriter a commission of 7% of the gross proceeds of this offering.

We have also agreed to pay the underwriter (i) a non-accountable expense allowance equal to [%] of the gross proceeds raised in the offering and (ii) \$[*] for fees and expenses of legal counsel and other out-of-pocket expenses. We estimate the total expenses payable by us for this offering will be approximately \$[*], which amount excludes underwriting discounts and the non-accountable expense allowance.

We have agreed to indemnify the underwriter against certain liabilities, including liabilities under the Securities Act of 1933, as amended.

Lock-Up Agreements

Our officers, directors and greater than 5% stockholders have agreed, for a period of [*] days after the closing of this offering, subject to certain exceptions, not to offer, sell, contract to sell, encumber, grant any option for the sale of or otherwise dispose of any shares of our common stock or other securities convertible into or exercisable or exchangeable for shares of our common stock without the prior written consent of the underwriter.

Electronic Offer, Sale and Distribution of Securities

A prospectus in electronic format may be made available on the websites maintained by underwriter or selling group members. The underwriter may agree to allocate a number of securities to selling group members for sale to its online brokerage account holders. Internet distributions will be allocated by the underwriter and selling group members that will make internet distributions on the same basis as other allocations. Other than the prospectus in electronic format, the information on these websites is not part of, nor incorporated by reference into, this prospectus or the registration statement of which this prospectus forms a part, has not been approved or endorsed by us, and should not be relied upon by investors.

Stabilization

In connection with this offering, the underwriter may engage in stabilizing transactions, over-allotment transactions, syndicate-covering transactions, penalty bids and purchases to cover positions created by short sales.

Stabilizing transactions permit bids to purchase shares so long as the stabilizing bids do not exceed a specified maximum, and are engaged in for the purpose of preventing or retarding a decline in the market price of the shares while the offering is in progress.

Over-allotment transactions involve sales by the underwriter of shares in excess of the number of shares the underwriter is obligated to purchase. This creates a syndicate short position which may be either a covered short position or a naked short position. In a covered short position, the number of shares over-allotted by the underwriter is not greater than the number of shares that they may purchase in the over-allotment option. In a naked short position, the number of shares involved is greater than the number of shares in the over-allotment option. The underwriter may close out any short position by exercising its over-allotment option and/or purchasing shares in the open market.

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is Vstock Transfer, LLC.

Syndicate covering transactions involve purchases of shares in the open market after the distribution has been completed in order to cover syndicate short positions. In determining the source of shares to close out the short position, the underwriter will consider, among other things, the price of shares available for purchase in the open market as compared with the price at which they may purchase shares through exercise of the over-allotment option. If the underwriter sells more shares than could be covered by exercise of the over-allotment option and, therefore, has a naked short position, the position can be closed out only by buying shares in the open market. A naked short position is more likely to be created if the underwriter is concerned that after pricing there could be downward pressure on the price of the shares in the open market that could adversely affect investors who purchase in the offering.

Penalty bids permit the underwriter to reclaim a selling concession from a syndicate member when the shares originally sold by that syndicate member are purchased in stabilizing or syndicate covering transactions to cover syndicate short positions.

These stabilizing transactions, syndicate covering transactions and penalty bids may have the effect of raising or maintaining the market price of our shares of common stock or preventing or retarding a decline in the market price of our shares of common stock. As a result, the price of our common stock in the open market may be higher than it would otherwise be in the absence of these transactions. Neither we nor the underwriter make any representation or prediction as to the effect that the transactions described above may have on the price of our common stock. These transactions may be effected in the over-the-counter market or otherwise and, if commenced, may be discontinued at any time.

Passive Market Making

In connection with this offering, the underwriter and selling group members may engage in passive market making transactions in our common stock on The Nasdaq Capital Market in accordance with Rule 103 of Regulation M under the Exchange Act, during a period before the commencement of offers or sales of the shares and extending through the completion of the distribution. A passive market maker must display its bid at a price not in excess of the highest independent bid of that security. However, if all independent bids are lowered below the passive market maker's bid, then that bid must then be lowered when specified purchase limits are exceeded.

Other Relationships

The underwriter and its affiliates may in the future provide various investment banking, commercial banking and other financial services for us and our affiliates for which it may in the future receive customary fees.

Trading Market

Our common stock is listed on The Nasdaq Capital Market under the symbol "TGL."

EXPERTS

Friedman LLP, an independent certified public accounting firm, audited our consolidated financial statements for the years ended June 30, 2022 and 2021. We have included our consolidated financial statements in this prospectus and elsewhere in the registration statement in reliance on the reports of Friedman LLP which contains an explanatory paragraph related to substantial doubt about the ability of Treasure Global Inc to continue as a going concern as described in Note 2 to the consolidated financial statements,

given on their authority as experts in accounting and auditing.

LEGAL MATTERS

Certain legal matters with respect to the validity of the securities being offered by this prospectus will be passed upon by Carmel, Milazzo & Feil LLP, New York, New York. [*] is acting as counsel for the underwriters with respect to the offering.

CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

As disclosed on our Current Report on Form 8-K filed on December 7, 2022, Friedman LLP, effective September 1, 2022, combined with Marcum LLP and continued to operate as an independent registered public accounting firm. On December 5, 2022, we dismissed Friedman LLP and engaged Marcum Asia CPAs LLP ("Marcum Asia") to serve as our independent registered public accounting firm, effective as of such date. The services previously provided by Friedman LLP were to be provided by Marcum Asia.

The reports of Friedman LLP on our consolidated financial statements as of and for the fiscal years ended June 30, 2022 and 2021 did not contain any adverse opinion or disclaimer of opinion and was not qualified or modified as to uncertainty, audit scope or accounting principles, except that the audit reports on our consolidated financial statements for the years ended June 30, 2022 and 2021 contained an uncertainty about our ability to continue as a going concern and correction of Previously Issued Financial Statements.

During our two fiscal years ended June 30, 2022 and June 30, 2021 and during the subsequent interim period from May 1, 2022 through December 5, 2022, (i) there were no disagreements with Friedman LLP on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedures that, if not resolved to Friedman LLP's satisfaction, would have caused Friedman LLP to make reference to the subject matter of the disagreement in connection with its reports and (ii) there were no "reportable events" as defined in Item 304(a)(1)(v) of Regulation S-K except the material weaknesses identified as disclosed at the Risk Factor section.

We provided Friedman LLP with a copy of the foregoing disclosures and a copy of Friedman LLP's letter dated December 6, 2022 to the SEC, stating whether it agrees with the foregoing disclosure, is filed as Exhibit 16.1 to our Current Report on Form 8-K filed on December 7, 2022.

As disclosed on our Current Report on Form 8-K filed on July 10, 2023, on July 3, 2023, we dismissed Marcum Asia as our independent registered public accounting firm, effective as of such date. Marcum Asia has not provided any reports on the Company's financial statements.

During the period from December 5, 2022 through July 3, 2023, there were no disagreements with Marcum Asia on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure, which disagreement(s), if not resolved to the satisfaction of Marcum Asia, would have caused it to make reference to the subject matter of the disagreement(s) in connection with its report or "reportable events" under Item 304(a)(1) of Regulation S-K.

We provided Marcum Asia with a copy of the foregoing disclosures and a copy of Marcum Asia's letter dated July 7, 2023 to the SEC, stating whether it agrees with the foregoing disclosure, is filed as Exhibit 16.1 to our Current Report on Form 8-K filed on December 7, 2022.

On July 3, 2023, we engaged WWC, P.C. ("WWC") to serve as our independent registered public accounting firm, effective July 3, 2023 (the "Engagement Date"). The Audit Committee and the Board approved the engagement of WWC.

During the two most recent fiscal years and through the Engagement Date, neither we nor anyone on our behalf consulted with WWC regarding either (i) the application of accounting principles to any specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on our financial statements, and neither a written report was provided to us nor oral advice was provided that WWC concluded was an important factor considered by us in reaching a decision as to the accounting, auditing or financial reporting issue or (ii) any matter that was either the subject of a disagreement (as defined in Regulation S-K, Item 304(a)(1)(iv) and the related instructions) or reportable event (as defined in Regulation S-K, Item 304(a)(1)(v)).

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act with respect to the securities offered by this prospectus. This prospectus, which constitutes a part of the registration statement, does not contain all of the information set forth in the registration statement, some of which is contained in exhibits to the registration statement as permitted by the rules and regulations of the SEC. For further information with respect to us and our securities, we refer you to the registration statement, including the exhibits filed as a part of the registration statement. Statements contained in this prospectus concerning the contents of any contract or any other document is not necessarily complete. If a contract or document has been filed as an exhibit to the registration statement, please see the copy of the contract or document that has been filed. Each statement in this prospectus relating to a contract or document filed as an exhibit is qualified in all respects by the filed exhibit. You may obtain copies of this information by mail from the Public Reference Section of the SEC, 100 F Street, N.E., Room 1580, Washington, D.C. 20549, at prescribed rates. You may obtain information on the operation of the public reference rooms by calling the SEC at 1-800-SEC-0330. The SEC also maintains an Internet website that contains reports, proxy statements and other information about issuers, like us, that file electronically with the SEC. The address of that website is www.sec.gov.

We are subject to the information and reporting requirements of the Exchange Act and, in accordance with this law, are required to file periodic reports, proxy statements and other information with the SEC. These periodic reports, proxy statements and other information are available for inspection and copying at the SEC's public reference facilities and the website of the SEC referred to above. We also maintain a website at www.treasureglobal.co. You may access these materials free of charge as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC. Information contained on our website is not a part of this prospectus and the inclusion of our website address in this prospectus is an inactive textual reference only.

TREASURE GLOBAL INC. AND SUBSIDIARY INDEX TO CONSOLIDATED FINANCIAL STATEMENTS TABLE OF CONTENTS

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FRIEDMAN LLP
 ACCOUNTANTS AND ADVISORS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and
 Stockholders of Treasure Global Inc.

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Treasure Global Inc. (the “Company”) as of June 30, 2022 and 2021, and the related consolidated statements of operations and comprehensive loss, changes in stock holders’ (deficiency) equity and cash flows for each of the years in the two-year period ended June 30, 2022, and the related notes (collectively referred to as the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of June 30, 2022 and 2021, and the results of its operations and its cash flows for each of the years in the two-year period ended June 30, 2022, in conformity with accounting principles generally accepted in the United States of America.

Correction of Previously Issued Financial Statements

As discussed in note 2, the accompanying consolidated financial statements as of June 30, 2021 and for the year ended June 30, 2021 have been revised to correct the errors.

Explanatory Paragraph - Going Concern

The accompanying consolidated financial statements have been prepared assuming the Company will continue as a going concern. As discussed in Note 3 to the consolidated financial statements, the Company has incurred recurring losses from operations, a working capital deficit and accumulated deficit at June 30, 2022. These factors raise substantial doubt about the Company’s ability to continue as a going concern. Management’s plans in regards to these matters are also described in Note 3. These consolidated financial statements do not include any adjustments that might result from the outcome of these uncertainties. If the Company is unable to successfully obtain the necessary additional financial support as specified in Note 3, there could be a material adverse effect on the Company.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s consolidated financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Friedman LLP

We have served as the Company’s auditor since 2021 through 2022.

New York, New York
 December 5, 2022

One Liberty Plaza, 165 Broadway, 21st Floor, New York, NY 10006 p 212.842.7000

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**TREASURE GLOBAL INC. AND SUBSIDIARY
 CONSOLIDATED BALANCE SHEETS**

	June 30, 2022	June 30, 2021
		(As Revised)
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,845,232	\$ 2,843,398
Accounts receivable, net	-	83,917

Accounts receivable, a related party	-	10,317
Amount due from related parties	-	60,910
Inventories	216,069	392,764
Other receivable and other current assets	8,780	14,812
Prepayments	203,020	179,286
Total current assets	<u>2,273,101</u>	<u>3,585,404</u>
OTHER ASSETS		
Property and equipment, net	337,645	102,648
Deferred offering costs	93,536	-
Total other assets	<u>431,181</u>	<u>102,648</u>
TOTAL ASSETS	\$ 2,704,282	\$ 3,688,052
LIABILITIES AND STOCKHOLDERS' DEFICIENCY		
CURRENT LIABILITIES		
Related party loan, current portion	\$ 4,505	\$ 5,011
Convertible notes payable, net of unamortized discounts of \$717,260 and \$0 as of June 30, 2022 and 2021, respectively	10,954,042	-
Convertible notes payable, related parties	2,437,574	-
Loans from third parties	1,417,647	-
Account payable	25,397	44,987
Account payable, related parties	14,326	160,701
Customer deposits	73,317	146,479
Customer deposits, related parties	-	195,511
Contract liability	56,757	12,307
Other payables and accrued liabilities	1,161,860	458,599
Other payables, related parties	-	113,402
Amount due to related parties	2,060,088	4,008,785
Income tax payables	16,445	2,000
Total current liabilities	<u>18,221,958</u>	<u>5,147,782</u>
NON-CURRENT LIABILITIES		
Related party loan, non-current portion	13,883	20,070
Senior note	65,000	65,000
Convertible notes payable, net of unamortized discounts of \$0 and \$758,508 as of June 30, 2022 and 2021, respectively	-	3,575,453
Convertible notes payable, a related party	-	1,400,000
Total non-current liabilities	<u>78,883</u>	<u>5,060,523</u>
TOTAL LIABILITIES	18,300,841	10,208,305
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' DEFICIENCY		
Common stock, par value \$0.00001; 150,000,000 shares authorized, 10,545,251 and 10,312,585 shares issued and outstanding as of June 30, 2022 and 2021, respectively	105	103
Additional paid-in capital	4,020,552	1,504,950
Accumulated deficit	(19,715,740)	(7,969,726)
Accumulated other comprehensive income (loss)	98,524	(55,580)
TOTAL STOCKHOLDERS' DEFICIENCY	(15,596,559)	(6,520,253)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIENCY	\$ 2,704,282	\$ 3,688,052

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

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**TREASURE GLOBAL INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF OPERATION AND COMPREHENSIVE LOSS**

