



BEAT HOLDINGS LIMITED

貝德控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(TSE Stock Code: 9399)

NOTICE OF ANNUAL GENERAL MEETING

A notice convening the annual general meeting (the “Annual General Meeting”) of the Company to be held at 2F, “Meeting Room A”, Hotel Asia Center of Japan, 8-10-32, Akasaka, Minato-ku, Tokyo, Japan, on September 8, 2025 at 10:00 a.m. (Tokyo time) together with reference materials are contained in this document. Whether or not you are able to attend the Annual General Meeting, you are requested to complete and return the form of proxy enclosed with this document, in accordance with the instructions printed thereon as soon as possible, and in any event not less than 48 hours before the time of the Annual General Meeting (or adjournment thereof) to the Company, Beat Holdings Limited, at Suite 2103 Infinitus Plaza, 199 Des Voeux Road Central, Hong Kong. Completion and return of the form of proxy shall not preclude you from attending and voting (where applicable) at the Annual General Meeting should you so wish and in such an event, the instrument appointing a proxy shall be deemed to be revoked.

Note: In accordance with the amended and restated articles of association of the Company (as amended), only registered shareholders whose names appear on the Company’s register of members as of March 25, 2025 (record date) are permitted to attend and, where applicable, to vote at the Annual General Meeting. Accordingly, beneficial shareholders who held shares through a clearing system such as Japan Securities Depository Center, Inc. (“JASDEC”) on March 25, 2025 (record date), must exercise voting rights attaching to such deposited shares through JASDEC by sending back the proxy form to reach Mitsubishi UFJ Trust and Banking Corporation by 1:00 p.m. Tokyo time on September 2, 2025, and are not permitted to vote directly at the Annual General Meeting as beneficial shareholders. Such beneficial shareholders will, however, be permitted to attend at the meeting and ask questions during the meeting, provided that each of them verifies himself/herself as a beneficial shareholder as of March 25, 2025 (record date) by presenting his/her official identity card and this Notice of Annual General Meeting together with the envelope in which this Notice was enclosed at the entrance to the meeting. For more information, please consult your standing proxy in Japan or your local broker.

August 15, 2025

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE
ATTENTION**

August 15, 2025

To Shareholders,

**NOTICE OF THE
ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholder,

Thank you for your continued support of Beat Holdings Limited (the “Company” or “Beat”).

You are hereby cordially invited to attend the 2025 Annual General Meeting of the Company (the “Annual General Meeting” or “AGM”) the details of which are provided in this notice. In the event that you are unable to attend the meeting, you may exercise your voting rights by proxy. In order to do so, please read the reference documents below, indicate your approval or disapproval of the proposals on the agenda on the enclosed proxy form and return the form to the Company, Beat Holdings Limited, at Suite 2103 Infinitus Plaza, 199 Des Voeux Road Central Hong Kong for the attention of Ms. Annie Chan by 9:00 a.m. by September 6, 2025.

Details of the meeting

1. Date and time: September 8, 2025 at 10:00 a.m. (Tokyo time)
2. Place: 2F, “Meeting Room A”, Hotel Asia Center of Japan,
8-10-32, Akasaka, Minato-ku, Tokyo, Japan
3. Agenda for the meeting:

a) Matters to be reported:

Report on the business report and consolidated income statements for the period from January 1, 2024 to December 31, 2024 and consolidated balance sheets as of December 31, 2024.

b) Matters to be resolved:

Item No. 1 - To re-elect Mr. Chin Siang Hui as Director (Ordinary Resolution)

Item No. 2 - To approve Sub-division of Shares (Ordinary Resolution)

Item No. 3 - To approve Issuance of Stock warrants with Consideration (Stock Acquisition Rights) to Directors and Officers (Ordinary Resolution)

The Business Report, extracts of consolidated income statements and consolidated balance sheets and audit committee report and external auditor’s report to be provided along with the Notice of Annual General Meeting of Shareholders are included in the following pages.

Yours faithfully,

Chin Siang Hui

*Chairman of the Board,
Chief Executive Officer and
Chief Financial Officer*

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ATTENTION**

Note: In accordance with the amended and restated articles of association of the Company (as amended), only registered shareholders whose names appear on the Company's register of members as of March 25, 2025 (record date) are permitted to attend and, where applicable, to vote at the AGM. Accordingly, beneficial shareholders who held shares through JASDEC on March 25, 2025 (record date), must exercise voting rights attaching to such deposited shares through JASDEC by sending back the proxy form to reach Mitsubishi UFJ Trust and Banking Corporation by 1:00 p.m. Tokyo time on September 2, 2025 and are not permitted to vote directly at the Annual General Meeting as beneficial shareholders. Such beneficial shareholders will, however, be permitted to attend the meeting and ask questions during the meeting provided that each of them verifies himself/herself as a beneficial shareholder as of March 25, 2025 (record date) by presenting his/her official identity card and this Notice of Annual General Meeting together with the envelope in which this Notice was enclosed at the entrance to the meeting. For more information, please consult your standing proxy in Japan or your local broker.

Reporting Matter

Report on the business report and consolidated income statements for the period from January 1, 2024 to December 31, 2024 and consolidated balance sheets as at December 31, 2024.

BUSINESS REPORT FOR THE YEAR ENDED DECEMBER 31, 2024 (JANUARY 1, 2024 - DECEMBER 31, 2024)

I. Overview of Operations

1. Business and Operating Results

The Group's main businesses in the year ended December 31, 2024 are "Licensing Business" and "Messaging Business".

Net Sales was US\$1,822 thousand (JP¥288 million) for the year ended December 31, 2024, as compared to US\$2,348 thousand (JP¥371 million) for the year ended December 31, 2023.

Lower net sales in 2024 are primarily attributable to decrease in sales of Messaging Business segment.

As for the Licensing Business segment, net sales was US\$- thousand (JP¥- million) for the year ended December 31, 2024. As for the Messaging Business segment, net sales was US\$1,822 thousand (JP¥288 million) for the year ended December 31, 2024. As for the Others segment, net sales was US\$- thousand (JP¥- million) for the year ended December 31, 2024.

2024 Outline of Service Line

Licensing Business

The Licensing Business offers service in licensing intellectual properties and other rights related to mobile devices and applications.

Messaging Business

The Messaging Business provides services in areas of A2P Messaging Service, and software products and services.

2. Capital Expenditures

Our capital expenditure needs are primarily the purchase of computer equipment for data storage, networking purposes, and delivery of information and messages to clients. Total capital expenditures were US\$ 12 thousand (JP¥2 million) for the twelve months ended December 31, 2024.

3. Financing

Primary financing sourcing during 2024 was from exercise of 6,495,500 stock acquisition rights issued by third party allotment (DES) on April 30, 2024.

4. Issues To Be Resolved

We continue to take proper steps to resolve the following issues relating to our business:

Serious financial difficulties are limiting the resource of management, which in a normal course should have been used for business development. The Company had huge loss in the past and lost huge amount of fund. In the consolidated fiscal year ended December 31, 2024, we have continuously recorded operating loss, ordinary loss and net loss attributable to owners of parent continuously from the prior consolidated fiscal year. The Group is continuously facing with serious financial difficulties.

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- 1) The assets of the Group are very small, and the Group does not have sufficient resources to expand its business. As the revenue cannot cover the cost and expenses, which lead to the overall severe loss of the Group.
- 2) Continuously from the prior consolidated fiscal year, the Group incurred operating loss of US\$2,631 thousand (JP¥416 million) and net loss attributable to owners of parent of US\$3,416 thousand (JP¥540 million), and net cash used in operating activities was US\$3,244 thousand (JP¥513 million) in the consolidated fiscal year ended December 31, 2024. The income and the cash flow of the Group's business is low, which lead to the lack of cash of the Group.

