

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

FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2026

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File No. 001-41254

HWH INTERNATIONAL INC.

(Exact name of registrant as specified in its charter)

Nevada	87-3296100
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

4800 Montgomery Lane, Suite 210
Bethesda, MD 20814

(Address of Principal Executive Offices, including zip code)

301-971-3955

(Registrant’s telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, par value \$0.0001 per share	HWH	The Nasdaq Capital Market

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

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

- ☐ Large accelerated filer
- ☒ Non-accelerated filer
- ☐ 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 pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act): Yes ☐ No ☒

As of July 30, 2026, there were 7,726,400 shares of Common Stock, par value \$0.0001 per share of the Company issued and outstanding.

HWH INTERNATIONAL INC.
Form 10-Q For the Quarter Ended June 30, 2026

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PART I. FINANCIAL INFORMATION		
Item 1. Financial Statements.		
HWH International Inc. and Subsidiaries Condensed Consolidated Balance Sheets (Unaudited)		
	June 30, 2026	December 31, 2025
ASSETS		
Current Assets		
Cash	\$ 1,506,036	\$ 2,085,918
Account receivable, net	4,051	3,324
Inventory	1,514	1,057
Other receivables – related party, net	615,565	614,577
Deposit - current	21,057	21,205
Convertible notes receivable - related party	706,556	160,941
Marketable securities	113,687	84,466
Prepaid expenses	711	549
Total Current Assets	\$ 2,969,177	\$ 2,972,037
Non-Current Assets		
Property and equipment, net	\$ 14,655	\$ 19,153
Investment in equity method - related party	68,943	60,708
Deposit – non-current	97,304	104,209
Investment at cost	16,127	1,531
Convertible notes receivable - related party	1,076,064	1,317,478
Other non-current asset	85,487	87
Operating lease right-of-use assets, net	182,286	92,655
Total Non-Current Assets	\$ 1,540,866	\$ 1,595,821
TOTAL ASSETS	\$ 4,510,043	\$ 4,567,858
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current Liabilities		
Accounts payable and accrued expenses	\$ 302,931	\$ 305,028
Due to related parties, net	1,202,266	613,140
Operating lease liabilities - current	107,753	84,122
Brokerage margin loans	-	17,461
Notes payable - current	22,258	259,290
Total Current Liabilities	\$ 1,635,208	\$ 1,279,041
Non-Current Liabilities		
Operating lease liabilities - non-current	\$ 76,236	\$ 11,785
Accrued Interest for promissory note – non-current	-	118,557
Notes payable - non-current	-	473,750
Total Non-Current Liabilities	\$ 76,236	\$ 604,092
Commitments and Contingencies (Note 12)		
Stockholders' Equity		
Preferred stock, \$0.0001 par value; 50,000,000 shares authorized; none issued and outstanding as of June 30, 2026 and December 31, 2025	-	-
Common stock, \$0.0001 par value; 450,000,000 shares authorized; 7,726,400 and 7,476,400 issued and outstanding as of June 30, 2026 and December 31, 2025, respectively*	772	747
Additional paid in capital	12,970,348	12,470,373
Accumulated other comprehensive loss	(874,641)	(904,609)
Accumulated deficit	(9,361,862)	(8,947,630)
Total HWH International Inc. Stockholders' Equity	\$ 2,734,617	\$ 2,618,881
Non-controlling interests	63,982	65,844
Total Stockholders' Equity	2,798,599	2,684,725
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 4,510,043	\$ 4,567,858
*The common stock share amounts were adjusted retrospectively to reflect the 1-for-5 reverse stock split on February 24, 2025 The accompanying notes are an integral part of these condensed consolidated financial statements.		
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HWH International Inc. and Subsidiaries
Condensed Consolidated Statements of Operations and Other Comprehensive Loss
(Unaudited)