	For the Years Ended June 30,	
	2022	2021
REVENUES	\$ 79,674,879	\$ 14,020,353
COST OF REVENUES	<u>(79,198,691)</u>	<u>(13,880,408)</u>
GROSS PROFIT	476,188	139,945
SELLING	(6,282,465)	(3,034,197)
GENERAL AND ADMINISTRATIVE	(2,819,811)	(4,264,265)
RESEARCH AND DEVELOPMENT	(266,716)	(435,471)
STOCK-BASED COMPENSATION	(1,283,994)	-
TOTAL OPERATING EXPENSES	<u>(10,652,986)</u>	<u>(7,733,933)</u>

LOSS FROM OPERATIONS	(10,176,798)	(7,593,988)
OTHER (EXPENSE) INCOME		
Other income, net	54,854	75,270
Interest expense	(341,609)	(163,945)
Amortization of debt discount	(1,266,861)	(238,917)
TOTAL OTHER EXPENSE, NET	(1,553,616)	(327,592)
LOSS BEFORE INCOME TAXES	(11,730,414)	(7,921,580)
PROVISION FOR INCOME TAXES	(15,600)	(2,000)
NET LOSS	(11,746,014)	(7,923,580)
OTHER COMPREHENSIVE INCOME (LOSS)		
Foreign currency translation adjustment	154,104	(43,145)
COMPREHENSIVE LOSS	\$ (11,591,910)	\$ (7,966,725)
LOSS PER SHARE		
Basic and diluted	\$ (1.12)	\$ (0.77)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING		
Basic and diluted	10,469,396	10,312,585

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

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**TREASURE GLOBAL INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CHANGE IN STOCKHOLDERS' (DEFICIENCY) EQUITY**

	COMMON STOCK		ADDITIONAL PAID IN CAPITAL	ACCUMULATED DEFICIT	ACCUMULATED OTHER COMPREHENSIVE (LOSS) INCOME	TOTAL STOCKHOLDERS' (DEFICIENCY) EQUITY
	Number of shares	Par value				
Balance as of June 30, 2020	10,312,585	\$ 103	\$ 479,131	\$ (46,146)	\$ (12,435)	\$ 420,653
Capital contributions	-	-	240,754	-	-	240,754
Beneficial conversion feature from issuance of convertible note	-	-	785,065	-	-	785,065
Net loss	-	-	-	(7,923,580)	-	(7,923,580)
Foreign currency translation adjustment	-	-	-	-	(43,145)	(43,145)
Balance as of June 30, 2021	10,312,585	\$ 103	\$ 1,504,950	\$ (7,969,726)	\$ (55,580)	\$ (6,520,253)
Beneficial conversion feature from issuance of convertible note	-	-	1,231,610	-	-	1,231,610
Net loss	-	-	-	(11,746,014)	-	(11,746,014)
Issuance of common stock - non-employee stock compensation	232,666	2	1,283,992	-	-	1,283,994
Foreign currency translation adjustment	-	-	-	-	154,104	154,104
Balance as of June 30, 2022	10,545,251	\$ 105	\$ 4,020,552	\$ (19,715,740)	\$ 98,524	\$ (15,596,559)

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

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**TREASURE GLOBAL INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS**

	For the Years Ended June 30,	
	2022	2021 (As Revised)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (11,746,014)	\$ (7,923,580)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	60,605	9,627
Amortization of debt discount	1,266,861	238,917
(Recovery of) provision for doubtful accounts, net	(24,953)	28,216
Inventories impairment	8,805	-
Stock-based compensation	1,283,994	-
Change in operating assets and liabilities		
Accounts receivables	107,233	(21,287)
Accounts receivables, a related party	10,116	(10,372)
Inventories	151,184	(394,883)
Other receivable and other current assets	5,376	468,313

Prepayments	(35,730)	(180,091)
Accounts payable	(17,648)	16,122
Accounts payable, related parties	(142,642)	149,668
Customer deposits	(67,237)	147,270
Customer deposits, related parties	(191,698)	196,566
Contract liability	47,066	12,373
Other payables and accrued liabilities	719,184	379,076
Other payables, related parties	(112,848)	113,289
Income tax payables	14,445	(26,872)
Net cash used in operating activities	<u>(8,663,901)</u>	<u>(6,797,648)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of equipment	(312,358)	(84,850)
Proceeds from sale of equipment	619	-
Net cash used in investing activities	<u>(311,739)</u>	<u>(84,850)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments of deferred offering costs	(93,536)	-
Capital contributions	-	240,754
Payments of related party loan	(5,434)	(2,416)
Proceeds from issuance of senior note	-	65,000
Proceeds from issuance of convertible notes	7,587,150	4,121,601
Proceeds from issuance of convertible notes, related parties	1,037,574	1,400,000
Repayments from related parties	59,722	-
(Repayment to) proceeds from related parties	(1,898,578)	3,971,966
Proceeds from third party loan	1,476,995	-
Net cash provided by financing activities	<u>8,163,893</u>	<u>9,796,905</u>
EFFECT OF EXCHANGE RATE ON CASH AND CASH EQUIVALENTS	(186,419)	(71,381)
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(998,166)	2,843,026
CASH AND CASH EQUIVALENTS, beginning of year	2,843,398	372
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 1,845,232</u>	<u>\$ 2,843,398</u>
SUPPLEMENTAL CASH FLOWS INFORMATION		
Income taxes paid	<u>\$ 1,628</u>	<u>\$ 30,671</u>
Interest paid	<u>\$ 291,433</u>	<u>\$ 93,191</u>
SUPPLEMENTAL NON-CASH FLOWS INFORMATION		
Beneficial conversion feature resulted from issuance of convertible note	<u>\$ 1,231,610</u>	<u>\$ 785,065</u>
Purchase of equipment through financing with related party	<u>\$ -</u>	<u>\$ 27,632</u>

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

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TREASURE GLOBAL INC. AND SUBSIDIARY NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1 – Nature of business and organization

Treasure Global Inc. (“TGI” or the “Company”) is a holding company incorporated on March 20, 2020, under the laws of the State of Delaware. The Company has no substantive operations other than holding all of the outstanding shares of Gem Reward Sdn. Bhd (“GEM”), which was established under the laws of the Malaysia on June 6, 2017, through a reverse recapitalization.

On March 11, 2021, TGI completed a reverse recapitalization (“Reorganization”) under common control of its then existing shareholders, who collectively owned all of the equity interests of GEM prior to the Reorganization through a Share Swap Agreement. GEM is under common control of the same shareholders of TGI through a beneficial ownership agreement, which results in the consolidation of GEM and has been accounted for as a Reorganization of entities under common control at carrying value. Before and after the Reorganization, the Company, together with its sole subsidiary is effectively controlled by the same shareholders, and therefore the Reorganization is considered as a recapitalization of entities under common control in accordance with Accounting Standards Codification (“ASC”) 805-50-25. The consolidation of the Company and its sole subsidiary have been accounted for at historical cost and prepared on the basis as if the aforementioned transactions had become effective as of the beginning of the first period presented in the accompanying consolidated financial statements in accordance with ASC 805-50-45-5.

The Company, through its wholly owned subsidiary, GEM, engages in the payment processing industry and operate an online-to-offline (“O2O”) e-commerce platform known as “ZCITY”. The Company has extensive business interests in creating an innovative O2O e-commerce platform with an instant rebate and affiliate cashback program business model, focusing on providing a seamless payment solution and capitalizing on big data using artificial intelligence technology. The Company’s proprietary product is an internet application (or “app”) called “ZCITY App”. Z CITY App drives user app download and transactions by providing instant rebate and cashback. The Company aims to transform and simplify a user’s e-payment gateway experience by providing great deals, rewards and promotions with every use in an effort to make it Malaysia’s top reward and payment gateway platform.

The accompanying consolidated financial statements reflect the activities of TGI and its wholly owned subsidiary, GEM.

Note 2 – Revision of previously issued financial statements

Misclassification of convertible notes payable, related parties

In May and June 2021, the Company issued various tranches of convertible notes payable (“CNP”) to 5 accredited investors which included 4 third parties and 1 related parties as of June 30, 2021.

The purpose of the CNP offering was to raise funding for the Company to support its working capital and growth requirements prior to receipt of the initial public offering (“IPO”) proceeds. While the relationship between certain CNP holders and the Company was disclosed within the relevant Form S-1 filings, the Company unintentionally misclassified the related party balances from the balances with third parties and the related disclosure from the consolidated financial statements and associated notes for the year ended June 30, 2021, which also formed an integral part of the Company’s Form S-1 filings. As a result, the Company unintentionally misclassified related parties CNPs together with third parties CNPs under non-current liabilities and the related disclosure as of and for the year ended June 30, 2021.

Misclassification of other payable and accrued liability, related parties

As of and for the year ended June 30, 2021, due to the fact that the Company was a private company who did not possess adequate experience or qualification to establish an internal control function to properly identify its completed related party list.

As a result, the Company unintentionally misclassified other payable and accrued liability, related parties together with third party other payables and accrued liabilities, and third party account payable under current liabilities and the related disclosure as of and for the year ended June 30, 2021. As of June 30, 2021, the balance outstanding from other payable and accrued liability, related parties was related to the consulting fee incurred from two related parties during the year ended June 30, 2021. Furthermore, the Company also identified additional related parties’ transactions in regards to consulting fees for the year ended June 30, 2021, and provided proper disclosure on Note 11.

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**TREASURE GLOBAL INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

The following tables summarize the effect of the revision on each financial statement line item as of the dates, and for the period, indicated:

	<u>As Previously Reported</u>	<u>Adjustments</u>	<u>As Revised</u>
Consolidate balance sheet as of June 30, 2021			
Current liabilities:			
Account payable	\$ 73,389	\$ (28,402)	\$ 44,987
Other payables and accrued liabilities	543,599	(85,000)	458,599
Other payables, related parties	-	113,402	113,402
	<u>\$ 616,988</u>	<u>\$ -</u>	<u>\$ 616,988</u>
Non-current liabilities:			
Convertible notes payable, net of unamortized discounts	\$ 4,975,453	\$ (1,400,000)	\$ 3,575,453
Convertible notes payable, related party	-	1,400,000	1,400,000
	<u>\$ 4,975,453</u>	<u>\$ -</u>	<u>\$ 4,975,453</u>
	<u>As Previously Reported</u>	<u>Adjustments</u>	<u>As Revised</u>
Consolidated statement of cash flow for the year ended June 30, 2021			
Cash flows from operating activities:			
Account payable	\$ 44,411	\$ (28,289)	\$ 16,122
Other payables and accrued liabilities	464,076	(85,000)	379,076
Other payables, related parties	-	113,289	113,289
	<u>\$ 508,487</u>	<u>\$ -</u>	<u>\$ 508,487</u>
Cash flows from financing activities:			
Proceeds from issuance of convertible notes	\$ 5,521,601	\$ (1,400,000)	\$ 4,120,601
Proceeds from issuance of convertible notes, related parties	-	1,400,000	1,400,000
	<u>\$ 5,521,601</u>	<u>\$ -</u>	<u>\$ 5,521,601</u>

Note 3 – Summary of significant accounting policies

Going concern

In assessing the Company’s liquidity and substantial doubt about its ability to continue as a going concern, the Company monitors and analyzes cash on-hand and operating expenditure commitments. The Company’s liquidity needs are to meet working capital requirements and operating expense obligations. To date, the Company financed its operations primarily through cash flows from contribution from shareholders, issuance of convertible note and related parties loans and its initial underwritten public offering.

The Company’s management has considered whether there is substantial doubt about its ability to continue as a going concern due to (1) loss from operations of approximately \$10.2 million for the year ended June 30, 2022, (2) accumulated deficit of approximately \$19.7 million as of June 30, 2022; (3) the working capital deficit of approximately \$15.9 million as of June 30, 2022; and (4) net operating cash outflow of approximately \$8.7 million for the year ended June 30, 2022.

Subsequent to June 30, 2022, the Company has drawn additional approximately \$2.7 million from Tophill Loan Agreement 2 (as defined in Note 16) on terms identical to the Tophill Loan Agreement 1 (as defined in Note 9) which all principal and accrued and unpaid interest outstanding will automatically be converted into shares of the Company’s common stock at a conversion price that is equal to 80% of the initial underwritten public offering price. On August 15, 2022, 2,756,879 shares of the Company’s common stock were converted from the principal and the accumulated interest balance of the Tophill Loan Agreement 1 and Agreement 2.

On August 15, 2022, the Company closed its initial underwritten public offering of 2,300,000 shares of common stock, par value \$0.00001 per share, at \$4.00 per share. The Company received aggregate net proceeds from the closing of approximately \$8.2 million, after deducting underwriting discounts and commissions and fees, and other estimated offering expenses.

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TREASURE GLOBAL INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

After the completion of the initial underwritten public offering, as well as conversion of convertible note payable, net of unamortized discount amounted to approximately \$13.4 million as of June 30, 2022, the Company expects its working capital to change from a deficit of approximately \$15.9 million to a positive working capital of approximately \$5.6 million.

Despite of receiving the net proceeds from its initial underwritten public offering, the Company’s management is of the opinion that it will not have sufficient funds to meet the Company’s working capital requirements and debt obligations as they become due starting from one year from the date of this report due to the recurring loss. Therefore, the management has determined there is substantial doubt about its ability to continue as a going concern. If the Company is unable to generate significant revenue, the Company may be required to curtail or cease its operations. Management is trying to alleviate the going concern risk through the following sources:

- Equity financing to support its working capital;
- Other available sources of financing (including debt) from Malaysian banks and other financial institutions; and
- Financial support and credit guarantee commitments from the Company’s related parties.

Basis of presentation

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

Principles of consolidation

The consolidated financial statements include the financial statements of the Company and its sole subsidiary. All transactions and balances among the Company and its subsidiary have been eliminated upon consolidation.

Subsidiary is entity in which the Company, directly or indirectly, controls more than one half of the voting power; or has the power to govern the financial and operating policies, to appoint or remove the majority of the members of the board of directors, or to cast a majority of votes at the meeting of directors.