Counter-measures:

- Cut overall corporate and operating costs further to reduce loss or improve profitability of business.
- Utilize limited fund to promote investment activities.
- Search for potential new investors/partners to get new development opportunities by various ways, including but not limited to business alliances.
- Acquire new revenue streams by fund to be raised through new fund raising.

5. Growth Strategy

The Company is planning to utilize its network and foundation in Asian countries, and focus on to expand Licensing and Messaging Business, while actively and strategically proceed in investment activities in the future.

6. Results of Operations and Assets

Key Financial Data for the Group:

	Fiscal Year Ended December 31, 2024		Fiscal Year Ended December 31, 2023		Fiscal Year Ended December 31, 2022		Fiscal Year Ended December 31, 2021	
	US\$ thousands	JP¥ millions	US\$ thousands	JP¥ millions	US\$ thousands	JP¥ millions	US\$ thousands	JP¥ millions
Turnover	1,822	288	2,348	371	2,298	364	3,845	608
Operating income / △ loss	△2,631	△416	△2,604	△412	△2,274	△360	△4,195	△664
Ordinary income / △ loss	△3,414	△540	△3,183	△503	△2,366	△374	△6,075	△961
Net income / △ loss attributable to owners of parent for the year	△3,416	△540	△3,180	△503	△2,373	△375	△15,785	△2,497
EBITDA*	△2,427	△384	△2,399	△379	△2,048	△324	△2,920	△462
Net assets	15,209	2,406	△1,725	△273	1,379	218	△2,945	△466
Total assets	19,970	3,159	12,041	1,905	43,966	6,955	4,627	732
	US\$	JP¥	US\$	JP¥	US\$	JP¥	US\$	JP¥
Net assets per share	0.84	132.87	△0.01	△1.58	△0.04	△6.33	△0.05	△7.91
Net income / △ loss per share	△0.57	△90.16	△0.02	△3.16	△0.04	△6.33	△0.28	△44.29

Notes:

1. Consumption tax is not included in turnover.
2. The financial statements of the Group are stated in U.S. dollars. In accordance with Article 134 of the Financial Statements rules, the amounts in Japanese yen are calculated by the foreign currency exchange rate (middle rate), being US\$1.00 = JP¥158.18 from the quotations by the MUFG Bank, Ltd. for buying and selling spot US\$ by telegraphic transfer against yen as of December 30, 2024. Please note that these Japanese yen amounts are stated only for the purpose of convenience. Therefore, it is not assured that the amounts in U.S. dollars could be exchanged to Japanese yen amounts calculated by the above-mentioned exchange rate.
3. We define EBITDA in relation to our financial statements under the accounting principles generally

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accepted in Japan (“Japanese GAAP”) as operating income or loss plus depreciation and amortization of goodwill. EBITDA is presented because we believe that it is an important measure of our financial performance. EBITDA is not a Japanese GAAP measurement and should not be considered in isolation or as a substitute for income or cash flow statement data prepared in accordance with applicable generally accepted accounting principles. It should be understood that items excluded in calculating EBITDA, such as depreciation and amortization, are significant components in understanding and assessing the Company’s performance.

4. The disclosure documents of the Group included in this document have been prepared in accordance with Disclosure Rules for Financial Statements and in conformity with Japanese GAAP.

Additionally, financial statements in accordance with International Financial Reporting Standards (“IFRS”) have been prepared for global investors in accordance with the Company’s past practice. Significant differences between Japanese GAAP and IFRS as applied to us include those relating to share issuance costs, listing related costs, amortization and impairment of goodwill, share based payments, redeemable preferred shares, and issuance of warrants.

For reference only

	Fiscal Year Ended December 31, 2024		Fiscal Year Ended December 31, 2023		Fiscal Year Ended December 31, 2022		Fiscal Year Ended December 31, 2021	
	US\$ thousands	JP¥ millions	US\$ thousands	JP¥ millions	US\$ thousands	JP¥ millions	US\$ thousands	JP¥ millions
Turnover	1,822	288	2,348	371	2,298	364	2,171	343
Net income / △ loss attributable to owners of parent for the year	△3,423	△541	△3,134	△496	△2,364	△374	△14,791	△2,340
EBITDA*	△2,748	△435	△2,631	△416	△2,067	△327	△10,117	△1,600

Notes: 1) We define EBITDA in relation to our IFRS financial statements as profit (loss) before interest expense, tax, depreciation and amortization.

II. Overview of the Company (as of December 31, 2024)

1. Principal Business

Beat Holdings Limited incorporated and registered under the Companies Act of Cayman Islands, headquartered in Hong Kong, with subsidiaries in Singapore, Malaysia, Indonesia, Japan, China and Canada. The Company offers service in licensing intellectual properties and offers A2P Messaging Service, Software Products and Services.

2. Main Offices (including subsidiaries)

Head Office Address: Suite 2103, Infinitus Plaza, 199 Des Voeux Road Central, Hong Kong.

Office address in Malaysia: B-3-2, Level 3, Tower B, North Point Offices, Mid Valley City, No.1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Malaysia.

Office address in Indonesia: Wisma Staco, Lantai 5, Jalan Casablanca Kav. 18, Menteng Dalam, Tebet, Jakarta Selatan 12870, Indonesia.

3. Share Capital (Ordinary, Preferred and Deferred shares)

- (1) Total Number of Authorised Shares: 20,000,000,000.00 shares as of December 31, 2024

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- (2) Total Number of Issued Shares: 18,203,557.76 shares as of December 31, 2024
- (3) Number of Shareholders: 8,350 shareholders as of December 31, 2024
- (4) Major shareholders (As of December 31, 2024)

Name of Shareholder	Ownership of shares (Shares)	Percentage (%)
LIAN YIH HANN	9,000,001	49.44%
LAI MAN KON	6,066,992	33.33%
KHOO JIE XIONG	1,262,000	6.93%
PHILLIP SECURITIES CUSTOMER	788,494	4.33%
NAOYA HARANO	204,000	1.12%
SGPITAKUGUCHI	34,596	0.19%
GOLDMAN SACHS INTERNATIONAL	27,384	0.15%
BARCLAYS CAPITAL SECURITIES	21,609	0.12%
AOKI HISASHI	20,000	0.11%
KUDOU RIE	19,220	0.11%

4. Acquisition, Disposal and others of Treasury Shares

The Company has not acquired nor disposed of any treasury shares in 2024.

5. Employees (as of December 31, 2024)

Number of Employees	Change from End of Previous Term	Average Age (years)	Average Length of Service (years)
43	Down 18	31.44	5.16

Notes:

- The number of employees stated above covers all employees engaged in operations on a consolidated basis.
- In addition to the employees described above, the Company employs 3 persons on a contract basis.

6. Major Lenders (as of December 31, 2024)

As of December 31, 2024, the Company (excluding subsidiaries) had no major lenders of loan.