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Food & Beverage Revenue	\$ 64,200	\$ 310,391	\$ 128,400	\$ 605,588
Cost of revenue	\$ (43,836)	\$ (266,314)	\$ (102,250)	\$ (529,078)
Gross profit	\$ 20,364	\$ 44,077	\$ 26,150	\$ 76,510
Operating expenses:				
General and administrative expenses	\$ (249,063)	\$ (383,868)	\$ (879,763)	\$ (932,949)
Impairment loss on goodwill	-	-	-	(77,480)
Total Operating expenses	\$ (249,063)	\$ (383,868)	\$ (879,763)	\$ (1,010,429)
Other income (expense)				
Other income (expense)	\$ 45,374	\$ (43,646)	\$ 109,941	\$ (14,059)
Interest expense	(2,337)	(29,529)	(11,469)	(79,655)
Foreign exchange transaction (loss) gain	(11,621)	241,621	(33,161)	307,691
(Loss) gain on disposal of marketable securities	(13,320)	419	(3,083)	419
Unrealized gain on marketable securities	7,224	873	8,156	873
Gain on disposal of subsidiaries	-	383,667	-	383,667
Gain on equity method investment - related party	6,444	-	8,759	-
Gain from debt extinguishment	339,185	-	339,185	-
Unrealized gain (loss) on convertible notes receivable and warrants – related party	68,407	(137,637)	19,169	(33,064)
Total Other income	\$ 439,356	\$ 415,768	\$ 437,497	\$ 565,872
Income (Loss) before provision for income taxes	210,657	75,977	(416,116)	(368,047)
Income taxes	-	-	-	(42,948)
Net income (loss)	\$ 210,657	\$ 75,977	\$ (416,116)	\$ (410,995)
Less: Net loss attributable to non-controlling Interests	(1,308)	(7,412)	(1,884)	(16,384)
Net income (loss) attributable to common stockholders	\$ 211,965	\$ 83,389	\$ (414,232)	\$ (394,611)
Net income (loss)	210,657	75,977	(416,116)	(410,995)
Other comprehensive income (loss), net of tax:				
Foreign currency translation adjustment	\$ 9,722	\$ (451,046)	\$ 29,990	\$ (554,011)
Total comprehensive income (loss), net of tax:	\$ 220,379	\$ (375,069)	\$ (386,126)	\$ (965,006)
Less Comprehensive loss attributable to non-controlling interests	(1,293)	(7,805)	(1,862)	(16,793)
Total Comprehensive income (loss) attributable to common stockholders	\$ 221,672	\$ (367,264)	\$ (384,264)	\$ (948,213)

	Three Months Ended June 30	
	2026	2025
	Common stock	Common stock
Loss per common share		
Basic	\$ 0.03	\$ 0.01
Diluted	\$ 0.03	\$ 0.01

Weighted average number of common shares outstanding*		
Basic	7,539,587	6,476,400
Diluted	7,539,587	6,476,400

	Six Months Ended June 30	
	2026	2025
	Common stock	Common stock
Loss per common share		
Basic	\$ (0.06)	\$ (0.06)
Diluted	\$ (0.06)	\$ (0.06)

Weighted average number of common shares outstanding*		
Basic	7,508,168	6,446,503
Diluted	7,508,168	6,446,503

*The numbers of weighted average outstanding common stock - basic and diluted were adjusted retrospectively to reflect the 1-for-5 reverse stock split on February 24, 2025

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

HWH International Inc. and Subsidiaries
Condensed Consolidated Statements of Changes in Stockholders' Equity (Deficit)
(Unaudited)

Three and Six Months Ended June 30, 2026

						Total HWH International Inc.	Non- controlling interests	Total Stockholders'
	Common Stock	Par Value	Additional	Accumulated		Stockholders'		Stockholders'
	Shares	\$0.0001	Paid in Capital	Other Comprehensive Loss	Accumulated Deficit	Equity	interests	Equity
Balances at December 31, 2025	7,476,400	\$ 747	\$ 12,470,373	\$ (904,609)	\$ (8,947,630)	\$ 2,618,881	\$ 65,844	\$ 2,684,725
Net loss	-	-	-	-	\$ (626,197)	\$ (626,197)	\$ (576)	\$ (626,773)
Foreign currency translation adjustment	-	-	-	\$ 20,261	-	\$ 20,261	\$ 7	\$ 20,268
Balances at March 31, 2026	7,476,400	\$ 747	\$ 12,470,373	\$ (884,348)	\$ (9,573,827)	\$ 2,012,945	\$ 65,275	\$ 2,078,220
Issuance of Common Stock	250,000	\$ 25	\$ 499,975	-	-	\$ 500,000	-	\$ 500,000
Net income (loss)	-	-	-	-	\$ 211,965	\$ 211,965	\$ (1,308)	\$ 210,657
Foreign currency translation adjustment	-	-	-	\$ 9,707	-	\$ 9,707	\$ 15	\$ 9,722
Balances at June 30, 2026	7,726,400	\$ 772	\$ 12,970,348	\$ (874,641)	\$ (9,361,862)	\$ 2,734,617	\$ 63,982	\$ 2,798,599