Enterprise wide disclosure

The Company’s chief operating decision-makers (i.e., chief executive officer and his direct reports) review financial information presented on a consolidated basis, accompanied by disaggregated information about revenues by different revenues streams for purposes of allocating resources and evaluating financial performance. There are no segment managers who are held accountable for operations, operating results and plans for levels or components below the consolidated unit level. Based on qualitative and quantitative criteria established by ASC 280, “Segment Reporting”, the Company considers itself to be operating within one reportable segment.

Use of estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as of the date of the consolidated financial statements and the reported amounts of revenues and expenses during the periods presented. Significant accounting estimates reflected in the Company’s consolidated financial statements include allowance for doubtful accounts, allowance for inventories obsolescence, useful lives of property and equipment, impairment of long-lived assets, allowance for deferred tax assets, fair value of convertible note, fair value or valuation of warrants and uncertain tax position. Actual results could differ from these estimates.

Foreign currency translation and transaction

Transactions denominated in currencies other than the functional currency are translated into the functional currency at the exchange rates prevailing at the dates of the transaction. Monetary assets and liabilities denominated in currencies other than the functional currency are translated into the functional currency using the applicable exchange rates at the balance sheet dates. The resulting exchange differences are recorded in the Consolidated Statements of Operations and Comprehensive Loss.

The reporting currency of the Company is United States Dollars (“US\$”) and the accompanying consolidated financial statements have been expressed in US\$. The Company’s subsidiary in Malaysia conducts its businesses and maintains its books and record in the local currency, Malaysian Ringgit (“MYR” or “RM”), as its functional currency.

TREASURE GLOBAL INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

In general, for consolidation purposes, assets and liabilities of its subsidiary whose functional currency is not US\$ are translated into US\$, in accordance with ASC Topic 830-30, “Translation of Financial Statement”, using the exchange rate on the balance sheet date. Revenues and expenses are translated at average rates prevailing during the period. The gains and losses resulting from translation of financial statements of foreign subsidiary are recorded as a separate component of accumulated other comprehensive gain or loss within the consolidated statements of changes in stockholders’ equity. Cash flows are also translated at average translation rates for the periods, therefore, amounts reported on the consolidated statement of cash flows will not necessarily agree with changes in the corresponding balances on the consolidated balance sheets.

Translation of foreign currencies into US\$1 have been made at the following exchange rates for the respective periods:

	As of	
	June 30, 2022	June 30, 2021
Period-end MYR: US\$1 exchange rate	4.41	4.15
	For the years ended June 30,	
	2022	2021
Period-average MYR: US\$1 exchange rate	4.23	4.13

Cash and cash equivalents

Cash is carried at cost and represent cash on hand, time deposits placed with banks or other financial institutions and all highly liquid investments with an original maturity of three months or less. Cash equivalents consist of funds received from customer, which funds were held at the third party platform's fund account and which are unrestricted and immediately available for withdrawal and use.

Accounts receivable, net

Accounts receivable are recorded at the invoiced amount less an allowance for any uncollectible accounts and do not bear interest, which are due after 30 days. Accounts receivable include money due from agent subscription and sales of health care product on its Z-city platform. Management reviews the adequacy of the allowance for doubtful accounts on an ongoing basis, using historical collection trends and aging of receivables. Management also periodically evaluates individual customer's financial condition, credit history, and the current economic conditions to make adjustments in the allowance when it is considered necessary. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. The Company's management continues to evaluate the reasonableness of the valuation allowance policy and update it if necessary. As of June 30, 2022 and 2021, the Company recorded \$227 and \$25,690 of allowance for doubtful account, respectively. For the years ended June 30, 2022 and 2021, the Company recovered doubtful account from account receivable amounted to \$24,953 and \$0, respectively.

Inventories

Inventories are stated at the lower of cost or net realizable value, cost being determined on a first-in-first-out method. Costs include gift card or "E-voucher" pin code which are purchased from the Company's suppliers as merchandized goods or store credit. Costs also included health care products which are purchased from the Company's suppliers as merchandized goods. Management compares the cost of inventories with the net realizable value and if applicable, an allowance is made for writing down the inventory to its net realizable value, if lower than cost. On an ongoing basis, inventories are reviewed for potential write-down for estimated obsolescence or unmarketable inventories which equals the difference between the costs of inventories and the estimated net realizable value based upon forecasts for future demand and market conditions. When inventories are written-down to the lower of cost or net realizable value, it is not marked up subsequently based on changes in underlying facts and circumstances.

As of June 30, 2022 and 2021, impairments of inventories amounted to \$8,805 and \$0, respectively, were provided for E-vouchers.

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TREASURE GLOBAL INC. AND SUBSIDIARY NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Other receivables and other current assets, net

Other receivables and other current assets primarily include refundable advance to third party service provider and other deposits. Management regularly reviews the aging of receivables and changes in payment trends and records allowances when management believes collection of amounts due are at risk. Accounts considered uncollectable are written off against allowances after exhaustive efforts at collection are made. As of June 30, 2022 and 2021, no allowance for doubtful account was recorded.

Prepayments

Prepayments and deposits are mainly cash deposited or advanced to suppliers for future inventory purchases. This amount is refundable and bears no interest. For any prepayments determined by management that such advances will not be in receipts of inventories, services, or refundable, the Company will recognize an allowance account to reserve such balances. Management reviews its prepayments on a regular basis to determine if the allowance is adequate, and adjusts the allowance when necessary. Delinquent account balances are written-off against allowance for doubtful accounts after management has determined that the likelihood of collection is not probable. The Company's management continues to evaluate the reasonableness of the valuation allowance policy and update it if necessary. As of June 30, 2022 and 2021, there was no allowance for the doubtful accounts.

Property and equipment, net

Property and equipment are stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets with no residual value. The estimated useful lives are as follows:

	<u>Expected useful lives</u>
Computer and office equipment	5 years
Furniture and fixtures	3-5 years
Motor vehicles	5 years
Leasehold improvement	3 years

The cost and related accumulated depreciation of assets sold or otherwise retired are eliminated from the accounts and any gain or loss is included in the consolidated statements of operations and comprehensive loss. Expenditures for maintenance and repairs are charged to earnings as incurred, while additions, renewals and betterments, which are expected to extend the useful life of assets, are capitalized. The Company also re-evaluates the periods of depreciation to determine whether subsequent events and circumstances warrant revised estimates of useful lives.

Impairment for long-lived assets

Long-lived assets, including property and equipment with finite lives are reviewed for impairment whenever events or changes in circumstances (such as a significant adverse change to market conditions that will impact the future use of the assets) indicate that the carrying value of an asset may not be recoverable. The Company assesses the recoverability of the assets based on the undiscounted future cash flows the assets are expected to generate and recognize an impairment loss when estimated undiscounted future cash flows expected to result from the use of the asset plus net proceeds expected from disposition of the asset, if any, are less than the carrying value of the asset. If an impairment is identified, the Company would reduce the carrying amount of the asset to its estimated fair value based on a discounted cash flows approach or, when available and appropriate, to comparable market values.

As of June 30, 2022 and 2021, no impairment of long-lived assets was recognized.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Deferred offering costs

Deferred offering costs represents costs associated with the Company's initial underwritten public offering on August 15, 2022. The Deferred offering costs would be netted against the proceeds received from the initial underwritten public offering.

Customer deposits

Customer deposits represent amounts advanced by customers on service order. Customer deposits are reduced when the related sale is recognized in accordance with the Company's revenue recognition policy.

Revenue recognition

The Company adopted Accounting Standards Update ("ASU") 2014-09, Revenue from Contracts with Customers (ASC Topic 606) for all periods presented. The core principle underlying the revenue recognition of this ASU allows the Company to recognize - revenue that represents the transfer of goods and services to customers in an amount that reflects the consideration to which the Company expects to be entitled in such exchange. This will require the Company to identify contractual performance obligations and determine whether revenue should be recognized at a point in time or over time, based on when control of goods and services transfers to a customer.

To achieve that core principle, the Company applies five-step model to recognize revenue from customer contracts. The five-step model requires that the Company (i) identify the contract 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 accounts for a contract with a customer when the contract is committed in writing, the rights of the parties, including payment terms, are identified, the contract has commercial substance and consideration is probable of substantially collection.

Revenue recognition policies for each type of revenue stream are as follows:

Product Revenues

- Performance obligations satisfied at a point in time

The Company primarily sells discounted gift cards (or E-vouchers) from retailers, health care products and computer products through individual order directly through the Company's online marketplace platform and its mobile application ("Z-City"). The Company accounts for the revenue generated from its sales of E-vouchers, health care products and computer products on a gross basis as the Company is acting as a principal in these transactions and is responsible for fulfilling the promise to provide the specified goods, which the Company has control of the goods and has the ability to direct the use of goods to obtain substantially all the benefits. In making this determination, the Company assesses whether it is primarily obligated in these transactions, is subject to inventory risk, has latitude in establishing prices, or has met several but not all of these indicators in accordance with ASC 606-10-55-36 through 40. The Company determined that it is primarily responsible for fulfilling the promise to provide the specified good as the Company directly purchases and pays for in full the applicable E-voucher, health care products and computer products from the vendors prior to posting of such products for sale on its online marketplace platform and prior to taking any orders for sales of such products. Meanwhile, the Company maintained an average daily inventory of approximately \$0.5 million to support an average 2.4 days of sales during the year ended June 30, 2022, which demonstrate the Company had control over the products prior to selling it to the customers as the ownership of the products did not transferred momentarily to the customer after the Company purchased the products from vendors. In addition, the Company cannot return the products to the vendors due to lack of sales which demonstrated that the company is subject to inventory risk, and it has discretion in establishing the price of the products which has demonstrated that the Company has the ability to direct the use of that good or service and obtain substantially all of the remaining benefits. The Company also recognized a portion of the product revenues from health care products on a net basis as the product was dropped shipped from the vendors to customers directly which demonstrated that the Company did not had control of the products or bear any inventory risks.

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TREASURE GLOBAL INC. AND SUBSIDIARY NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Company recognizes the sales of E-vouchers, health care products, and computer products revenue when the control of the specified goods is transferred to its customer. No refund or return policy is provided to the customer. For the years ended June 30, 2022 and 2021, approximately \$2.8 million and \$0.4 million of product revenues are related to non-spending related activities with the same amount recorded as selling expenses, respectively.

Loyalty Program

- Performance obligations satisfied at a point in time

The Company's Z-City reward loyalty program allows members to earn points on purchases that can be redeemed for rewards that include discounts on future purchases. When members purchase the Company's product or make purchase with the Company's participated vendor through Z-City, the Company allocate the transaction price between the product and service, and the reward points earned based on the relative stand-alone selling prices and expected point redemption. The portion allocated to the reward points is initially recorded as contract liability and subsequently recognized as revenue upon redemption or expiration.

The two primary estimates utilized to record the contract liability for reward points earned by members are the estimated retail price per point and estimated breakage. The estimated retail price per point is based on the actual historical retail prices of product purchased or service obtained through the redemption of reward points. The Company estimate breakage of reward points based on historical redemption rates. The Company continually evaluates its methodology and assumptions based on developments in retail price per point redeemed, redemption patterns and other factors. Changes in the retail price per point and redemption rates have the effect of either increasing or decreasing the contract liability through current period revenue by an amount estimated to represent the retail value of all points previously earned but not yet redeemed by loyalty program members as of the end of the reporting period.

Transactions Revenue

- Performance obligations satisfied at a point in time

The transactions revenues primarily consist of fees charged to merchants for participating in Z-City upon successful sales transaction and payment service taken place between the merchants and their customers online.

The Company earns transaction revenue from merchants when transactions are completed on certain retail marketplaces. Such revenue is generally determined as a percentage

based on the value of merchandise or services being sold by the merchants. In connection with the transaction revenue, the Company offers to share the profit of the transaction (“agent commission”) to the agents who has referred merchants to participating in Company’s online marketplace platform and in Z-City. Transaction revenue is recognized, net of agent commission, in the consolidated statements of operations at the time when the underlying transaction is completed.

Agent Subscription Revenue

- Performance obligations satisfied at a point in time

In order to attract more merchants to join the Company’s online marketplace and in Z-City, the Company provides a right to the agent, an individual or a merchant, to join the Zagent program and assist the Company to develop more merchants to join its merchant network. The agent subscription revenues primarily consist of fees charged to the agents in exchange for the right by introducing merchants to join the Company’s merchant network and to earn a future fixed percentage of commission fee upon completion of each sales transaction. As the agent subscription fee is non-refundable, agent subscription revenue is recognized in the consolidated statements of operations at the time when an agent completed the Zagent program training and the remittance of payment of the subscription fee.

Member Subscription Revenue

- Performance obligations satisfied over time

**TREASURE GLOBAL INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

In order to attract more customer to engage with the Company’s online marketplace and in Z-City, the Company provides membership subscription to the customers to join the Zmember program, a membership program that provides member with benefits which included exclusive saving, bonus, and referral rewards.

Member subscription revenue primarily consist of fees charge to customers who sign up for Zmember. As the Company provided customers with 6 months member subscription service in general, member subscription revenue is recognized in the consolidated statement of operation over the time across the subscription period.

Disaggregated information of revenues by products/services are as follows:

	For the years ended	
	June 30,	
	2022	2021
Gift card or “E-voucher” revenue (1)	\$ 78,739,939	\$ 13,448,430
Health care products and computer products revenue (1)	49,524	350,455
Loyalty program revenue (1)	620,293	90,485
Transaction revenue (1)	53,667	30,562
Agent subscription revenue (1)	15	100,421
Member subscription revenue (2)	211,441	-
Total revenues	\$ 79,674,879	\$ 14,020,353

(1) Revenue recognized at a point in time.

(2) Revenue recognized over time.

Cost of revenues

Cost of revenues sold mainly consists of the purchases of the gift card or “E-voucher” pin code, and health care products which is directly attributable to the sales of product on the Company’s online marketplace platform.

Advertising costs

Advertising costs amounted to \$4,224,710 and \$1,855,000 for the years ended June 30, 2022 and 2021, respectively.