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7. *Directors and Executive Officers (as of December 31, 2024)*

(1) Directors

Position	Name	Responsibilities
Chairman of the Board of Directors, CEO and CFO, Chairman of Compensation Committee and Investment Committee	Chin Siang Hui	CEO and CFO of the Company and responsible for the whole management of the Company, Chairman of Compensation Committee and Investment Committee
Independent Director and Chairman of Audit Committee and member of Compensation Committee and Investment Committee	Naoya Harano	Chairman of Audit Committee, and member of Compensation Committee and Investment Committee
Independent Director and member of Audit Committee	Chang Tzu-Ing	Member of Audit Committee

Notes:

- Mr. Naoya Harano is an independent director appointed on March 30, 2021.
Mr. Chin Siang Hui is an executive director appointed on July 9, 2021.
Ms. Chang Tzu-Ing is an independent director appointed on July 9, 2021.
- The Committee System of the Company is as follows:

Audit Committee

Chairman : Naoya Harano (with effect from March 30, 2021)

Member : Chang Tzu-Ing (with effect from July 9, 2021)

Compensation Committee

Chairman : Chin Siang Hui (with effect from July 9, 2021)

Member : Naoya Harano (Chairman with effect from March 30, 2021, member with effect from July 9, 2021)

Investment Committee

Chairman : Chin Siang Hui (with effect from July 9, 2021)

Member : Naoya Harano (Chairman with effect from March 30, 2021, member with effect from July 9, 2021)

Matters related to independent directors

- Directorships with executive authority at other companies; other outside directorships
None.
- The independent director has no special relationship with directors, officers or employees of the subsidiaries or affiliates or business partner of the Company.
- Attendance at Board / Committee meetings (No. of attendance / No. of meetings during tenure in 2024)

	Board meeting	Audit Committee	Compensation Committee	Investment Committee
Chin Siang Hui	15/15	4/4	--	--
Naoya Harano	13/15	4/4	--	--
Chang Tzu-Ing	15/15	4/4	--	--

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(2) Executive Officer

Position	Name	Responsibilities
Chief Executive Officer (CEO)	Chin Siang Hui	Responsible for developing and executing the Company's vision and growth strategies
Chief Financial Officer (CFO)	Chin Siang Hui	Formulates and executes the Company's overall financial strategy and financial management plan

8. Matters Concerning Principal Business Combinations

(1) Principal subsidiaries (as at December 31, 2024)

Company Name	Issued Share Capital	Equity held or controlled by the Company	Main Business
Beat Holdings Japan Limited ☉	JP¥10,000,000.00	100%	Provision of financial information products
Xinhua Holdings (HK) Limited ☉	HK\$10,000.00	100%	Parent of subsidiaries in Japan and China
Xinhua Financial Network (Beijing) Limited ☉	US\$2,550,000.00	100%	Provision of financial information products
Xinhua Financial Network (Shanghai) Limited ☉	US\$10,750,000.00	100%	Provision of financial information products
Xinhua Mobile Limited	US\$1,000.00	100%	Provision of licensing related services
Xinhua Mobile (Hong Kong) Limited	HK\$10,000.00	100%	Provision of licensing related services
GINSMS Inc. ☉	CAD15,148,160.00	52.29%	Provision of messaging related services
Global Edge Technology Limited ☉	HK\$6,500,000.00	52.29%	Provision of messaging related services
Redstone Resources Limited ☉	US\$2.00	52.29%	Provision of messaging related services
GIN International Limited	HK\$100.00	52.29%	Provision of messaging related services
Inphosoft Group Pte Ltd. ☉	SGD1,614,500.00	52.29%	Provision of messaging related services
Inphosoft Malaysia Sdn Bhd	MYR100,000.00	52.29%	Provision of messaging related services
PT Inphosoft Indonesia	IDR962,500,000.00	51.77%	Provision of messaging related services
Inphosoft Singapore Pte Ltd.	SGD300,000.00	52.29%	Provision of messaging related services
Beat Chain Pte. Ltd. ☉	SGD2,000.00	100.00%	Development of blockchain related services

Note: Subsidiaries marked ☉ are currently not conducting business.

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(2) Equity method affiliates *(as at December 31, 2024)*

Company Name	Issued Share Capital	Equity held or controlled by the Company	Main Business
Fame Rich Enterprises Limited	US\$20,000	30%	Holding company
Express Surplus Limited	HK\$100	30%	Holding company
Yuet Fat Group Limited	HK\$200,000,000	30%	Property Investment

(3) Events and results related to business combination

The Company has 15 consolidated subsidiaries, including the principal subsidiaries listed above, and 3 affiliates subject to the equity method.

9. Stock Acquisition Rights

Not applicable

10. Matters to be Necessary for the Performance of Functions of the Audit Committee

The Company has established an Audit Committee, as of December 31, 2024, the Audit Committee consist of two independent non-executive directors. The purpose of the Audit Committee is to assist the board by reviewing (i) quarterly and annual financial information of the Company; (ii) external and internal audit reports; and (iii) systems of corporate governance and control which management and the board have established.

Currently, as of December 31, 2024, the Audit Committee comprises a minimum of two directors who are neither officers or employees of the Company, nor officers or employees of any subsidiary of the Company. 50% of the Audit Committee will be independent non-executive directors of the Company and the Chairman of the Audit Committee will be an independent non-executive director of the Company.

The Audit Committee will have full and unlimited access to all books and accounts of the Company and shall have the following duties and responsibilities:

- (1) reviewing, in draft form, the Company's annual report and accounts and quarterly reports and providing advice and comments thereon to the board;
- (2) reviewing and supervising the Company's financial reporting and internal control procedures; and
- (3) monitoring the execution of duties of directors and executive officers.

Aria Audit Corporation has been appointed as the independent auditors of the Company. The financial statements of the Company are audited by the independent auditors in accordance with auditing standards generally accepted in Japan. The independent auditor makes a written report on the financial statements in accordance with Japanese GAAP and the report of the independent auditor is submitted to the general shareholders meeting. Aria Audit Corporation and RSM Hong Kong conducted independent review on our internal control policies in compliance with Japanese SOX, and to determine the effectiveness of the internal control over financial reporting in the fiscal year of 2024. An audit report for the internal control report of the Company has been issued by Aria Audit Corporation to be filed with the Kanto Local Finance Bureau simultaneously with the Company's annual security report.

11. Compensation Committee's Policies about Directors and Executive Officers' Compensation

The Company has established a Compensation Committee consists of one director and one independent non-executive directors of the Company. The purpose of the Compensation Committee is to assist the board by reviewing and determining the compensation to be paid to employees and officers of the Company. The Committee is authorized to do all things that the board would otherwise be authorized to do in respect of compensation of officers and employees of the Company and full minutes of all meetings of the Compensation Committee must be kept and filed with the Company.

12. Bonuses and other compensation paid to Directors and Independent Auditors

(1) Compensation for Directors

The compensation for directors is determined by the board and in turn may be delegated to the Compensation Committee established by the board. The Compensation Committee shall consist of no fewer than two directors as determined by a resolution of the board. Such remuneration shall be divided amongst the members of the board in such proportions and in such manner as the board or the Compensation Committee (as the case may be) may agree, or, failing agreement, equally, except that any director who shall hold office for part only of the period in respect of which such remuneration is payable shall be entitled only to rank in such division for a proportion of remuneration related to the period during which he has held office. Such remuneration shall be deemed to accrue from day to day. The total amount paid to directors as their compensation (including salary as employees) in the fiscal year 2024 was US\$400 thousand (JP¥63 million).

(2) Compensation for independent auditors

The compensation for independent auditors is determined by the resolution of the Board of Directors or in such manner as the Board may determine. The total amount paid to independent auditors as their compensation in the fiscal year 2024 was US\$525 thousand (JP¥83 million).