Three and Six Months Ended June 30, 2025

						Total HWH International Inc.	Non-	Total
	Common Stock		Additional	Accumulated Other			controlling	Stockholders'
	Shares	Par Value \$0.0001	Paid in Capital	Comprehensive Loss	Accumulated Deficit	Stockholders' Equity	interests	Stockholders' Equity
Balances at December 31, 2024	5,593,920	\$ 559	\$ 9,339,413	\$ (257,598)	\$ (6,317,010)	\$ 2,765,364	\$ 111,835	\$ 2,877,199
Issuance of Common Stock	632,500	\$ 63	\$ 1,409,795	-	-	\$ 1,409,858	-	\$ 1,409,858
Warrants exercised to Common Stock	250,000	\$ 25	\$ 100	-	-	\$ 125	-	\$ 125
Acquisition of LEH Insurance Group LLC	-	-	-	-	-	-	\$ (1,653)	\$ (1,653)
Net loss	-	-	-	-	\$ (478,000)	\$ (478,000)	\$ (8,972)	\$ (486,972)
Foreign currency translation adjustment	-	-	-	\$ (102,949)	-	\$ (102,949)	\$ (16)	\$ (102,965)
Balances at March 31, 2025	6,476,420	\$ 647	\$ 10,749,308	\$ (360,547)	\$ (6,795,010)	\$ 3,594,398	\$ 101,194	\$ 3,695,592
Net income (loss)	-	-	-	-	\$ 83,389	\$ 83,389	\$ (7,412)	\$ 75,977
Foreign currency translation adjustment	-	-	-	\$ (450,653)	-	\$ (450,653)	\$ (393)	\$ (451,046)
Balances at June 30, 2025	6,476,420	\$ 647	\$ 10,749,308	\$ (811,200)	\$ (6,711,621)	\$ 3,227,134	\$ 93,389	\$ 3,320,523

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

HWH International Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Six Months Ended June 30,	
	2026	2025
Cash flows from operating activities:		
Net loss	\$ (416,116)	\$ (410,995)
Adjustments to reconcile net loss to net cash used in operating activities:		
Gain from debt extinguishment	(339,185)	-
Foreign exchange transaction loss (gain)	33,161	(307,691)
Gain on disposal of subsidiaries	-	(383,667)
Depreciation expense	4,137	6,664
Non-cash lease expense	60,394	176,994
Share of result of an associate	(8,759)	-
Impairment loss on goodwill	-	77,480
Unrealized (gain) loss on convertible notes receivable and warrants – related party	(19,169)	33,064
Fair value gain on marketable securities	(8,156)	(873)
Gain on disposal of marketable securities	3,083	(419)
Loss from related party balance written off	542,371	-
Changes in operating assets and liabilities:		
Account receivables	(1,594)	(5,402)
Due to related party	573,827	-
Other receivables from related party	(88,980)	(105,273)
Prepaid expenses	(167)	13,008
Deposit	-	198,558
Inventory	(465)	(4,795)
Accounts payable and accrued expenses	11,644	(112,546)
Income tax payable	-	(3,305)
Deferred revenue	-	15,631
Operating lease liabilities	(60,557)	285,143
Net cash provided by / (used in) operating activities	\$ 285,469	\$ (528,424)
Cash flows from investing activities:		
Purchases of property and equipment	\$ (764)	\$ (1,371)
Convertible notes receivable - related party	(285,000)	(360,000)
Investments at cost	(14,858)	-
Purchase of marketable securities	(5,814,704)	(100,152)
Proceeds from disposal of marketable securities	5,708,957	-
Loan receivable - related party	-	(280,000)
Net cash used in investing activities	\$ (406,369)	\$ (741,523)
Cash flows from financing activities:		
Repayment of loans and borrowing	\$ -	\$ (14,100)
Issuance of common stock	500,000	-
Advances from related parties	349,607	1,055,702
Advances to related parties	(834,590)	(1,631,936)
Repayment of brokerage margin loans	1,167,375	-
Proceed from brokerage margin loans	(1,171,364)	-
Proceed from issuance of Common Stock and Warrants	-	1,409,983
Repayment of note payable	(500,000)	(240,792)
Net cash (used in) / provided by financing activities	\$ (488,972)	\$ 578,857
Net decrease in cash	\$ (609,872)	\$ (691,090)
Effects of foreign exchange rate on cash	29,990	79,217
Cash at beginning of period	2,085,918	4,341,746
Cash at end of period	\$ 1,506,036	\$ 3,729,873
Supplemental Cash Flow Information		
Cash Paid for Interest	\$ 1,466	\$ 12
Cash Paid for Taxes	\$ -	\$ 42,948