Operating leases

A lease for which substantially all the benefits and risks incidental to ownership remain with the lessor is classified by the lessee as an operating lease. All leases of the Company are currently classified as operating leases. The Company records the total expenses on a straight-line basis over the lease term.

Research and development

Research and development expenses include salaries and other compensation-related expenses to the Company’s research and product development personnel, and related expenses for the Company’s research and product development team. Research and development expenses amounted to \$266,716 and \$ 435,471 for the years ended June 30, 2022 and 2021, respectively.

Defined contribution plan

The full-time employees of the Company are entitled to the government mandated defined contribution plan. The Company is required to accrue and pay for these benefits based on certain percentages of the employees’ respective salaries, subject to certain ceilings, in accordance with the relevant government regulations, and make cash contributions to the government mandated defined contribution plan. Total expenses for the plans were \$139,595 and \$65,025 for the years ended June 30, 2022 and 2021, respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The related contribution plans include:

- Social Security Organization (“SOSCO”) – 1.75% based on employee’s monthly salary capped of RM 4,000;
- Employees Provident Fund (“EPF”) – 12% based on employee’s monthly salary;
- Employment Insurance System (“EIS”) – 0.2% based on employee’s monthly salary capped of RM 4,000;

Income taxes

The Company accounts for income taxes in accordance with U.S. GAAP for income taxes. The charge for taxation is based on the results for the fiscal year as adjusted for items, which are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred taxes are accounted for using the asset and liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the consolidated financial statements and the corresponding tax basis used in the computation of assessable tax profit. In principle, deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilized. Deferred tax is calculated using tax rates that are expected to apply to the period when the asset is realized or the liability is settled. Deferred tax is charged or credited in the income statement, except when it is related to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Current income taxes are provided for in accordance with the laws of the relevant taxing authorities.

An uncertain tax position is recognized as a benefit only if it is “more likely than not” that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the “more likely than not” test, no tax benefit is recorded. No penalties and interest incurred related to underpayment of income tax for years ended June 30, 2022 and 2021.

The Company is incorporated in the State of Delaware and is required to pay franchise taxes to the State of Delaware on an annual basis.

The Company conducts much of its business activities in Malaysia and is subject to tax in its jurisdiction. As a result of its business activities, the Company will file separate tax returns that are subject to examination by the foreign tax authorities.

Stock-Based Compensation

The Company recognizes compensation costs resulting from the issuance of stock-based awards to non-employee as an expense in the statements of operations over the requisite service period based on a measurement of fair value for each stock-based award. The fair value of each warrants and common stock granted are estimated as of the date of grant using the Black-Scholes-Merton option-pricing model. The fair value is amortized as compensation cost on a straight-line basis over the requisite service period of the awards. The Black-Scholes-Merton option-pricing model includes various assumptions, including the fair market value of the common stock of the Company, expected life of stock options, the expected volatility and the expected risk-free interest rate, among others. These assumptions reflect the Company’s best estimates, but they involve inherent uncertainties based on market conditions generally outside the control of the Company.

As a result, if other assumptions had been used, stock-based compensation expense, as determined in accordance with authoritative guidance, could have been materially impacted. Furthermore, if the Company uses different assumptions on future grants, stock-based compensation expense could be materially affected in future periods.

Comprehensive income (loss)

Comprehensive income (loss) consists of two components, net loss and other comprehensive income (loss). Other comprehensive income (loss) refers to revenue, expenses, gains and losses that under GAAP are recorded as an element of stockholders’ equity but are excluded from net income. Other comprehensive income (loss) consists of a foreign currency translation adjustment resulting from the Company not using the U.S. dollar as its functional currencies.

Loss per share

The Company computes earnings (loss) per share (“EPS”) in accordance with ASC 260, “Earnings per Share”. ASC 260 requires companies to present basic and diluted EPS. Basic EPS is measured as net income divided by the weighted average ordinary share outstanding for the period. Diluted EPS presents the dilutive effect on a per share basis of the potential ordinary 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 ordinary 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.

TREASURE GLOBAL INC. AND SUBSIDIARY NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended June 30, 2022, and 2021 a total of 3,282,887 and 1,063,560 contingent shares to be issued to the convertible note holders are excluded in the diluted EPS calculation due to its anti-diluted effect, respectively.

Convertible notes

The Company evaluates its convertible notes to determine if those contracts or embedded components of those contracts qualify as derivatives. The result of this accounting treatment is that the fair value of the embedded derivative is recorded at fair value each reporting period and recorded as a liability. In the event that the fair value is recorded as a liability, the change in fair value is recorded in the statements of operations as other income or expense.

In circumstances where the embedded conversion option in a convertible instrument is required to be bifurcated and there are also other embedded derivative instruments in the convertible instrument that are required to be bifurcated, the bifurcated derivative instruments are accounted for as a single, compound derivative instrument.

If the conversion features of conventional convertible debt provide for a rate of conversion that is below market value at issuance, this feature is characterized as a beneficial conversion feature (“BCF”). A BCF is recorded by the Company as a debt discount pursuant to ASC Topic 470-20 “Debt with Conversion and Other Options.” In those circumstances, the convertible debt is recorded net of the discount related to the BCF, and the Company amortizes the discount to interest expense, over the life of the debt.

Fair value measurements

Fair value is defined as the price that would be received for an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. Valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. When determining the fair value measurements for assets and liabilities, 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. The following summarizes the three levels of inputs required to measure fair value, of which the first two are considered observable and the third is considered unobservable:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The fair value for certain assets and liabilities such as cash, accounts receivable, inventories, other receivables and other current assets, prepayments, accounts payable, customers deposits, other payables and accrued liabilities have been determined to approximate carrying amounts due to the short maturities of these instruments. The Company believes that its bank loans and convertible notes approximates fair value based on current yields for debt instruments with similar terms.

Related parties

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 operating decisions. Companies are also considered to be related if they are subject to common control or common significant influence.

Reclassification

Certain items of current and non-current liabilities

in the consolidated balance sheet and certain items of cash flows from financing activities in the consolidated statements of cash flows have been reclassified to conform to the consolidated financial statements for the current period. The reclassification has no impact on the Company's total current and non-current liabilities on its consolidated balance sheet, and net cash provided by financing activities on its consolidated statements of cash flows.

Recent accounting pronouncements

The Company considers the applicability and impact of all accounting standards updates ("ASUs"). Management periodically reviews new accounting standards that are issued. Under the Jumpstart Our Business Startups Act of 2012, as amended (the "JOBS Act"), the Company meets the definition of an emerging growth company and has elected the extended transition period for complying with new or revised accounting standards, which delays the adoption of these accounting standards until they would apply to private companies.

TREASURE GLOBAL INC. AND SUBSIDIARY NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842), to increase the transparency and comparability about leases among entities. The new guidance requires lessees to recognize a lease liability and a corresponding lease asset for virtually all lease contracts. It also requires additional disclosures about leasing arrangements. ASU 2016-02 is effective for interim and annual periods beginning after December 15, 2018, and requires a modified retrospective approach to adoption assuming the Company will remain an emerging growth company at that date. Early adoption is permitted. In September 2017, the FASB issued ASU No. 2017-13, which to clarify effective dates that public business entities and other entities were required to adopt ASC Topic 842 for annual reporting. A public business entity that otherwise would not meet the definition of a public business entity except for a requirement to include or the inclusion of its financial statements or financial information in another entity's filing with the SEC adopting ASC Topic 842 for annual reporting periods beginning after December 15, 2020, and interim reporting periods within annual reporting periods beginning after December 15, 2021. ASU No. 2017-13 also amended that all components of a leveraged lease be recalculated from inception of the lease based on the revised after-tax cash flows arising from the change in the tax law, including revised tax rates. The difference between the amounts originally recorded and the recalculated amounts must be included in income of the year in which the tax law is enacted. The Company has not early adopted this update and it became effective on July 1, 2022 after FASB delayed the effective date for emerging growth companies with ASU 2020-05.

Upon adoption of this new standard on July 1, 2022, it resulted in the recording of right-of-use assets and lease liabilities of approximately \$0.1 million.

In May 2019, the FASB issued ASU 2019-05, which is an update to ASU Update No. 2016-13, Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, which introduced the expected credit losses methodology for the measurement of credit losses on financial assets measured at amortized cost basis, replacing the previous incurred loss methodology. The amendments in Update 2016-13 added Topic 326, Financial Instruments—Credit Losses, and made several consequential amendments to the Codification. Update 2016-13 also modified the accounting for available-for-sale debt securities, which must be individually assessed for credit losses when fair value is less than the amortized cost basis, in accordance with Subtopic 326-30, Financial Instruments—Credit Losses—Available-for-Sale Debt Securities. The amendments in this Update address those stakeholders' concerns by providing an option to irrevocably elect the fair value option for certain financial assets previously measured at amortized cost basis. For those entities, the targeted transition relief will increase comparability of financial statement information by providing an option to align measurement methodologies for similar financial assets. Furthermore, the targeted transition relief also may reduce the costs for some entities to comply with the amendments in Update 2016-13 while still providing financial statement users with decision-useful information. In November 2019, the FASB issued ASU No. 2019-10, which to update the effective date of ASU No. 2016-13 for private companies, not-for-profit organizations and certain smaller reporting companies applying for credit losses, leases, and hedging standard. The new effective date for these preparers is for fiscal years beginning after December 15, 2022. ASU 2019-05 is effective for the Company for annual and interim reporting periods beginning July 1, 2023 as the Company is qualified as an emerging growth company. The Company is currently evaluating the impact ASU 2019-05 may have on its consolidated financial statements.

In December 2019, the FASB issued ASU 2019-12, "Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes". The amendments in this Update simplify the accounting for income taxes by removing certain exceptions to the general principles in Topic 740. The amendments also improve consistent application of and simplify GAAP for other areas of Topic 740 by clarifying and amending existing guidance. For public business entities, the amendments in this Update are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2020. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. Early adoption of the amendments is permitted, including adoption in any interim period for (1) public business entities for periods for which financial statements have not yet been issued and (2) all other entities for periods for which financial statements have not yet been made available for issuance. An entity that elects to early adopt the amendments in an interim period should reflect any adjustments as of the beginning of the annual period that includes that interim period. Additionally, an entity that elects early adoption must adopt all the amendments in the same period. ASU 2019-12 is effective for the Company for annual and interim reporting periods beginning July 1, 2022 as the Company is qualified as an emerging growth company. The Company is currently evaluating the impact of this new standard on Company's consolidated financial statements and related disclosures.

TREASURE GLOBAL INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

In August 2020, the FASB issued ASU 2020-06, "Debt – Debt Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging – Contracts in Entity's Own Equity (Subtopic 815-40)". The amendment in this Update is to address issues identified as a result of the complexity associated with applying generally accepted accounting principles (GAAP) for certain financial instruments with characteristics of liabilities and equity. For convertible instruments, the Board decided to reduce the number of accounting models for convertible debt instruments and convertible preferred stock. Limiting the accounting models results in fewer embedded conversion features being separately recognized from the host contract as compared with current GAAP. Convertible instruments that continue to be subject to separation models are (1) those with embedded conversion features that are not clearly and closely related to the host contract, that meet the definition of a derivative, and that do not qualify for a scope exception from derivative accounting and (2) convertible debt instruments issued with substantial premiums for which the premiums are recorded as paid-in capital. The amendments in this Update are effective for public business entities that meet the definition of a Securities and Exchange Commission (SEC) filer, excluding entities eligible to be smaller reporting companies as defined by the SEC, for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2023, including interim periods within those fiscal years. Early adoption is permitted, but no earlier than fiscal years beginning after December 15, 2020, including interim periods within those fiscal years. The Board specified that an entity should adopt the guidance as of the beginning of its annual fiscal year. The Company has not early adopted this update and it will become effective on July 1, 2024 as the Company is qualified as an emerging growth company. The Company believes the adoption of this ASU would have a material effect on the Company's consolidated financial statements and related disclosures.

In October 2020, the FASB issued ASU 2020-08, "Codification Improvements to Subtopic 310-20, Receivables—Nonrefundable Fees and Other Costs". The amendments in this Update represent changes to clarify the Codification. The amendments make the Codification easier to understand and easier to apply by eliminating inconsistencies and providing clarifications. ASU 2020-08 is effective for the Company for annual and interim reporting periods beginning January 1, 2021. Early adoption was permitted, including adoption in an interim period. All entities should apply the amendments in this Update on a prospective basis as of the beginning of the period of adoption for existing or newly purchased callable debt securities. These amendments do not change the effective dates for Update 2017-08. The adoption of this standard on July 1, 2021 did not have a material impact on its consolidated financial statements.

In October 2020, the FASB issued ASU 2020-10, "Codification Improvements to Subtopic 205-10, presentation of financial statements". The amendments in this Update improve the codification by ensuring that all guidance that requires or provides an option for an entity to provide information in the notes to financial statements is codified in the disclosure section of the codification. That reduce the likelihood that the disclosure requirement would be missed. The amendments also clarify guidance so that an entity can apply the guidance more consistently. ASU 2020-10 is effective for the Company for annual and interim reporting periods beginning January 1, 2022. Early application of the amendments is permitted for any annual or interim period for which financial statements are available to be issued. The amendments in this Update should be applied retrospectively. An entity should apply the amendments at the beginning of the period that includes the adoption date. The adoption of this standard on July 1, 2021 did not have a material impact on its consolidated financial statements.

Except as mentioned above, the Company does not believe other recently issued but not yet effective accounting standards, if currently adopted, would have a material effect on the Company's consolidated balance sheets, statements of operations and comprehensive loss and statements of cash flows.