13. Investment Committee

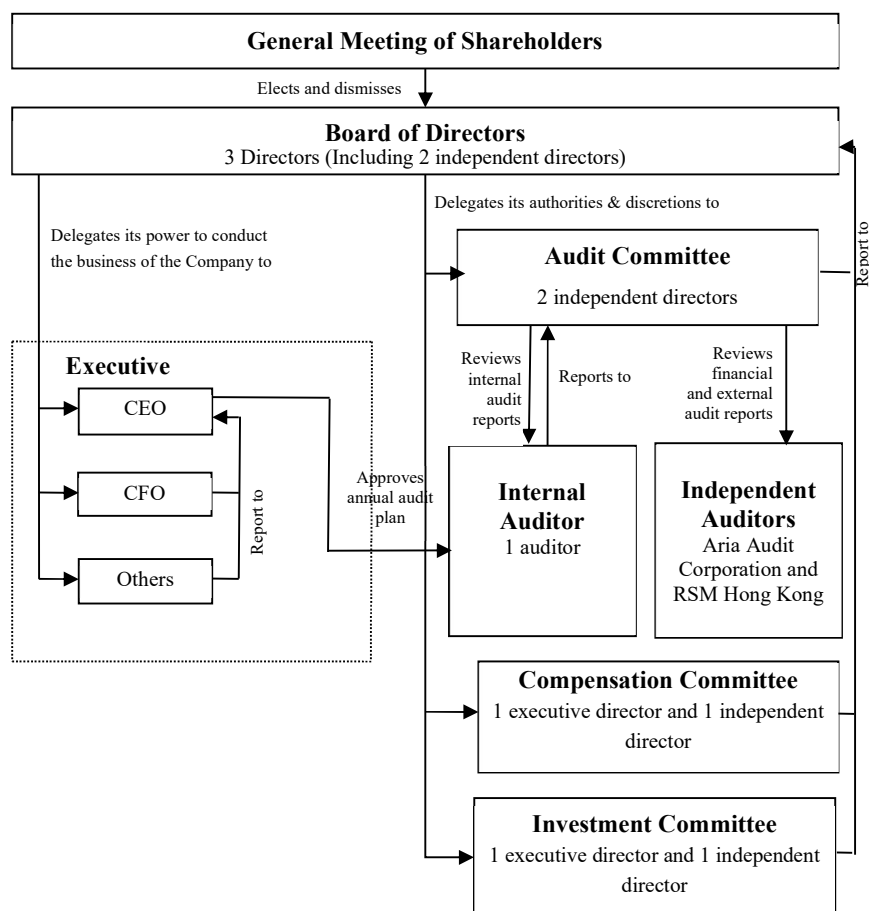
The Company has an Investment Committee which consists of two directors of the Company. The Investment Committee is empowered to approve investments and acquisitions of the Company with a value which is less than US\$2 million (JP¥316 million).

III. Company Structure and Policies

1. Corporate Governance

The Company is committed to promoting corporate governance. To ensure an objective oversight of the Company's management, independent directors are appointed to the Board of Directors. As of December 31, 2024, the Board consists of three directors, including two independent directors. The Company's Audit Committee, Compensation Committee and Investment Committee include independent directors.

As of December 31, 2024



2. Independent Directors

Number of independent directors had been two as of December 31, 2024.

3. Disclosure of Information

The Company maintains high transparency through its disclosure of information to the shareholders, and the investors. Disclosures include annual and quarterly reports and press releases, all of which are available on the Company's website.

4. Insider Trading Policy

The Company has an insider trading policy which is designed to make employees of the Company and its subsidiaries aware of the obligations imposed under Japanese Financial Instruments and Exchange Law (the “FIEL”) with respect to trading of the Company’s shares, and specifically to prevent them from committing insider trading by setting out the basic procedures for the management of inside information acquired by them in relation to the Company’s business activities, and establishing their professional duties for the prevention of insider trading.

5. Basic Company Policy Regarding Internal Control

The Company has established fundamental policy on the maintenance of an internal control system for the Company through the policies and procedures related to internal controls developed during the assessment of internal control over financial reporting, for the period ended 31 December 2024.

The Company has documented key business processes and conducted tests for significant entity to provide reasonable assurance as to effectiveness of internal control over financial reporting based on the FIEL.

The Company's external auditor, Aria Audit Corporation has performed audit on the effectiveness of the assessment of internal control over financial reporting as of December 31, 2024.

IV. Subsequent Events

(1) Acquisition of shares of Good Mega and Beagle

On January 10, 2025, Xinhua Mobile Limited, a wholly owned subsidiary of the Company, has signed an agreement with Mr. Lian Yih Hann ("Mr. Lian") to acquire 100% equity interest of a BVI company, Good Mega Limited, which has a security account holding some listed companies' shares, at the consideration JPY631.5 million. The consideration included purchase price for 353,600 shares (5.64% of total number of outstanding shares) of Beagle Inc. The share transfer was completed on January 22, 2025.

(2) Revolving Credit Facility Agreement

On March 31, 2025, the Company signed a Revolving Credit Facility Agreement with Mr. Lian. Key terms as below:

- Limit of the Credit Facility Agreement: HK\$200 million (JPY4,076 million)
- Term of the Credit Facility Agreement: 1 year
- Interest: 8% per annum on a compounded basis
(For reference: HSBC's current HKD prime rate is 5.25%)
- Collateral/Guarantee: None

Up to June 30, 2025, the Company totally drew down USD11,311 thousand (JPY1,789 million) from the Credit Facility.

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V. Financial Information

(1) Consolidated Financial Information

① Consolidated balance sheets

		Consolidated fiscal year - prior year As of December 31, 2023 (Unit: Thousands of U.S. Dollars)	Consolidated fiscal year - prior year As of December 31, 2023 (Unit: Millions of Japanese Yen)	Consolidated fiscal year - current year As of December 31, 2024 (Unit: Thousands of U.S. Dollars)	Consolidated fiscal year - current year As of December 31, 2024 (Unit: Millions of Japanese Yen)
Assets					
Current assets					
Cash and deposits		1,276	202	9,180	1,452
Accounts receivable-trade		463	73	474	75
Accounts receivable-other		50	8	209	33
Other		259	41	491	78
Total current assets		2,048	324	10,354	1,638
Non-current assets					
Property, plant and equipment					
Buildings and structures		469	74	532	84
Accumulated depreciation		△ 298	△ 47	△ 220	△ 35
Buildings and structures, net		171	27	313	49
Tools, furniture and fixtures		254	40	261	41
Accumulated depreciation		△ 174	△ 27	△ 217	△ 34
Tools, furniture and fixtures, net		81	13	44	7
Total property, plant and equipment		252	40	356	56
Investments and other assets					
Investment in affiliates		9,741	1,541	9,259	1,465
Total investments and other assets		9,741	1,541	9,259	1,465
Total non-current assets		9,993	1,581	9,615	1,521
Total assets		12,041	1,905	19,970	3,159

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		Consolidated fiscal year - prior year As of December 31, 2023 (Unit: Thousands of U.S. Dollars)	Consolidated fiscal year - prior year As of December 31, 2023 (Unit: Millions of Japanese Yen)	Consolidated fiscal year - current year As of December 31, 2024 (Unit: Thousands of U.S. Dollars)	Consolidated fiscal year - current year As of December 31, 2024 (Unit: Millions of Japanese Yen)
Liabilities					
Current liabilities					
Accounts payable-trade		25	4	23	4
Short-term loans and borrowings		1,878	297	413	65
Income taxes payable		3	0	-	-
Accounts payable-other		9,932	1,571	2,465	390
Accrued expenses		990	157	802	127
Other		195	31	184	29
Total current liabilities		13,023	2,060	3,887	615
Non-current liabilities					
Long-term loans and borrowings		743	117	740	117
Other		-	-	133	21
Total non-current liabilities		743	117	874	138
Total liabilities		13,766	2,178	4,761	753
Net Assets					
Shareholders' equity					
Capital stock		308	49	2,334	369
Capital surplus		471,317	74,553	489,382	77,410
Retained earnings		△ 438,649	△ 69,385	△ 442,064	△ 69,926
Total shareholders' equity		32,977	5,216	49,651	7,854
Other cumulated comprehensive income					
Foreign currency translation adjustments		△ 34,702	△ 5,489	△ 34,442	△ 5,448
Total other cumulated comprehensive income		△ 34,702	△ 5,489	△ 34,442	△ 5,448
Subscription rights to shares		-	-	-	-
Non-controlling interests		-	-	-	-
Total net assets		△ 1,725	△ 273	15,209	2,406
Total liabilities and net assets		12,041	1,905	19,970	3,159