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

HWH International Inc. and Subsidiaries
Notes to the Condensed Consolidated Financial Statements
For the Six Months Ended June 30, 2026 and 2025
(Unaudited)

NOTE 1 — DESCRIPTION OF ORGANIZATION, BUSINESS OPERATIONS

HWH International Inc. (“HWH”) and its consolidated subsidiaries (collectively, the “Company”) operate a food and beverage (“F&B”) business in Singapore. The F&B business operates one café in Singapore.

The Company is presently developing Hapi Marketplace, a business-to-consumer platform featuring diverse product categories, and Hapi Wealth Builder, an educational program focused on wealth-building strategies. Both initiatives are being rolled out in phases, with digital content development, partner collaborations, and regional infrastructure setup currently underway.

HWH International Inc. was originally incorporated in Delaware on October 20, 2021 under the name Alset Capital Acquisition Corp. The Company was formed for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses (the “Business Combination”). The Company consummated the Business Combination on January 9, 2024 and changed its name from “Alset Capital Acquisition Corp.” to “HWH International Inc.” The Company is an early stage and emerging growth company and, as such, the Company is subject to all of the risks associated with early stage and emerging growth companies.

On January 6, 2025, the Company announced the closing of its previously disclosed public offering of 632,500 shares of common stock, par value \$0.0001 per share (the “Shares”) and 250,000 pre-funded warrants to purchase shares of common stock (“Pre-Funded Warrants”). The Shares and Pre-Funded Warrants were offered at a public offering price of \$2.00 per share and \$1.9995 per Pre-Funded Warrant, respectively. The Pre-Funded Warrants are exercisable immediately upon issuance and have an exercise price of \$0.0001 per share. The gross proceeds to the Company from the offering were approximately \$1.76 million, before deducting placement agent fees and other offering expenses. Each of the amounts of warrants and shares and the prices thereof in the foregoing paragraph are adjusted for a 1-for-5 reverse stock split of the Company’s stock split effective on February 24, 2025.

D. Boral Capital LLC (“D. Boral Capital”) acted as the exclusive placement agent for the offering. Pursuant to the Placement Agency Agreement, the Company paid D. Boral Capital a cash fee equal to 7.5% of the gross proceeds from the offering, a non-accountable expense allowance equal to 1.0% of the gross proceeds, and reimbursement for legal and out-of-pocket expenses up to \$75,000.

On November 14, 2025, the Company completed a merger pursuant to which the Delaware parent merged with and into its wholly owned Nevada subsidiary, with the Nevada entity surviving. As a result, HWH International Inc., a Nevada corporation, succeeded to all assets and liabilities of the former parent and became the publicly traded registrant. The transaction constituted a change in legal domicile only, with each outstanding share converting on a one-for-one basis, and had no impact on the Company’s consolidated financial position, results of operations, or cash flows. The Company is the successor issuer under Rule 12g-3 of the Securities Exchange Act of 1934.