Note 4 – Accounts receivable, net

	As of June 30, 2022	As of June 30, 2021
Accounts receivable	\$ 227	\$ 109,607
Allowance for doubtful accounts	(227)	(25,690)
Total accounts receivable, net	\$ -	\$ 83,917

TREASURE GLOBAL INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Movements of allowance for doubtful accounts are as follows:

	As of June 30, 2022	As of June 30, 2021
Beginning balance	\$ 25,690	\$ -
Addition (recovery)	(24,953)	28,216
Write off	-	(2,388)
Exchange rate effect	(510)	(138)
Ending balance	\$ 227	\$ 25,690

Note 5 – Inventories

Inventories consist of the following:

	As of June 30, 2022	As of June 30, 2021
Gift card (or E-voucher)	\$ 187,271	\$ 392,764
Nutrition products	28,798	-
Total	\$ 216,069	\$ 392,764

Note 6 – Other receivable and other current assets, net

	As of June 30, 2022	As of June 30, 2021
Deposits (1)	\$ 6,020	\$ 11,648
Prepaid tax	2,760	2,452
Others	-	712
Total other receivable and other current assets	\$ 8,780	\$ 14,812
Allowance for doubtful account	-	-
Total other receivable and other current assets, net	\$ 8,780	\$ 14,812

(1) The balance of deposits mainly represented deposit made by the Company to third party service provider, and security deposit consist of rent and utilities. As of June 30, 2022 and 2021, the Company did not record any allowance against doubtful receivables.

Note 7 – Prepayments

	As of June 30, 2022	As of June 30, 2021
Deposits to suppliers	\$ 203,020	\$ 179,286

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TREASURE GLOBAL INC. AND SUBSIDIARY NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 8 – Property and equipment, net

Property and equipment, net consist of the following:

	As of June 30, 2022	As of June 30, 2021
Computer and office equipment	\$ 151,205	\$ 17,273
Furniture & fixtures	76,148	1,397
Motor vehicle	88,045	93,555
Leasehold improvement	89,425	-
Subtotal	404,823	112,225
Less: accumulated depreciation	(67,178)	(9,577)
Total	\$ 337,645	\$ 102,648

Depreciation expense for the June 30, 2022 and 2021 amounted to \$60,605 and \$9,627, respectively.

Note 9 – Loans and notes

Loans from third parties

The Company entered into a loan agreement with Aqtiq Solutions Sdn Bhd, a third party (the “Aqtiq Loan Agreement”) dated June 27, 2022, pursuant to which Aqtiq Solutions Sdn Bhd provided the Company with a revolving loan facility to borrow up to RM 3,000,000 (approximately \$0.7 million) bearing interest at 3.5% per annum, which is payable on demand. As of June 30, 2022, the Company had balance outstanding from this facility amounted to \$668,923. On July 12, 2022, the Company has repaid the remaining balance in full.

The Company entered into a loan agreement with Technovative Hub Sdn Bhd, a third party (the “Technovative Loan Agreement”) date June 27, 2022, pursuant to which Technovative Hub Sdn Bhd provided the Company with a revolving loan facility to borrow up to RM 4,000,000 (approximately \$1.0 million) bearing interest at 3.5% per annum, which is payable on demand. As of June 30, 2022, the Company had balance outstanding form this facility amounted to \$748,724. Subsequent to June 30, 2022, the Company had withdrew additional \$567,215 from this facility under the Technovative Loan Agreement and repaid the remaining balance in full on July 18, 2022.

Senior Note

On June 30, 2021, the Company issued a 12% Redeemable Senior Note in the principal amount of \$65,000 to Yong Kim Fong, a Malaysian citizen (the “Fong Note”). The Fong Note bears interest at 12.00% per annum and is due on the earlier of (x) the date on which our common stock is listed on Nasdaq and (y) July 1, 2024. The Fong Note is pre-payable in full, but not in part. As of June 30, 2022, the balance of the Fong Note is amounted to \$65,000. On September 1, 2022, the Company has fully repaid the balance.

Convertible Notes

The Company evaluated the convertible notes agreement under ASC 815 Derivatives and Hedging (“ASC 815”). ASC 815 generally requires the analysis embedded terms and features that have characteristics of derivatives to be evaluated for bifurcation and separate accounting in instances where their economic risks and characteristics are not clearly and closely related to the risks of the host contract. None of the embedded terms required bifurcation and liability classification.

On November 13, 2020, the Company issue a convertible note, to an accredited investor, in the aggregate principal amount of \$2,123,600. Pursuant to the agreement, the note bear an interest rate of 13.33% per annum, payable (i) on December 31, 2020; (ii) during calendar year 2021, monthly on the last day of each month and (iii) during calendar years 2022 and 2023 until the Maturity Date, semiannually on each June 30 and December 31; provided that for calendar year 2023 the final interest payment date shall be the Maturity Date. The Company evaluated the convertible notes agreement under ASC 815, which generally requires the analysis embedded terms and features that have characteristics of derivatives to be evaluated for bifurcation and separate accounting in instances where their economic risks and characteristics are not clearly and closely related to the risks of the host contract. None of the embedded terms in the convertible notes required bifurcation and liability classification. However, the Company was required to determine if the debt contained a beneficial conversion feature (“BCF”), which is based on the intrinsic value on the date of issuance. The Company evaluated the convertible notes for a beneficial conversion feature in accordance with ASC 470-20 “Debt with Conversion and Other Options”. The Company determined that the conversion price (\$4.00) was below the market price (\$5.48) as per an enterprise per share value appraised from an independent third party, and the convertible notes contained a beneficial conversion feature. The Company recognized the intrinsic value of embedded conversion feature of \$0 and \$785,065 in the convertible notes as additional paid-in capital and reduced the carrying value of the convertible notes as a debt discount for the years ended June 30, 2022 and 2021, respectively.

TREASURE GLOBAL INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

In addition, notes issuance costs in connection with this note amounted \$212,360 and reduced the carrying value of the convertible notes as a debt discount. The carrying value, net of debt discount, will be accreted over the term of the convertible notes from date of issuance to date of maturity using effective interest rate method. For the years ended June 30, 2022 and 2021, amortization of debt discount amounted to \$466,232 and \$238,917, respectively. As of June 30, 2022, convertible note balance from this accredited investor, net of unamortized discounts of \$292,276 was amounted to \$1,831,324.

As of June 30, 2021, convertible note balance from this accredited investor, net of unamortized discounts of \$758,508 was amounted to \$1,365,092.

Upon completion of the Company's initial underwritten public offering on August 15, 2022, the above mentioned convertible note balance was converted into 530,900 shares of common stock. Meanwhile, additional 15,927 shares of common stock were issued to this accredited investor as success fees.

On January 3, 2022, the Company had entered into a loan agreement (the "Tophill Loan Agreement 1") with a third party to borrow up to approximately \$4.8 million with up to 3.5% per annum interest rate. The loan is due on demand together with interest accrued thereon. On March 14, 2022, the Company and above mentioned third party had made amendment to the Tophill Loan Agreement 1. Pursuant to the amendment, the aggregate outstanding principal amount of all Loans plus any accrued and unpaid interest ("Loan balance") thereon as of the closing date of the IPO shall automatically converted into a number of shares of the Company's common stock equal to the Loan balance divided by 80% of the public offering price of the Company's common stock in the IPO; and the loan agreement shall terminate and no additional amounts under the loan agreement will be available to the Company and after taking into consideration the conversion of the Loan balance, no amount under any loan shall be outstanding. In addition, the Company entered into another Loan Agreement (the "Tophill Loan Agreement 2") dated May 13, 2022 with Tophill, pursuant to which Tophill provided the company with a revolving loan facility to borrow up to RM 50,000,000 (approximately \$11.9 million) bearing interest at 3.5% per annum, which is payable on demand. Meanwhile, the agreement provide that (i) all principal and accrued and unpaid interest outstanding under the Tophill Loan Agreement 2 on the closing of the Company's initial public offering will automatically be converted into shares of the Company's common stock at a conversion price that is equal to 80% of the initial public offering price and (ii) the Tophill Loan Agreement 2 terminates on the closing date of the Company's initial public offering. The Company evaluated the loan agreement under ASC 815, which generally requires the analysis embedded terms and features that have characteristics of derivatives to be evaluated for bifurcation and separate accounting in instances where their economic risks and characteristics are not clearly and closely related to the risks of the host contract. None of the embedded terms in the loan required bifurcation and liability classification. However, the Company was required to determine if the debt contained a beneficial conversion feature ("BCF"), which is based on the intrinsic value on the date of issuance. The Company evaluated the loan for a beneficial conversion feature in accordance with ASC 470-20 "Debt with Conversion and Other Options". The Company determined that the conversion price (\$4.38) was below the market price (\$5.48) as per an enterprise per share value appraised from an independent third party, and the loan contained a beneficial conversion feature. The Company recognized the intrinsic value of embedded conversion feature of \$1,231,610 and nil in the loan additional paid-in capital and reduced the carrying value of the loan as a debt discount for the years ended June 30, 2022 and 2021, respectively. The carrying value, net of debt discount, will be accreted over the term of the term of the loan from date of issuance to date of maturity using effective interest rate method, recorded as current liabilities. For the years ended June 30, 2022 and 2021, amortization of debt discount for the loan amounted to \$800,629 and nil, respectively. As of June 30, 2022, the convertible note balance from Tophill Loan Agreement 1 and Agreement 2, net of unamortized discounts of \$424,984, was amounted to \$5,542,231. Subsequent to June 30, 2022, the Company has withdrew additional amount of approximately \$2.7 million from this facility under the Tophill Loan Agreement 2. Upon completion of the Company's initial underwritten public offering on August 15, 2022, the remaining principal and accrued interest balance related to Tophill Loan Agreement 1 and Agreement 2 amounted to approximately \$8.6 million was converted into 2,756,879 shares of common stock.

In May, and June 2021, the Company issue various batches of convertible notes to 5 accredited investors which included 4 third parties in the aggregate principal amount of \$2,210,361 and 1 related parties in the aggregate principal amount of \$ 1,400,000 (see note 11). In July, September, October, and December 2021, the Company issue various batches of convertible notes to 7 accredited investors which included 3 third parties in the aggregate principal amount of \$1,370,126 and 4 related parties in the aggregate principal amount of \$1,037,574.

As of June 30, 2022, the Company accumulatively issue various batches of convertible notes to 10 accredited investors which included 5 third parties in the aggregate principal amount of \$3,580,488 and 5 related parties in the aggregate principal amount of \$2,437,574 (see Note 11).

Pursuant to the agreement, the maturity date is 36 months after the issuance, provided that if an IPO listing is not successful, the accredited investors should be entitled to require the Company to redeem the convertible notes at the subscription/conversion of \$6.90 per share along with interest payable at the rate of 12% per annum. The Company also evaluated the convertible notes agreement under ASC 815 and determined none of the embedded terms in the convertible notes required bifurcation and liability classification. However, the Company was required to determine if the debt contained a BCF and determined that the conversion price (\$6.90) was above the market price (\$5.48) as per an enterprise per share value appraised from an independent third party, and the convertible notes do not contain a beneficial conversion feature. As a result, the Company record the proceeds received from these convertible notes as a liability in its entirety. As of June 30, 2022, the convertible note balance from third parties and related parties accredited investors was amounted to \$3,580,488 and \$2,437,574, respectively.

Upon completion of the Company's initial underwritten public offering on August 15, 2022, the balance of these convertible notes as mentioned above was converted into 872,183 shares of common stock.

TREASURE GLOBAL INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Company has convertible notes payable, net of unamortized discounts as follows:

	Face value of convertible notes payable	Unamortized debt discounts	Convertible notes payable, net of unamortized discounts	Third parties	Related parties
June 30, 2020 balance	\$ -	\$ -	\$ -	\$ -	\$ -
Issuance of convertible notes	5,733,961	(997,425)	4,736,536	3,336,536	1,400,000

Amortization of debt discounts	-	238,917	238,917	238,917	-
June 30, 2021 balance	5,733,961	(758,508)	4,975,453	3,575,453	1,400,000
Issuance of convertible notes	8,374,915	(1,231,610)	7,143,305	6,105,731	1,037,574
Amortization of debt discounts	-	1,266,861	1,266,861	1,266,861	-
Exchange rate effect	-	5,997	5,997	5,997	-
June 30, 2022 balance	<u>\$ 14,108,876</u>	<u>\$ (717,260)</u>	<u>\$ 13,391,616</u>	<u>\$ 10,954,042</u>	<u>\$ 2,437,574</u>

For the years ended June 30, 2022 and 2021, interest expenses related to the aforementioned convertible notes amounted to \$340,277 and \$163,158 respectively.

Note 10 – Other payables and accrued liabilities

	As of June 30, 2022	As of June 30, 2021
Accrued professional fees (i)	\$ 910,186	\$ 265,672
Accrued promotion expenses (ii)	41,476	45,334
Accrued payroll	112,069	76,282
Accrued interest (iii)	92,686	70,223
Others	5,443	1,088
Total other payables and accrued liabilities	<u>\$ 1,161,860</u>	<u>\$ 458,599</u>

(i) Accrued professional fees

The balance of accrued professional fees represented amount due to third parties service providers which include marketing consulting service, IT related professional service, audit fee, and consulting fee related to capital raising. In addition, the balance of accrued professional fees also consist of consulting fee which the Company agree to compensate the consultant by issuing 300,000 warrants exercisable for a period of 5 years at \$4.00 per share. On August 15, 2022, the Company had issued the warrants to the consultant upon completion of its initial underwritten public offering. The value of the consulting fee was estimated by the fair value of the warrants which was determined by using the Black Scholes model using the following assumptions: (1) expected volatility of 49.0%, (2) risk-free interest rate of 0.89%, (3) expected life of 5.0 years, (4) exercise price of \$4.0 and (5) estimated market price of \$5.48 on July 1, 2020, the date of which the consulting agreement was entered. The consulting fee was estimated to be \$856,170 for the year ended June 30, 2022.

(ii) Accrued promotion expense

The balance of accrued promotion expense represented the balance of profit sharing payable to the Company's merchant and subscribed agents to promote business growth.

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TREASURE GLOBAL INC. AND SUBSIDIARY NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(iii) Accrued interest

The balance of accrued interest represented the balance of interest payable from convertible note aforementioned in Note 9.