FINANCIAL INFORMATION

② Consolidated income statements

		Consolidated fiscal year - prior year From January 1, 2023 to December 31, 2023 (Unit: Thousands of U.S. Dollars)	Consolidated fiscal year - prior year From January 1, 2023 to December 31, 2023 (Unit: Millions of Japanese Yen)	Consolidated fiscal year - current year From January 1, 2024 to December 31, 2024 (Unit: Thousands of U.S. Dollars)	Consolidated fiscal year - current year From January 1, 2024 to December 31, 2024 (Unit: Millions of Japanese Yen)
Netsales		2,348	371	1,822	288
Cost of sales		1,389	220	992	157
Gross profit		959	152	830	131
Selling, general and administrative expenses					
Directors' compensations		400	63	400	63
Salaries and allowances		497	79	361	57
Advertising expenses		26	4	39	6
Depreciation and amortisation		176	28	170	27
Provision for doubtful debts		96	15	25	4
Commission fee		1,655	262	1,805	285
Rent and rates		67	11	64	10
Others		646	102	596	94
Total selling, general and administrative expenses		3,564	564	3,460	547
Operating loss △		△ 2,604	△ 412	△ 2,631	△ 416
Non-operating income					
Interest income		18	3	3	0
Total non-operating income		18	3	3	0
Non-operating expenses					
Interest expenses		276	44	302	48
Foreign exchange loss		251	40	324	51
Equity loss on affiliates		69	11	160	25
Total non-operating expenses		596	94	786	124
Ordinary loss △		△ 3,183	△ 503	△ 3,414	△ 540
Loss △ before income taxes and non-controlling interests		△ 3,183	△ 503	△ 3,414	△ 540
Income taxes (current)		△ 2	△ 0	2	0
Total income tax		△ 2	△ 0	2	0
Net loss △ for the year		△ 3,180	△ 503	△ 3,416	△ 540
Net loss △ for the year attributable to owners of parent		△ 3,180	△ 503	△ 3,416	△ 540

FINANCIAL INFORMATION

Footnote Information

(Consolidated balance sheets)

(Unit: Thousands of U.S. Dollars (Millions of Japanese Yen))

Consolidated fiscal year - prior year (As of December 31, 2023)	Consolidated fiscal year - current year (As of December 31, 2024)
<p>※1. Assets are presented after deduction of allowance for doubtful accounts.</p> <p>Amounts deducted from current assets:</p> <p style="text-align: right;">86</p> <p style="text-align: right;">(14)</p> <p>Amounts deducted from investment and other assets:</p> <p style="text-align: right;">-</p> <p style="text-align: right;">(-)</p>	<p>※1. Assets are presented after deduction of allowance for doubtful accounts.</p> <p>Amounts deducted from current assets:</p> <p style="text-align: right;">111</p> <p style="text-align: right;">(18)</p> <p>Amounts deducted from investment and other assets:</p> <p style="text-align: right;">-</p> <p style="text-align: right;">(-)</p>
<p>※2. This account includes the difference arising on the translation of the Company's functional currency into reporting currency.</p>	<p>※2. Same as on the left.</p>

(Note) The amounts in Japanese yen are calculated by the foreign currency exchange rate (middle rate), being US\$1.00 = JP¥158.18, from the quotations by the MUFG Bank, Ltd. for buying and selling spot US\$ by telegraphic transfer against yen as of December 30, 2024.

(TRANSLATION)

INDEPENDENT AUDITOR'S REPORT AND INTERNAL CONTROL REPORT

March 28, 2025

To the Board of Directors of Beat Holdings Limited:

ARIA Audit Corporation
Minato-ku, Tokyo

Representative Partner Engagement Partner
Certified Public Accountant: Hidetoshi Motegi

Representative Partner Engagement Partner
Certified Public Accountant: Yasuyuki Yamanaka

[Consolidated Financial statements audit]

Opinion

Pursuant to Article 193-2, Section 1 of the Financial Instruments and Exchange Act in Japan, we have audited the accompanying consolidated financial statements of Beat Holdings Limited (the "Company") and its consolidated subsidiaries (the "Group") included in "Financial Information" for the fiscal year from January 1, 2024 to December 31, 2024, which comprise the consolidated balance sheet, the consolidated statements of income, the consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows, for the year then ended, significant matters providing the basis for the preparation of consolidated financial statements, notes to the consolidated financial statements, and consolidated supplementary statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Relating to Going Concern

As discussed in the note regarding substantial doubt about its ability to continue as a going concern to the consolidated financial statements, the Group continuously incurred significant operating loss, ordinary loss and net loss attributable to owners of the parent company. In addition, cash flow is very tight and the Group continuously faces insufficient funds to repay existing debt. These conditions raise substantial doubt about the Group's ability to continue as a going concern and material uncertainties exist at the moment. The reasons for the material uncertainties and solutions to the condition are mentioned in the note. The consolidated financial statements have been prepared assuming that the Group will continue as a going concern, and the effect of the material uncertainties is not reflected in the consolidated financial statements.

Our opinion is not modified with respect to the matter.

Emphasis Matters

As discussed in the note regarding significant subsequent events

(Acquisition of shares of Good Mega and Beagle) On January 10, 2025, Xinhua Mobile Limited, a wholly owned subsidiary of the Company, signed an agreement with Mr. Lian Yih Hann to acquire 100% equity interest of a BVI company, Good Mega Limited, which has a security account holding some listed companies' shares, at the consideration JPY631.5 million.

In addition, in February 2025, the Group purchased 51,730 iShares Bitcoin Trust, which is one of Bitcoin Exchange Traded Fund, with consideration of approximately USD2,827 thousand (JPY447 million).

Our opinion is not modified with respect to the matter.

Key Audit Matters

Key Audit Matters are those matters that in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current fiscal year. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no major key audit considerations to be reported in the audit report, except for the matters described in "Material Uncertainty Related to Going Concern".

Other Information

The other information comprises the information included in the company's Annual Securities Report, but does not include the consolidated financial statements, the non-consolidated financial statements and our audit report thereon.

Management is responsible for preparation and disclosure of the other information. The Audit Committee is responsible for overseeing the duties of executive officers and directors in designing and operating the Group's reporting process of the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Management's and the Audit Committee's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal controls as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Audit Committee is responsible for monitoring the performance of duties of executive officers and directors in implementing and maintaining a financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion from an independent standpoint. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- In making those risk assessments, we consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguard in order to eliminate or reduce obstructive factors.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current consolidated period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter of when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

[Internal control audit]

Opinion

Pursuant to Article 193-2, Section 2 of the Financial Instruments and Exchange Act in Japan, we have audited the accompanying management's report on internal control over financial reporting for the consolidated financial statements as of December 31, 2024 of Beat Holdings Limited (the "Management's Report").

In our opinion, the management's report on internal control over financial reporting referred to above, which represents that the internal control over financial reporting of Beat Holdings Limited as at December 31, 2024 is effective, presents fairly, in all material respects, the result of management's assessment on internal control over financial reporting in accordance with standards for assessment of internal control over financial reporting generally accepted in Japan.

Basis for Opinion

We conducted our internal control audit in accordance with auditing standards on internal control over financial reporting generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Internal Control section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's and the Audit Committee's Responsibility for Management's Report

Management is responsible for designing and operating internal control over financial reporting, and for the preparation and fair presentation of the Management's Report in accordance with standards for assessment of internal control over financial reporting generally accepted in Japan.

The Audit Committee is responsible for monitoring and verifying the design and operation of internal control over financial reporting.

Internal control over financial reporting may not prevent or detect misstatements.

Auditor's Responsibility for the Audit of Internal Control

Our objectives are to obtain reasonable assurance about whether Management's Report is free from material misstatement, and to issue an auditor's report that includes our opinion from an independent standpoint.

As part of an audit in accordance with auditing standards on internal control generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Perform audit procedures to obtain audit evidence relating to the result of management's assessment of internal control over financial reporting in Management's Report. The design and performance of audit procedures for internal control audits is based on our judgement in consideration of the materiality of the effect on the reliability of financial reporting.
- Consider the overall presentation of Management's Report with regards to the scope, procedures, and result of the assessment of internal control over financial reporting including descriptions by management.
- Obtain sufficient appropriate audit evidence regarding the result of management's assessment of internal control over financial reporting in Management's Report. We are responsible for the direction, supervision, and performance of the audit of Management's Report. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the internal control audit, the results of the internal control audit, any significant deficiencies in internal control that we identify, and the results of corrective measures for such significant deficiencies. We also provide the Audit Committee with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of internal control in Japan, and to communicate with them all relationships and other matters

AUDITOR'S REPORT

that may reasonably be thought to bear on our independence, and where applicable, any measures taken to eliminate obstructive factors or safeguards put in place to reduce obstructive factors to an acceptable level.

[Information regarding fees]

The fees for the audits of the financial statements of the Company and its subsidiaries and other services provided by us and our network firms are disclosed in paragraph (3) titled “Status of Audit” in Section “Status of Corporate Governance etc.” included in “Condition of the Reporting Company”.

Conflicts of Interests

We have no interest in the Group which should be disclosed in compliance with the Certified Public Accountants Act.

AUDIT COMMITTEE REPORT

The Audit Committee of the Board of Directors (the “**Committee**”) is comprised of the two directors named below. The Committee has adopted a written charter which has been approved by the Board of Directors. The Committee has reviewed and discussed the Company’s audited financial statements with management, which has primary responsibility for the financial statements. RSM Hong Kong and Aria Audit Corporation, the Company’s external auditors for 2024, are responsible for expressing an opinion on the conformity of the Company’s audited financial statements with international and Japanese generally accepted accounting principles respectively.

Based on the considerations referred to above, the Committee recommends to the Board of Directors that the audited financial statements be included in the Company’s Securities Report for 2024 and that RSM Hong Kong and Aria Audit Corporation be appointed as independent auditors for the Company for 2025. The foregoing report is provided by the following directors, who constitute the Audit Committee.

Naoya Harano (Chairman)
Chang Tzu-Ing

August 15, 2025

REFERENCE MATERIAL REGARDING THE EXERCISE OF VOTING RIGHTS

Total number of voting rights owned by all shareholders: 18,203,556.76332 (as of March 25, 2025)

AGENDA AND THE REFERENCE MATERIAL:

Item No. 1 - Proposed Re-election of Director (Ordinary Resolution)

To re-elect Mr. Chin Siang Hui as Director.

Article 67(2) of the Articles of Association of the Company provides that any Director who holds the office of chairman or managing director shall be subject to re-election at the annual general meeting next after the fifth anniversary of his previous appointment or election as the case may be.

Mr. Chin Siang Hui would like to retire from the office of director, and being eligible, offer himself for re-election at the Annual General Meeting.

Personal history of and number of shares owned by Mr. Chin Siang Hui are as follows:

Position	Date of birth	Personal history	Number of shares owned (as of March 25, 2025)
Chairman of the Board of Directors, Compensation Committee and Investment Committee, Chief Executive Officer and Chief Financial Officer (since July 9, 2021)	August 25, 1973	<ul style="list-style-type: none"> • 1997 Graduated from the Nanyang Technological University of Singapore in 1997 with a Bachelor in Applied Science with Merits in Computer Engineering • 1997 - 1998 Senior Programmer Analyst, Singapore Computer Systems Limited (information technology business) • 1998 - 1999 Software Engineer, Science Applications International Corporation (information technology business) • 1999 - 2000 Application Specialist, Singapore Computer Systems Limited (information technology business) • 2000 -2001 Co-founder, Mobilelogo Pte Ltd and Ecenz International Pte Ltd (information technology business) • 2001 - 2001 Project Manager, Edgematrix Pte Ltd (information technology business) • 2011 - 2018 Co-founder and director of Fundonate, a non-profit organization that helps charities raise funds through leveraging technology and social media • 2002 - present Co-founder & Director of Inphosoft Pte. Ltd. • (information technology business) • 2012 - present Chairman & CEO of GINSMS Inc. and its subsidiaries (Messaging and software business) • 2015 - present Co-founder & Director of Actxa Pte. Ltd. • (fitness and health hardware and software business) • 2015 - present Director & CEO of Activate Interactive Pte. Ltd. (information technology business) 	0.08 Ordinary Shares

Item No. 2 - To approve Sub-division of Shares (Ordinary Resolution)

The Board of Directors proposes that the shareholders consider and, if thought fit, approve by ordinary resolution, to implement the following sub-division of shares (“Sub-division of Shares”).

(1) Purpose of Sub-division of Shares

This Sub-division of Shares is to split the issued and unissued ordinary, preference and deferred shares of the Company in the ratio of 1 share to 10 shares.

Last year, the Company had implemented share consolidation of 100 into 1, effective on March 27, 2024, to improve our low share price at that time. Thereafter, in February this year the Board of Directors has resolved to invest in Bitcoin and related ETF as our primary treasury reserve, and we have started to invest in iShares Bitcoin Trust a Bitcoin ETF, and based on our current share price, the Board believes that it is in the interest of shareholders of the Company for the Board to implement Sub-division of Shares to position the Company’s share price at a level that is typical of other widely owned public companies. The Company anticipates that a split will benefit all shareholders by enhancing liquidity, reducing price volatility and expanding the Company’s stockholder base. The implementation of the Sub-division of Shares will not, by itself, affect the proportionate shareholding, rights and interests of the shareholders of the Company.

(2) Content of Sub-division of Share

- (i) Class of shares to be split
Ordinary Shares, Preference Shares and Deferred Shares
- (ii) Ratio of Sub-division of Shares
To be split in the ratio of 1 share to 10 shares.
- (iii) Effective date
To be resolved by the Board of Directors after passing the Shareholder’s Meeting, and to be disclosed.
- (iv) Change in number of total shares outstanding by Sub-division of Shares (Ordinary, preference and deferred)

(In case based on total shares outstanding as of July 31, 2025)

Number of total shares outstanding before Sub-division of Shares	18,203,556.76332 shares
Change in number of total shares outstanding	163,832,010.86988 shares
Number of total shares outstanding after Sub-division of Shares	182,035,567.63320 shares

(Note) The Company has shareholders whose names appear in the Company’s register of members of the Company (“**Registered Shareholders**”), and holders who hold the Company’s shares through Japan Securities Depository Center, Inc. (“**Beneficial Shareholders**”). The “Number of total shares outstanding after Sub-division of Shares” are theoretical figures based on the “Number of total shares outstanding before Sub-division of Shares” and the ratio of Sub-division of Shares.