Note 11 – Related Party balances and transactions

Related party balances

Account receivable, a related party

Name of Related Party	Relationship	Nature	As of June 30, 2022	As of June 30, 2021
Ezytronic Sdn Bhd	Jau Long "Jerry" Ooi is the common shareholder	Sales of products	\$ -	\$ 10,317

Amount due from related parties

Name of Related Party	Relationship	Nature	As of June 30, 2022	As of June 30, 2021
Matrix Ideal Sdn Bhd	Yu Weng Lok is a common shareholder	Advance due on demand	\$ -	\$ 362
Treasure Global, Inc (Cayman)	Relative of Kok Pin "Darren" Tan is the shareholder of this Company	Advance due on demand	-	60,548
Total			<u>\$ -</u>	<u>\$ 60,910</u>

Convertible notes payable, related parties

Name of Related Party	Relationship	Nature	As of June 30, 2022	As of June 30, 2021 (As Revised)
Chuah Su Mei	Spouse of Kok Pin "Darren" Tan, shareholder of TGI	CLN	\$ 240,444	\$ -
Click Development Berhad	Shareholder of TGI	CLN	120,235	-
Cloudmaxx Sdn Bhd	Jau Long "Jerry" Ooi and Kok Pin "Darren" Tan are common shareholder	CLN	568,305	-

V Capital Kronos Berhad	Shareholder of TGI, and Voon Him “Victor” Hoo is the common shareholder	CLN	1,400,000	1,400,000
World Cloud Ventures Sdn Bhd	Jau Long “Jerry” Ooi is the common shareholder	CLN	108,590	-
Total			\$ 2,437,574	\$ 1,400,000
Convertible notes payable, related parties-current portion			\$ 2,437,574	\$ -
Convertible notes payable, related parties -non-current portion			\$ -	\$ 1,400,000

Pursuant to the convertible note agreement related to above convertible notes payable, related parties, the convertible note shall not be interest bearing if the Company completes its initial underwritten public offering within the 36 months from the date of issuance of the convertible note, unless it has not been converted by the third anniversary of its issuance date, in which case it shall bear interest from the time of issuance at 12% per annum.

As the Company completed its initial underwritten public offering on August 15, 2022, no interest expenses pertained to above convertible notes payable, related parties were accrued for the years June 30, 2022 and 2021.

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**TREASURE GLOBAL INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

Account payable, related parties

Name of Related Party	Relationship	Nature	As of June 30, 2022	As of June 30, 2021
Ezytronic Sdn Bhd	Jau Long “Jerry” Ooi is the common shareholder	Purchase of inventories	\$ 4,229	\$ 745
Matrix Ideal Sdn Bhd	Yu Weng Lok is a common shareholder	Purchase of inventories	-	159,670
The Evolutionary Zeal Sdn Bhd	Shareholder of TGI	Purchase of inventories	9,034	-
World Cloud Ventures Sdn Bhd	Jau Long “Jerry” Ooi is a common shareholder	Purchase of inventories	1,063	286
Total			\$ 14,326	\$ 160,701

Customer deposits, related parties

Name of Related Party	Relationship	Nature	As of June 30, 2022	As of June 30, 2021
The Evolutionary Zeal Sdn Bhd	Shareholder of TGI	Deposit for I.T professional service	\$ -	\$ 76,846
Click Development Berhad	Shareholder of TGI	Deposit for I.T professional service	-	76,846
VICOMM Resources Sdn Bhd	Shareholder of TGI	Deposit for I.T professional service	-	41,819
Total			\$ -	\$ 195,511

Other payables, related parties

Name of Related Party	Relationship	Nature	As of June 30, 2022	As of June 30, 2021
V Capital Investment Limited	Voon Him “Victor” Hoo, the Company’s Chairman and Managing Director is the director of this entity.	Consulting fees	\$ -	\$ 85,000
True Sight Sdn Bhd	Su Huay “Sue” Chuah, the Company’s Chief Marketing Officer is the shareholder of this entity	Consulting fee	-	28,402
Total			\$ -	\$ 113,402

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**TREASURE GLOBAL INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

Amount due to related parties

Name of Related Party	Relationship	Nature	As of June 30, 2022	As of June 30, 2021
Chong Chan “Sam” Teo	Shareholder of TGI	Interest-free loan, due on demand	\$ 197,480	\$ 209,839

Kok Pin “Darren” Tan*	Shareholder of TGI	Interest-free loan, due on demand	1,862,608	2,103,692
Cloudmaxx Sdn Bhd	Jau Long “Jerry” Ooi and Kok Pin “Darren” Tan are common shareholder	Interest-free loan, due on demand	-	289,303
World Cloud Ventures Sdn Bhd	Jau Long “Jerry” Ooi is a common shareholder	Interest-free loan, due on demand	-	1,405,951
Total			\$ 2,060,088	\$ 4,008,785

* As of December 2, 2022, the Company has repaid \$1,728,225 to Kok Pin “Darren” Tan.

Related party transaction

Revenue from related parties

<u>Name of Related Party</u>	<u>Relationship</u>	<u>Nature</u>	<u>For the year ended June 30, 2022</u>	<u>For the year ended June 30, 2021</u>
Ezytronic Sdn Bhd	Jau Long “Jerry” Ooi is a common shareholder	Sales of products	\$ 166,139	\$ 67,595
Matrix Ideal Sdn Bhd	Yu Weng Lok is a common shareholder	Sales of products	2,837	-
Total			\$ 168,976	\$ 178,939

Purchase from related parties

<u>Name of Related Party</u>	<u>Relationship</u>	<u>Nature</u>	<u>For the year ended June 30, 2022</u>	<u>For the year ended June 30, 2021</u>
Ezytronic Sdn Bhd	Jau Long “Jerry” Ooi is a common shareholder	Purchase of products	\$ 54,328	\$ 19,269
Matrix Ideal Sdn Bhd	Yu Weng Lok is a common shareholder	Purchase of products	-	159,670
World Cloud Ventures Sdn Bhd	Shareholder of TGI	Purchase of Services	48,259	-
The Evolutionary Zeal Sdn Bhd	Jay Long “Jerry” Ooi is a common shareholder	Purchase of products	18,824	-
Total			\$ 121,411	\$ 178,939

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TREASURE GLOBAL INC. AND SUBSIDIARY NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Consulting fees from related parties

<u>Name of Related Party</u>	<u>Relationship</u>	<u>Nature</u>	<u>For the Year Ended June 30, 2022</u>	<u>For the Year Ended June 30, 2021</u>
V Capital Investment Limited	Voon Him “Victor” Hoo, the Company’s Chairman and Managing Director is the director of this entity beginning on June 1, 2021.	Consulting fees	\$ 75,000	\$ 25,000
True Sight Sdn Bhd	Su Huay “Sue” Chuah, the Company’s Chief Marketing Officer is a 40% shareholder of this entity	Consulting fees	615,367	207,894
Total			\$ 690,367	\$ 232,894

Related party loan

On December 7, 2020, the Company obtained right of use of a vehicle through signing a trust of deed with Chan Chong “Sam” Teo, the Chief Executive Officer and a shareholder of TGI. In return, the Company is obligated to remit monthly installment auto loan payment related to this vehicle on behalf of the related party mentioned above. The total amount of loan that the Company is entitled to repay is approximately \$27,000 (RM 114,000). The auto loan bear 5.96% of interest rate per annum with 60 equal monthly installment payment due on the first of each month. As of June 30, 2022, such loan has an outstanding balance of \$18,388, of which \$13,883 due after 12 months period and classified as related party loan, non-current portion. The interest expense was \$1,333 and \$787 during the years ended June 30, 2022 and 2021

Note 12 – Stockholders’ Deficiency

Common stock

As of June 30, 2021, TGI is authorized to issue 10,000,000 shares having a par value of \$0.00001 per share. In October 2021, TGI increased its authorized shares to 170,000,000 shares as part of the Reorganization with GEM, consisting of 150,000,000 shares of common stock with \$0.00001 par value, and 20,000,000 shares of preferred stock with \$0.00001 par value. The share capital increased of TGI presented herein is prepared on the basis as if the Reorganization became effective as of the beginning of the first period presented of shares capital of GEM.

Capital contributions

For years ended June 30, 2022 and 2021, the Company’s shareholders made capital contributions of \$0 and \$240,754 to the Company, respectively.

Beneficial conversion feature from issuance of convertible note

On November 13, 2020, the Company issue a convertible note, to an accredited investor, in the aggregate principal amount of \$2,123,600. The Company determined that convertible notes contained a beneficial conversion feature. As a result, the Company recognized the fair value of embedded conversion feature of \$785,065 in the convertible

notes as additional paid-in capital and reduced the carrying value of the convertible notes as a debt discount for year ended June 30, 2021.

On January 3, 2022 and May 13, 2022, the Company entered into 2 loan agreements which allow the third party to convert the loan balance into a number of shares of the Company's common stock as of the closing date of the IPO. As of June 30, 2022, the loan in the aggregate principal amount of \$5,967,215. The Company determined that loan contained a beneficial conversion feature. As a result, the Company recognized the fair value of embedded conversion feature of \$1,231,610 in the convertible notes as additional paid-in capital and reduced the carrying value of the convertible notes as a debt discount for the year ended June 30, 2022.

Common stock issued for consulting service

In July 2021 the Company signed a capital market advisory agreement ("Agreement") with Exchange Listing, LLC ("Consultant"), to engage in advisory service in capital market advisory, corporate governance, and organizational meeting. The term of this Agreement shall commence on the execution date and shall continue until the later of nine months or until the Company is trading on a senior exchange or otherwise extended by both parties. The Company extended the contract term until the Company is trading on a senior exchange. Upon execution of this agreement, the Company will issue 300,000 warrants to the Consultant or its designees exercisable for a period of five years at \$4.00 per share.

The fair value of the warrants is estimated as of the date of grant using the Black-Scholes-Merton option-pricing model with the following assumptions: (1) expected volatility of 49.0%, (2) risk-free interest rate of 0.89%, (3) expected life of 5.0 years, (4) exercise price of \$4.00 and (5) stock price of \$5.48.

On August 15, 2022, the Company had issued the warrants to the Consultant upon completion of its initial underwritten public offering. Meanwhile, on the same date, the Consultant had exercised 157,143 warrants into the Company's common stock using cashless exercising method.

**TREASURE GLOBAL INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

In addition, the Company agrees to sell to the Consultant, or its designees shares of the Company's common stock which equivalents to 2% of the Company's fully – diluted shares outstanding, at \$0.001 per share. The Company determined the fair value of the common stock issued to the Consultant by using the market price \$5.48 per share as per an enterprise per share value appraised from an independent third party. For the year ended June 30, 2022, the Company has issued 232,666 shares of common stock to the Consultant and the stock-based compensation in connection with the service period of these shares amounted to \$1,283,994. In August 2022, after completion of the Company's initial underwritten public offering, the Company had collectively issued 342,499 shares of common stock which equivalents to 2% of the Company's fully – diluted shares outstanding to the Consultant.

Note 13 – Income taxes

The United States and foreign components of loss before income taxes were comprised of the following:

	For the years ended June 30,	
	2022	2021
Tax jurisdictions from:		
- Local – United States	\$ (3,541,832)	\$ (3,557,326)
- Foreign – Malaysia	(8,188,582)	(4,364,254)
Loss before income tax	\$ (11,730,414)	\$ (7,921,580)

The provision for income taxes consisted of the following:

	For the years ended June 30,	
	2022	2021
Tax jurisdictions from:		
- Local – United States	\$ 15,600	\$ 2,000
- Foreign – Malaysia	-	-
Provision for income taxes	\$ 15,600	\$ 2,000

United States of America

TGI was incorporated in the State of Delaware and is subject to the tax laws of the United States of America. As of June 30, 2022, the operations in the United States of America incurred \$1,543,542 of cumulative net operating losses which can be carried forward indefinitely to offset future taxable income. The deferred tax valuation allowance as of June 30, 2022 and 2021 were \$324,144 and \$747,038, respectively.

TGI also subject to controlled foreign corporations Subpart F income ("Subpart F") tax, which is a tax primarily on passive income from controlled foreign corporations with a tax rate of 35%. In addition, the Tax Cuts and Jobs Act imposed a global intangible low-taxed income ("GILTI") tax, which is a tax on certain off-shore earnings at an effective rate of 10.5% for tax years (50% deduction of the current enacted tax rate of 21%) with a partial offset for 80% foreign tax credits. If the foreign tax rate is 13.125% or higher, there will be no U.S. corporate tax after the 80% foreign tax credits are applied.

For the years ended June 30, 2022 and 2021, the Company's foreign subsidiaries did not generate any income that are subject to Subpart F tax and GILTI tax.

Malaysia

GEM is governed by the income tax laws of Malaysia and the income tax provision in respect of operations in Malaysia is calculated at the applicable tax rates on the taxable income for the periods based on existing legislation, interpretations and practices in respect thereof. Under the Income Tax Act of Malaysia, enterprises that incorporated in Malaysia are usually subject to a unified 24% enterprise income tax rate while preferential tax rates, tax holidays and even tax exemption may be granted on case-by-case basis. As of June 30, 2022, the operations in the Malaysia incurred \$12,631,440 of cumulative net operating losses which can be carried forward for a maximum period of seven consecutive years to offset future taxable income. The deferred tax valuation allowance as of June 30, 2022 and 2021 were \$3,031,546 and \$1,066,286, respectively.

**TREASURE GLOBAL INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

The following table reconciles the local (United States) statutory rates to the Company's effective tax rate for the periods indicated below:

	For the years ended June 30,	
	2022	2021
U.S. statutory rate	21.0%	21.0%
Differential of Malaysia statutory tax rate	2.1%	3.0%
Change in valuation allowance	(15.9)%	(24.0)%
Permanent difference (1)	(7.3)%	(0.1)%
Effective tax rate	(0.1)%	(0.1)%

(1) Permanent difference consists of legal and professional fee net with the IPO proceeds, which is non-deductible in the Company's tax return.