(3) Details of Sub-division of Shares

The Board proposes that shareholders consider and, if thought fit, approve by ordinary resolution, and on a date to be determined by the Board, that each authorised issued and unissued Share of a nominal or par value of HK\$1 be divided into 10 shares of a nominal or par value of HK\$0.1 each (the “**New Shares**”) such that the authorised share capital of the

AGENDA AND THE REFERENCE MATERIAL

Company shall be changed from (a) HK\$20,000,000,000 divided into 18,200,000,000 Ordinary Shares of a nominal or par value of HK\$1.0 each, 1,300,000,000 Preference Shares of a nominal or par value of HK\$1.0 each, and 500,000,000 Deferred Shares of a nominal or par value of HK\$1.0 each to (b) HK\$20,000,000,000 divided into 182,000,000,000 Ordinary Shares of a nominal or par value of HK\$0.1 each, 13,000,000,000 Preference Shares of a nominal or par value of HK\$0.1 each, and 5,000,000,000 Deferred Shares of a nominal or par value of HK\$0.1 each.

Please note that, if the Sub-division of Shares had been approved, the nominal or par value per New Share will be HK\$0.1 and where New Shares will be issued, regardless of the subscription price, HK\$0.1 per New Share shall be credited to the share capital and the remaining amount of the subscription price will be credited to the share premium.

The rights of New Shares resulting from the Sub-division of Shares will not change (that is, the holder of 1 ordinary share of a nominal or par value of HK\$1 shall be deemed to hold 10 ordinary shares of a nominal or par value of HK\$0.1) and be subject to the restrictions in respect of the Ordinary Shares, Preferred Shares and/or the Deferred Shares under the memorandum and articles of association of the Company.

Please note, this proposed Sub-division of Shares is to decrease the par value without amending the current Clause 8 of the Memorandum of Association (“**Memorandum**”), in accordance with the Laws and Regulations of Cayman Islands and Article 4 of the Articles of Association of the Company (“**Articles**”). For your convenience, the following is the re-read of Clause 8 of the Memorandum regarding the authorised share capital of the Company, in case the Sub-division of Shares had been approved and become effective (the underlined part would be re-read). No resolution will be proposed to the shareholders to approve any such amendment.

Current Memorandum (reflecting the authorised share capital immediately before the share subdivision, as amended here solely for purpose of illustration)	Re-read after Sub-division of Shares
<p>8. The share capital of the Company is HK\$20,000,000,000 divided into <u>18,200,000,000</u> Ordinary Shares of a nominal or par value of <u>HK\$1.00</u> each, <u>1,300,000,000</u> Preference Shares of a nominal or par value of <u>HK\$1.00</u> each, and <u>500,000,000</u> Deferred Shares of a nominal or par value of <u>HK\$1.00</u> each, with power for the Company insofar as is permitted by law to redeem or purchase any of its shares and to increase or reduce the said capital subject to the provisions of the Companies Law (Revised) and the Articles of Association and to issue any part of its capital, whether original, redeemed or increased with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions and so that unless the conditions of issue shall otherwise expressly declare every issue of shares whether stated to be preference or otherwise shall be subject to the powers hereinbefore contained.</p>	<p>8. The share capital of the Company is HK\$20,000,000,000 divided into <u>182,000,000,000</u> Ordinary Shares of a nominal or par value of <u>HK\$0.1</u> each and <u>13,000,000,000</u> Preference Shares of a nominal or par value of <u>HK\$0.1</u> each, and <u>5,000,000,000</u> Deferred Shares of a nominal or par value of <u>HK\$0.1</u> each, with power for the Company insofar as is permitted by law to redeem or purchase any of its shares and to increase or reduce the said capital subject to the provisions of the Companies Law (Revised) and the Articles of Association and to issue any part of its capital, whether original, redeemed or increased with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions and so that unless the conditions of issue shall otherwise expressly declare every issue of shares whether stated to be preference or otherwise shall be subject to the powers hereinbefore contained.</p>

This Sub-division of Shares does not reduce the liability for unpaid share capital or refund the paid-up share capital to shareholders. Furthermore, the Sub-division of Shares does not change the underlying assets, business activities, financial condition management and shareholder interests and rights of the Company.

As such, the Board of Directors proposes that the shareholders consider and, if thought fit, to pass with or without amendments the following resolution as an Ordinary Resolution:

“

1. **THAT**, with effect from a date in 2025 or 2026 to be determined by the Board of Directors,

- (a) each of the issued and unissued Ordinary Shares of a par value of HK\$1.00 each of the Company be and is subdivided into ten (10) Ordinary Shares of a par value of HK\$0.1 each of the Company (the “**Subdivided Ordinary Shares**”), and such Subdivided Ordinary Shares shall rank pari passu in all respects with each other;
- (b) each of the issued and unissued Preference Shares of a par value of HK\$1.00 each of the Company be and is subdivided into ten (10) Preference Shares of a par value of HK\$0.1 each of the Company (the “**Subdivided Preference Shares**”), and such Subdivided Preference Shares shall rank pari passu in all respects with each other;
- (c) each of the issued and unissued Deferred Shares of a par value of HK\$1.00 each of the Company be and is subdivided into ten (10) Deferred Shares of a par value of HK\$0.1 each of the Company (the “**Subdivided Deferred Shares**”), and such Subdivided Deferred Shares shall rank pari passu in all respects with each other ((a) to (c) collectively the “**Share Subdivision**”),

such that immediately following the Share Subdivision becoming effective, the authorised share capital of the Company shall be changed from (a) HK\$20,000,000,000 divided into 18,200,000,000 Ordinary Shares of a nominal or par value of HK\$1.0 each, 1,300,000,000 Preference Shares of a nominal or par value of HK\$1.0 each, and 500,000,000 Deferred Shares of a nominal or par value of HK\$1.0 each to (b) HK\$20,000,000,000 divided into 182,000,000,000 Ordinary Shares of a nominal or par value of HK\$0.1 each, 13,000,000,000 Preference Shares of a nominal or par value of HK\$0.1 each, and 5,000,000,000 Deferred Shares of a nominal or par value of HK\$0.1 each; and

2. **THAT**, any one director of the Company (“**Director**”) be and is hereby authorised for and on behalf of the Company to execute all such documents, instruments and agreements and to do all such acts or things as he in his absolute discretion consider to be necessary, desirable or expedient to implement and give effect to the Share Subdivision and the matters contemplated thereunder, including but not limited to, cancelling any existing share certificates and issuing new share certificates in respect of the Subdivided Shares to holders of the existing shares of the Company pursuant to the Share Subdivision.

”

Item No. 3 - To approve Issuance of Stock warrants with Consideration (Stock Acquisition Rights) to Directors and Officers (Ordinary Resolution)

The Board of Directors proposes that the shareholders consider and, if thought fit, approve by ordinary resolution, the issue of stock warrants (“SARs”) with consideration to directors and officers of the Company and its subsidiaries (“Allottees”) as outlined below.

1. Details of Stock Warrants

Number of the SARs :	540,000 (2.88% of total number of shares outstanding) (Note) subject to customary adjustments for share split and share consolidation
Type and number of shares issued upon exercise of the SARs :	1 share to be issued upon the exercise of 1 Stock Warrant for a total of 540,000 New Shares to be issued upon the exercise of all SARs, subject to customary adjustments for share split and share consolidation.
Date to Resolve Issuance:	The business day following the AGM
Issuance Price :	JPY2.87, fair market value to be determined by an independent valuer
Paid-in Date :	The business day following the AGM
Exercise Price :	JPY1,144, which is the one month average closing price prior to the date of the resolution to issue the SARs, subject to customary adjustments for share split and share consolidation and in no event shall be below par value of the New Shares to be issued upon exercise
Exercise Period :	3 years from the allotment date
Number of SARs Exercisable each year :	1 st year: maximum of 1/3 of the SARs of each holder are exercisable 2 nd year: maximum of 2/3 of the SARs of each holder are exercisable 3 rd year: all of the SARs of each holder are exercisable
Allottees :	The directors and officers of the Company and its subsidiaries as may be determined by the Board of Directors in its sole discretion, including but not limited to: <ul style="list-style-type: none"> • Mr. Chin Siang Hui (Director, CEO), 320,000 SARs • Mr. Naoya Harano (Independent Director), 100,000 SARs • Ms. Chang Tzu-Ing (Independent Director), 70,000 SARs • Mr. Yuta Takayama (Director of subsidiary), 50,000 SARs The number of SARs to be allotted to each allottee to be approved by the Board, with a total of 540,000 SARs.