The following table sets forth the significant components of the aggregate deferred tax assets of the Company as of:

	As of June 30, 2022	As of June 30, 2021
Deferred tax assets:		
Net operating loss carry forwards in U.S.	\$ 324,144	\$ 747,038
Net operating loss carry forwards in Malaysia	3,031,546	1,066,286
Stock based compensation	179,796	-
Amortization of debt discount	148,081	-
Less: valuation allowance	(3,683,567)	(1,813,324)
Deferred tax assets	\$ -	\$ -

Uncertain tax positions

The Company evaluates each uncertain tax position (including the potential application of interest and penalties) based on the technical merits, and measure the unrecognized benefits associated with the tax positions. As of June 30, 2022 and 2021, the Company did not have any significant unrecognized uncertain tax positions. The Company did not incur interest and penalties tax for the years ended June 30, 2022 and 2021.

Note 14 – Concentrations of risks

(a) Major customers

For the year ended June 30, 2022, no customer accounted for 10.0% or more of the Company's total revenues. For the year ended June 30, 2021, no customer accounted for 10.0% or more of the Company's total revenues.

As of June 30, 2022, no customer account for 10.0% or more of the total balance of accounts receivable. As of June 30, 2021, one customer accounted for 100% of the total balance of accounts receivable.

(b) Major vendors

For the year ended June 30, 2022 one vendor accounted for approximately 95% of the Company's total purchases. For the year ended June 30, 2021, one vendor accounted for approximately 86.2% of the Company's total purchases.

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**TREASURE GLOBAL INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

As of June 30, 2022, three vendors accounted for approximately 45.0%, 22.9%, and 10.9% of the total balance of accounts payable, respectively.

As of June 30, 2021, three vendors accounted for approximately 38.7%, 16.6% and 14.0% of the total balance of accounts payable, respectively.

(c) Credit risk

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash. As of June 30, 2022 and 2021, \$1,845,232 and \$2,843,398 were deposited with financial institutions or fund received from customer being held in third party platform's fund account, respectively, \$1,759,715 and \$2,456,102 of these balances are not covered by deposit insurance. While management believes that these financial institutions are of high credit quality, it also continually monitors their credit worthiness.

Financial instruments that are potentially subject to credit risk consist principally of accounts receivable. The Company believes the concentration of credit risk in its account receivable is substantially mitigated by its ongoing credit evaluation process and relatively short collection terms. The Company does not generally require collateral from customers. The Company evaluates the need for an allowance for doubtful accounts based upon factors surrounding the credit risk of specific customers, historical trends and other information.

(d) Exchange rate risk

The Company cannot guarantee that the current exchange rate will remain steady; therefore, there is a possibility that the Company could post the same amount of profit for two comparable periods and because of the fluctuating exchange rate actually post higher or lower profit depending on exchange rate of RM converted to US\$ on that date. The exchange rate could fluctuate depending on changes in political and economic environments without notice.

Note 15 – Commitments and contingencies

Lease commitments

The Company's commitment for minimum lease payments under the remaining operating leases as of June 30, 2022 for the next five years is as follows:

<u>Years Ending June 30,</u>	<u>Amount</u>
2023	\$ 37,300
2024	37,300
2025	18,650
Total lease payments	<u>\$ 93,250</u>

Rent expense for the years ended June 30, 2022 and 2021 was \$35,032 and \$25,895, respectively.

Contingencies

Legal

From time to time, the Company is party to certain legal proceedings, as well as certain asserted and un-asserted claims. Amounts accrued, as well as the total amount of reasonably possible losses with respect to such matters, individually and in the aggregate, are not deemed to be material to the consolidated financial statements.

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TREASURE GLOBAL INC. AND SUBSIDIARY NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

COVID-19

Since the declaration of the COVID-19 a pandemic on March 11, 2020, by the World Health Organization or WHO, Malaysia has been put through various stages of lockdowns such as (1) full movement control orders ("MCO"), under which, quarantines, travel restrictions, and the temporary closure of stores and facilities in Malaysia were made mandatory, (2) MCO were eased to a Conditional Movement Control Order ("CMCO") where most business sectors were allowed to operate under strict rules and Standard Operating Procedures mandated by the government of Malaysia and (3) CMCO were further relaxed to Recovery Movement Control Order ("RMCO"). On January 12, 2021, due to a resurgence of COVID-19 cases, the Malaysian government declared a state of emergency nationwide to combat COVID-19. Intermittent lockdowns were imposed in various states and districts in the country. February 2021 marked a significant month for Malaysia as all frontline staff of the country, which comprised those in healthcare, police, the Volunteers Department of Malaysia, the Fire and Rescue Department of Malaysia and civil defense sectors were vaccinated. On February 16, 2021, Prime Minister, Tan Sri Muhyiddin Yassin announced that a National COVID-19 Immunization Plan will be implemented for one year after February 2021, which 80% of the Malaysia population will be vaccinated to achieve herd immunization. On March 5, 2021, lockdowns in most part of the country was eased to a CMCO, nevertheless, COVID-19 cases in the country continue to rise. On May 12, 2021, Malaysia was again put under a full lockdown nationwide, until the earlier of (i) daily COVID-19 cases infection of the country fall below 4,000; (ii) intensive Unit Care, or ICU, wards start operating at a moderate level; or (iii) 10% of the Malaysian population is fully vaccinated. The country was administering over 400,000 doses of COVID-19 vaccines daily. On July 17, 2021, the full lockdown was slightly eased as 13.9% of the Malaysian population was fully vaccinated, with another 30% having received at least one dose of the vaccine. The COVID-19 situation in the country showed no sign of abating. Kuala Lumpur and Selangor remained the epicenter of the latest wave of infections. Total COVID-19 cases in the country surpassed the one million mark on July 25, 2021, and daily cases hit a record high of 24,599 on August 26, 2021. Despite the deteriorating COVID-19 state, the government lifted Kuala Lumpur from Enhanced Movement Control Order ("EMCO") ahead of schedule and ended the nationwide state of emergency on August 1, 2021. Parliament met for the first time this year on July 26, 2021. Malaysia pressed on with its National COVID-19 Immunization Plan, fast inoculating its residents. COVID-19 infection started to drop below the 10,000 mark daily, beginning October 3, 2021. Effective October 11, 2021, interstate and international travel restrictions were lifted for residents who had been fully vaccinated against COVID-19 as the country achieved its target of inoculating 90% of its adult population. The government is preparing to shift into an endemic COVID-19 phase where it will not impose wide lockdowns even if cases rise. As of September 13, 2022, over 85% of the country's population have been fully vaccinated.

Substantially all of the Company's revenues are concentrated in Malaysia. Consequently, the Company's results of operations will likely be adversely, and may be materially, affected, to the extent that the COVID-19 or any other epidemic harms the Malaysia and global economy in general. Any potential impact to the results will depend on, to a large extent, future developments and new information that may emerge regarding the duration and severity of the COVID-19 and the actions taken by government authorities and other entities to contain the COVID-19 or treat its impact, almost all of which are beyond the Company's control. Potential impacts include, but are not limited to, the following:

- temporary closure of offices, travel restrictions, financial impact of the Company's customers may be negatively affected, and could continue to negatively affect the demand for the Company's product;
- the Company may have to provide significant sales incentives to its customers during the outbreak, which may in turn materially adversely affect its financial condition and operating results; and
- the Company may experience a slow-down in hiring new personnel which may adversely impact on the Company's business operation.

Because of the uncertainty surrounding the COVID-19 outbreak, the financial impact related to the outbreak of and response to the COVID-19 cannot be reasonably estimated at this time.

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TREASURE GLOBAL INC. AND SUBSIDIARY NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 16 – SUBSEQUENT EVENTS

The Company evaluated all events and transactions that occurred after June 30, 2022 up through the date the Company issued these consolidated financial statements on December 5, 2022.

In July 2022, the Company has drawn additional approximately \$2.7 million from Tophill Loan Agreement 2 ("Agreement 2") on terms identical to the Tophill Loan Agreement 1 which all principal and accrued and unpaid interest outstanding will automatically be converted into shares of our common stock at a conversion price that is equal

to 80% of the initial public offering price.

Upon completion of the Company's initial underwritten public offering on August 15, 2022, the remaining principal and accrued interest balance related to Tophill Loan Agreement 1 and Agreement 2 amounted to approximately \$8.6 million was converted into 2,756,879 shares of common stock with conversion price of \$3.13.

On August 10, 2022, the Company entered into an underwriting agreement (the "Underwriting Agreement") with EF Hutton, division of Benchmark Investments, LLC, as representative of the underwriters named on Schedule 1 thereto (the "Representative"), relating to the Company's initial public offering (the "Offering") of 2,000,000 shares (the "Firm Shares") of the Company's common stock, par value \$0.00001 per share, at an Offering price of \$4.00 per share. Pursuant to the Underwriting Agreement, in exchange for the representative's firm commitment to purchase the Shares, the Company agreed to sell the shares to the representative at a purchase price of \$3.72 (93% of the public offering price per Share of \$4.00); provided however, that with respect to shares that relate to investors sourced by the Company, the purchase price for such shares will be \$3.86 per share (96.5% of the public offering price per Share of \$4.00) and issue the underwriters warrants (the "Representative's Warrants") to purchase an aggregate of 100,000 shares of the Company's common stock, which is equal to five percent (5%) of the shares sold in the Offering, excluding the over-allotment option, at an exercise price of \$5.00, which is equal to 125% of the Offering price. The representative's warrant may be exercised beginning on February 10, 2023, until August 10, 2027. On August 11, 2022, the representative delivered an exercise notice to the Company which exercised its over-allotment option in full to purchase an additional 300,000 shares (the Option Shares" and together with the Firm Shares, the "Shares") under the Underwriting Agreement.

As of date of this report, the Company has received approximately \$1.1 million upon the Representative exercised its over-allotment option.

On August 15, 2022, the Company had closed its initial underwritten public offering of 2,300,000 shares of common stock, which included the full exercise of the underwriter's over-allotment option, at a public price of \$4.00 per share. The Company received net proceeds of approximately \$8.2 million, net of underwriting discounts and commissions and fees, and other estimated offering expenses amounted to approximately \$1.0 million.

Meanwhile the Company had issued 4,175,889 shares of the Company's common stock to various third parties and related parties investor upon conversion of the convertible note payable balance.

On August 15, 2022, the Company had issued additional 109,833 shares of common stock to Exchange listing, LLC ("Consultant") to ensure that the Consultant's total shares of the Company's common stock equivalents to 2% of the Company's fully – diluted shares outstanding in accordance with the capital market advisory agreement ("Agreement") with the Consultant. In addition, the Company also issued 300,000 warrants to the Consultant or its designees exercisable for a period of five years at \$4.00 per share upon completion of the Company's Offering. Meanwhile, on the same date, the Consultant had exercised all of its warrants on cashless basis and received 157,143 shares of the Company's common stock.

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[*] Shares of Common Stock

Pre-funded Warrants to Purchase [*] Shares of Common Stock



TREASURE GLOBAL INC

Treasure Global Inc

PRELIMINARY PROSPECTUS

[*]

_____, 2023

Part II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution.

The following table indicates the expenses to be incurred in connection with the offering described in this registration statement, other than underwriting discounts and commissions, all of which will be paid by us. All amounts are estimated except the Securities and Exchange Commission registration fee and the Financial Industry Regulatory Authority, Inc., or FINRA filing.

	<u>Amount</u>
Securities and Exchange Commission registration fee	\$
FINRA filing fee	
NASDAQ listing fee	

Accountants' fees and expenses	
Legal fees and expenses	
Printing and engraving expenses	
Miscellaneous	
Total expenses	\$

Item 14. Indemnification of Directors and Officers.

Section 102 of the General Company Law of the State of Delaware (“DGCL”) permits a Company to eliminate the personal liability of directors of a Company to the Company or its stockholders for monetary damages for a breach of fiduciary duty as a director, except where the director breached his duty of loyalty, failed to act in good faith, engaged in intentional misconduct or knowingly violated a law, authorized the payment of a dividend or approved a stock repurchase in violation of Delaware corporate law or obtained an improper personal benefit. Our charter provides that no director of the Company shall be personally liable to it or its stockholders for monetary damages for any breach of fiduciary duty as a director, notwithstanding any provision of law imposing such liability, except to the extent that the DGCL prohibits the elimination or limitation of liability of directors for breaches of fiduciary duty.

Section 145 of the DGCL provides that a Company has the power to indemnify a director, officer, employee, or agent of the Company, or a person serving at the request of the Company for another Company, partnership, joint venture, trust or other enterprise in related capacities against expenses (including attorneys’ fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with an action, suit or proceeding to which he was or is a party or is threatened to be made a party to any threatened, ending or completed action, suit or proceeding by reason of such position, if such person acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company, and, in any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful, except that, in the case of actions brought by or in the right of the Company, no indemnification shall be made with respect to any claim, issue or matter as to which such person shall have been adjudged to be liable to the Company unless and only to the extent that the Court of Chancery or other adjudicating court determines that, despite the adjudication of liability but in view of all of the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

If a claim is not paid in full by the Company, the claimant may at any time thereafter bring suit against the Company to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall also be entitled to be paid the expense of prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where any undertaking required by the Bylaws has been tendered to the Company) that the claimant has not met the standards of conduct which make it permissible under the DGCL for the Company to indemnify the claimant for the amount claimed, but the burden of proving such defense shall be on the Company. Neither the failure of the Company (including its board of directors (“Board”), legal counsel, or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the DGCL, nor an actual determination by the Company (including its Board, legal counsel, or its stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct. Indemnification shall include payment by the Company of expenses in defending an action or proceeding in advance of the final disposition of such action or proceeding upon receipt of an undertaking by the person indemnified to repay such payment if it is ultimately determined that such person is not entitled to indemnification.

In any underwriting agreement we enter into in connection with the sale of common stock being registered hereby, the underwriters will agree to indemnify, under certain conditions, us, our directors, our officers and persons who control us within the meaning of the Securities Act of 1933, as amended, or the Securities Act, against certain liabilities.

Item 15. Recent Sales of Unregistered Securities.

Since the Company’s incorporation on March 20, 2020, the registrant has granted or issued the following securities of the registrant that were not registered under the Securities Act, as amended.

(a) Issuance of Capital Stock.

On July 1, 2020 the Company issued 10,000,000 shares of its common stock to Kok Pin “Darren” Tan, our former Chief Executive Officer, who has subsequently transferred his shares to 16 persons and entities and holds less than 5% of the Company’s common stock

On July 1, 2021 the Company issued 232,666 shares of its common stock to Exchange Listing LLC pursuant to a consulting agreement.

On October 27, 2021 the Company issued 312,585 shares of its common stock to three individuals pursuant to a Share Swap Agreement, as amended in consideration for all of the equity of Gem Reward Sdn.Bhd.

The issuance of the capital stock listed above was deemed exempt from registration under Section 4(a)(2) of the Securities Act or Regulation D promulgated thereunder in that the issuance of securities were made to an accredited investor and did not involve a public offering. The recipient of such securities represented its intention to acquire the securities for investment purposes only and not with a view to or for sale in connection with any distribution thereof.

(b) Warrants.

On July 1, 2021, we issued a five-year warrant to purchase 300,000 shares of our common stock to Exchange Listing, LLC pursuant to a consulting agreement dated July 1, 2021 between us and Exchange Listing, LLC. The warrant exercise price of \$4.00 per share.

The issuance of the warrants listed above were deemed exempt from registration under Section 4(a)(2) of the Securities Act or Regulation D promulgated thereunder in that the issuance of securities were made to an accredited investor and did not involve a public offering. The recipient of such securities represented its intention to acquire the securities for investment purposes only and not with a view to or for sale in connection with any distribution thereof.

(c) Option Grants.

None.

The option described above were deemed exempt from registration in reliance on Section 4(a)(2) of the Securities Act or Regulation D promulgated thereunder in that the issuance of securities were made to an accredited investor and did not involve a public offering. The recipients of such securities represented its intention to acquire the securities for investment purposes only and not with a view to or for sale in connection with any distribution thereof.

(d) Issuance of Notes.

On November 13, 2020, we issued a 13.33% Convertible Redeemable Note in the principal amount of \$2,123,600 to Space Capital Berhad, a Malaysian public company (the "Space Capital Note"). The Space Capital Note converted into 530,900 shares of our common stock on the closing date of our initial public offering.

On May 20, 2021, we issued a Convertible Redeemable Note in the principal amount of \$1,149,000.00 to Kainan Resources Sdn Bhd, a Malaysian private limited company (the "Kainan Note"). The Kainan Note converted into 166,522 shares of our common stock on the closing date of our initial public offering.

On May 20, 2021, we issued a Convertible Redeemable Note in the principal amount of \$1,400,000.00 to V Capital Kronos Berhad, a Malaysian public company and a more than 10% stockholder of the Company (the "V Capital Note"). The V Capital Note converted into 202,899 shares of our common stock on the closing date of our initial public offering.

On June 20, 2021, we issued a Convertible Redeemable Note in the principal amount of \$772,713.20 to Repro Solution Sdn Bhd, a Malaysian private limited company and an existing stockholder of the Company (the "Repro Note"). The Repro Note converted into 111,988 shares of our common stock on the closing date of our initial public offering.

On June 30, 2021, we issued a 12% Redeemable Senior Note in the principal amount of \$65,000.00 to Yong Kim Fong, a Malaysian citizen (the "Fong Note"). The Fong Note was paid in full on the closing date of our initial public offering.

On July 10, 2021, we issued a Convertible Redeemable Note in the principal amount of \$36,879.00 to Tan Ann Bee, an existing stockholder of the Company (the "Bee Note"). On June 30, 2021, the Securities Purchase Agreement related to the Bee Note was executed and on such date the Company received \$36,879.00 for the purchase of the Bee Note. The Bee Note converted into 5,344 shares of our common stock on the closing date of our initial public offering.

On July 29, 2021, we issued a Convertible Redeemable Note in the principal amount of \$236,462.52 to Kainan Resources Sdn Bhd, a Malaysian private limited company (the "Kainan Note 2"). The Kainan Note 2 converted into 34,270 shares of our common stock on the closing date of our initial public offering.

On September 22, 2021, we issued a Convertible Redeemable Note in the principal amount of \$240,442.41 to Chuah Su Mei, an existing stockholder of the Company (the "Chuah Note"). The Chuah Note converted into 34,847 shares of our common stock on the closing date of our initial public offering.

On October 20, 2021, we issued a Convertible Redeemable Note in the principal amount of \$120,235.66 to Click Development Berhad, a Malaysian company and an existing stockholder of the Company (the "Click Note"). The Click Note converted into 17,425 shares of our common stock on the closing date of our initial public offering.

On November 4, 2021, we issued a Convertible Redeemable Note in the principal amount of \$120,555.15 to Whitney Tan Ann Bee, an existing stockholder of the Company (the "Whitney Bee Note"). The Whitney Bee Note converted into 17,472 shares of our common stock on the closing date of our initial public offering.

On November 4, 2021, we issued a Redeemable Convertible Note in the principal amount of \$1,013,106.38 to Repro Solution Sdn Bhd, a Malaysian private limited company and an existing stockholder of the Company (the "Repro Note 2"). The Repro Note 2 converted into 146,827 shares of our common stock on the closing date of our initial public offering.

On November 5, 2021, we issued a Convertible Redeemable Note in the principal amount of \$108,590.73 to World Cloud Ventures Sdn Bhd, a Malaysian private company and an existing stockholder of the Company (the "World Cloud Note"). The World Cloud Note converted into 15,738 shares of our common stock on the closing date of our initial public offering.

On January 3, 2022, we issued a Convertible Redeemable Note in the principal amount of \$568,308.87 to Cloudmaxx Sdn Bhd, a Malaysian private company (the "Cloudmaxx Note"). The Cloudmaxx Note converted into 82,363 shares of our common stock on the closing date of our initial public offering.

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On January 3, 2022, we entered into a Loan Agreement (the "Tophill Loan Agreement 1") with Tophill Holding Sdn. Bhd ("Tophill"), pursuant to which Tophill provided us with a revolving loan facility to borrow up to RM 20,000,000 (approximately \$4,800,000) at 3.5% per annum, which is payable on demand. On March 15, 2022 the Tophill Loan Agreement 1 was amended to provide that (i) all principal and accrued and unpaid interest outstanding under the Tophill Loan Agreement 1 on the closing of our initial public offering will automatically be converted into shares of our common stock at a conversion price that is equal to 80% of the initial public offering price and (ii) the Tophill Loan Agreement 1 terminates on the closing date of our initial public offering. As of [*], 2023, RM [*] (approximately \$[*] million) is outstanding under this facility.

On May 13, 2022, we entered into an additional Loan Agreement (the "Tophill Loan Agreement 2") with Tophill, pursuant to which Tophill provided us with a revolving loan facility to borrow up to RM 50,000,000 (approximately \$11,900,000) with terms that are identical to the Tophill Loan Agreement 1, as amended. As of [*], 2023, RM [*] (approximately \$[*] million) is outstanding under this facility.

On February 28, 2023, we entered into the Securities Purchase Agreement (the "Securities Purchase Agreement") with YA II PN, Ltd. (the "Selling Stockholder"), pursuant to which the Selling Stockholder agreed to purchase the Convertible Debentures, in the aggregate principal amount of up to \$5,500,000 in a private placement for a purchase price with respect to each Convertible Debenture of 92% of the initial principal amount of such Convertible Debenture. The purchase by the Selling Stockholder of the First Convertible Debenture which has an initial issuance principal amount of \$2,000,000 occurred on February 28, 2023 for a purchase price of \$1,840,000 and the closing of the purchase of the Second Convertible Debenture which has an initial issuance principal amount of \$3,500,000 occurred shortly after the registration statement related to the prospectus for the shares of common stock issuable upon the conversion of the Convertible Debentures was declared effective by the SEC for a purchase price of \$3,220,000. The total purchase price paid to us by the Selling Stockholder for the Convertible Debentures in the Private Placement was \$5,060,000. As of July 31, 2023, \$[*] is outstanding under the Convertible Notes, net of unamortized discounts of \$[*].

The notes and loan described above was deemed exempt from registration in reliance on Section 4(a)(2) of the Securities Act or Regulation D promulgated thereunder in that the issuance of securities were made to an accredited investor and did not involve a public offering. The recipients of such securities represented its intention to acquire the securities for investment purposes only and not with a view to or for sale in connection with any distribution thereof.

Item 16. Exhibits and Financial Statement Schedules.

(a) *Exhibits*: Reference is made to the Exhibit Index following the signature pages hereto, which Exhibit Index is hereby incorporated into this Item.

EXHIBIT INDEX

Exhibit No.	Description
1.1*	Form of Underwriting Agreement
3.1+	Certificate of Incorporation of the Registrant
3.2+	Bylaws of the Registrant
3.3+	Amendment to Certificate of Incorporation of the Registrant
4.1*	Form of Pre-Funded Warrant
4.2*	Warrant Agent Agreement
5.1*	Opinion of Counsel to Registrant
10.1++	Common Stock Securities Purchase Agreement dated February 28, 2023 between the Registrant and YA II PN Ltd
10.2++	Form of Convertible Promissory Note issued pursuant to a Securities Purchase Agreement
10.3++	Registration Rights Agreement dated February 28, 2023 between the Registrant and YA II PN Ltd
10.4+	Investment Agreement dated November 1, 2020 between the Registrant and Space Capital Berhad
10.5+	13.33% Convertible Redeemable Note issued by the Registrant on November 13, 2020 to Space Capital Behard in the principal amount of \$2,123,600
10.6+	Collaboration Agreement dated March 21, 2022 between GEM Reward SDN BHD and TNG Digital SDN BHD.
10.7+	Business Partner Agreement dated February 8, 2022 between Public Bank and Gem Reward Sdn Bhd
10.8+	Agreement dated August 6, 2021 between iPay88 (M) Sdn. Bhd. and Gem Reward Sdn Bhd.
10.9+	Partnership Agreement dated as of December 16, 2021 between Gem Reward Sdn Bhd and Digi Telecommunications Sdn Bhd.
10.10+	Collection Services Agreement dated as of August 11, 2021 between ATX Distribution Sdn Bhd and Gem Reward Sdn Bhd.
10.11+	Service Provider Agreement effective January 1, 2022 between Coup Marketing Asia Pacific Sdn. Bhd. d/b/a Pay's Gift and Gem Reward Sdn. Bhd.
10.12+	Reseller Agreement dated April 12, 2021 between MOL Accessportal Sdn. Bhd. d/b/a Razer Gold and Gem Reward Sdn. Bhd.
10.13+	Merchant Services Agreement dated August 17, 2021 between Morganfield's and Gem Reward Sdn. Bhd.
10.14+	Merchant Services Agreement dated August 17, 2021 between The Alley and Gem Reward Sdn. Bhd.
10.15+	Merchant Services Agreement dated August 17, 2021 between Hui Lau Shan and Gem Reward Sdn. Bhd.
10.16+	Employment Agreement dated July 1, 2020 between Chong Chan "Sam" Teo and the Registrant
10.17+	Employment Agreement dated October 15, 2020 between Yee Fei "Jaylvin" Chan and the Registrant
10.18+	Employment Agreement dated March 1, 2021 between Su Huay "Sue" Chuah and the Registrant
10.19+	Employment Agreement dated June 1, 2021 between Voon Him "Victor" Hoo and the Registrant
10.19+	Employment Agreement dated June 16, 2021 between Su Chen "Chanell" Chuah and the Registrant
10.20+	Extension of Voon Him "Victor" Hoo Employment Agreement dated June 15, 2022
10.21	Collaboration Agreement dated July 19, 2023, by and between the Registrant and VCI Global Limited
10.22	Software Development Agreement dated July 20, 2023, by and between Gem Reward Sdn. Bhd. and VCI Global Limited
21.1+	List of Subsidiaries of the Company
23.1*	Consent of Friedman LLP
23.2*	Consent of Counsel to Registrant (included in Exhibit 5.1)
107*	Fee Table

* To be filed by amendment.

+ Incorporated by reference to the Company's Registration Statement on Form S-1 (File No. 333-264364), filed on August 1, 2022.

++ Incorporated by reference to the Company's Current Report on Form 8-K (File No. 001-41476), filed on March 1, 2023.

(b) **Financial Statement Schedules:** All schedules are omitted because the required information is inapplicable or the information is presented in the financial statements and the related notes.

Item 17. Undertakings.

The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by section 10(a)(3) of the Securities Act of 1933, as amended (the "Securities Act");

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Securities and Exchange Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement; and

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement; provided, however, that paragraphs (1)(i), (1)(ii) and (1)(iii) above do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the Securities and Exchange Commission by the registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement, or is contained in a form of prospectus filed pursuant to Rule 424(b) that is part of the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) That, for the purpose of determining liability under the Securities Act to any purchaser:

(A) Each prospectus filed by the registrant pursuant to Rule 424(b)(3) shall be deemed to be part of the registration statement as of the date the filed prospectus was deemed part of and included in the registration statement; and

(B) Each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.

(5) That for the purpose of determining liability of the registrant under the Securities Act to any purchaser in the initial distribution of securities, the undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

- (i) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;
- (ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;
- (iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and
- (iv) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to any charter provision, by law or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized in the City of New York, State of New York, on _____, 2023.

TREASURE GLOBAL INC

By: _____

Chong Chan "Sam" Teo
Chief Executive Officer
(Principal Executive Officer)

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

<u>Name</u>	<u>Position</u>	<u>Date</u>
<u>/s/</u> Chong Chan "Sam" Teo	Chief Executive Officer and Director (Principal Executive Officer)	, 2023
<u>/s/</u> Michael Chan Meng Chun	Chief Financial Officer (Principal Financial and Accounting Officer)	, 2023
<u>/s/</u> Ho Yi Hui	Director	, 2023
<u>/s/</u> Joseph R. "Bobby" Banks	Director	, 2023
<u>/s/</u> Marco Baccanello	Director	, 2023
<u>/s/</u> Jeremy Roberts	Director	, 2023