Others :	<ul style="list-style-type: none"> • Issuance subject to obtaining shareholders' approval at Shareholders' Meeting; • Buy back right: In case the Allottee ceases to be a director or officer of the Company and its subsidiaries ("the Group") during the Exercise Period, and/or the Board of the Company resolves that it is necessary to buy back the SARs, the Company shall notify the SARs holder with 1 business days prior notice. On the buy-back date specified by the Board of Directors, the Company shall buy back all of the SARs held by the SARs holder at the original issue price for each SARs. • Exercise Conditions: in case the closing price of ordinary shares of the Company exceeds JPY3,000 (subject to customary adjustments for share split and share consolidation) for 5 consecutive trading days during the Exercise Period, the SARs shall become exercisable. • Transferable with Board approval.
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(Note) Ratio against 18,743,556.76, the sum of total number of shares outstanding of 18,203,556.76 (Ordinary and Series A Preferred shares) as of July 18, 2025, and 540,000 Ordinary shares assuming all SARs had been exercised.

2. Purpose and reason of issuing the SARs

The Company would like to issue 540,000 SARs with consideration to directors and officers of the Company and its subsidiaries to enhance commitment to further expand performance of the Group, in order to target to expand the performance and increase corporate value.

The share price conditions are set to the SARs as exercise conditions to work as an incentive plan. In particular, the SARs will become exercisable only in case the closing price of the ordinary shares of the Company on the Tokyo Stock Exchange exceeds JPY3,000 for 5 consecutive days, during the period from the date of allotment to the end of the Exercise Period.

The Company has decided to set the exercise price at JPY1,144, one month average closing price immediately before the nearest trading day to the date of Board Resolution. The exercise price has been set at one month average closing price immediately before the nearest trading day to the date of Board Resolution because the Company's share price has recently shown significant volatility. Basing the closing price on the day prior to the date of the Board resolution could have resulted in a figure reflecting a temporary spike. Using a one-month average smooths out short-term fluctuations, provides a more objective and appropriate valuation, and thereby ensures the fairness and reasonableness of the exercise price. For reference, the discrepancy ratio between such exercise price of JPY1,144 and the closing price of the nearest trading day of JPY1,518 is 24.6% discount, the discrepancy ratio with 3 months average closing price immediately before the nearest trading day of JPY863 is 32.5% premium, and the discrepancy ratio with 6 months average closing price immediately before the nearest trading day of JPY1,017 is 12.5% premium.

The Group has continuously recorded operating losses and net loss attributable to owners of parent up to the end of previous consolidated fiscal year, and financial improvements are urgently needed. Under this situation, in February this year we have decided to invest in Bitcoin and related ETF as our primary treasury reserve, and we have started to invest in iShares Bitcoin Trust a Bitcoin ETF. Through these measures, we believe it is necessary to increase our corporate value in the medium to long term and to externally demonstrate the management's strong commitment to expanding business performance. As part of this, the conditions for exercising the SARs have been limited to "when the Company's share price exceeds JPY3,000 for 5 consecutive trading days". This share price level of JPY3,000 is

approximately three times of JPY1,144, the one month average closing price immediately before the nearest trading day to the date of Board Resolution, and a significant increase in corporate value is essential to achieving this target. Therefore, by setting this condition, our management has set a specific share price target, to achieve results toward increasing shareholders value, and we have adopted this structure, in which incentives as rewards are to be obtained only after such target had been achieved.

In case the Allottee ceases to be a director or officer of the Group during the Exercise Period, and/or the Board of the Company resolves that it is necessary to buy back the SARs, the Company shall buy back all of the SARs held by the SARs holder at the same issue price for each SARs. The purpose of setting the buyback exercise clause is to maintain a sense of tension in management and a stronger commitment to Group.

The Company will enter into a customary stock warrant purchase agreement incorporating the terms and conditions stated above (“**Stock Warrant Purchase Agreement**”) with each of the Allottees in order to issue the SARs.

An electronic form of the Stock Warrant Purchase Agreement in English, together with a Japanese version, will be available for inspection at the website of the Company at (<https://www.beatholdings.com>) or (<http://legacy.beatholdings.com>) from date of this circular up to date of the Annual General Meeting. The Japanese version of the Stock Warrant Purchase Agreement is purely a translation for reference only.

As such, the Board of Directors proposes that the shareholders consider and, if thought fit, to pass with or without amendments the following resolution as an ordinary resolution:-

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1. **THAT**, the issue of the stock warrants (“**SARs**”) to the allottees with substantially the same terms and conditions stated in the circular of the annual general meeting of the Company dated August 15, 2025, be and is hereby approved and authorised;
2. **THAT**, the form of Stock Warrant Purchase Agreement (a copy of which is produced to the meeting marked “A” and signed by the chairman of the meeting for the purpose of identification) be and is hereby approved, and the Directors be and are hereby authorised to allot and issue (i) the SARs and (ii) the shares of the Company upon exercise of the SARs in accordance with the terms thereof and the Stock Warrant Purchase Agreement(s); and
3. **THAT**, any one of the Directors or the Financial Controller of the Company be and is hereby authorized to (i) implement, execute and carry out the matters approved in the foregoing resolutions, (ii) finalise and execute, whether or not under the common seal of the Company, and deliver on behalf of the Company, as applicable, the terms and conditions of the SARs and the Stock Warrant Purchase Agreement(s) and such other agreements, certificates, instruments or other documents as any one of the Directors or the Financial Controller may determine to be necessary or desirable to give effect to the implementation, execution and carrying out of the matters approved in the foregoing resolutions and the execution and delivery of any such documents by any one of the Directors or the Financial Controller shall be conclusive evidence of such determination.

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[END]

The accompanying financial information is an extract from the consolidated financial statements included in the annual report of the Company which have been prepared in conformity with accounting principles from the consolidated financial statements for the annual report generally accepted in Japan. The consolidated balance sheets and income statements are selected by the Company as important items for shareholders to consider in relation to matters being considered at the AGM. Please refer to the Company's consolidated financial statements which are available on the Company's website (<https://www.beatholdings.com>) or (<http://legacy.beatholdings.com>) and in its annual report if you require more information.

The accompanying external auditor's report was issued on the consolidated financial statements included in the annual report and not for the financial information included in this AGM notice.

If further information becomes available in relation to this notice, such information will be posted on the Company's website (<https://www.beatholdings.com>) or (<http://legacy.beatholdings.com>).

The result of the resolution at the AGM will be posted on the Company's website (<https://www.beatholdings.com>) or (<http://legacy.beatholdings.com>), but not sent by mail.

AGENDA AND THE REFERENCE MATERIAL

MAP TO THE VENUE OF 2025 ANNUAL GENERAL MEETING

Venue/Address: 2F, “Meeting Room A”, Hotel Asia Center of Japan,
8-10-32, Akasaka, Minato-ku, Tokyo, Japan

Phone: +81-3-3402-6111



Transportation:

<https://www.asiacenter.or.jp/eng/location/>

5 minutes walk from Aoyama-itchome Station (Ginza, Hanzomon, Oedo subway line)

5 minutes walk from Nogizaka Station (Chiyoda subway line)