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

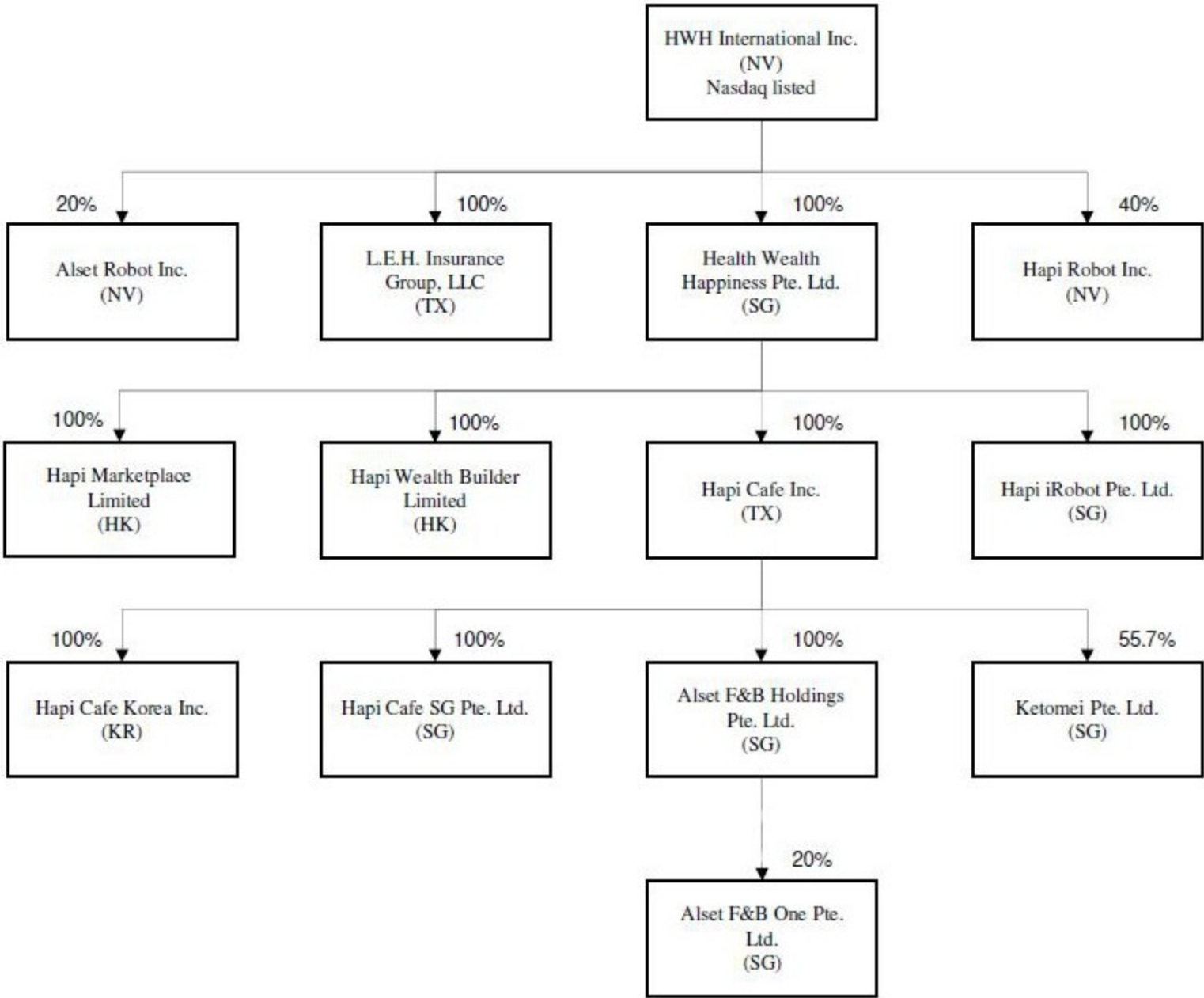
Basis of Presentation

The accompanying unaudited condensed consolidated financial statements are presented in conformity with accounting principles generally accepted in the United States of America (“US GAAP”) and pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”). These interim financial statements have been prepared on the same basis as the Company’s annual financial statements and, in the opinion of management, reflect all adjustments, consisting only of normal recurring adjustments, which are necessary for a fair statement of the Company’s financial information. These interim results are not necessarily indicative of the results to be expected for the year ending December 31, 2026 or any other interim periods or for any other future years. These unaudited consolidated financial statements should be read in conjunction with the Company’s audited consolidated financial statements and the notes thereto included in the Company’s Form 10-K for the year ended December 31, 2025 filed on March 26, 2026.

Basis of Consolidation

The condensed consolidated financial statements include all accounts of the Company and its majority owned and controlled subsidiaries. The Company consolidates entities in which it owns more than 50% of the voting common stock and controls operations. All intercompany transactions and balances among consolidated subsidiaries have been eliminated.

The following chart describes the Company’s ownership of various entities:



Hapi Marketplace Ltd. (“HML”) was incorporated in Hong Kong on March 18, 2026, and remains dormant as of June 30, 2026.

Functional and Reporting Currency

The functional and reporting currency of the Company is the United States dollar (“\$”). The financial records of the Company’s subsidiaries located in South Korea, Singapore, Hong Kong and Malaysia are maintained in their local currencies, the Korean Won (₩), Singapore Dollar (S\$), Hong Kong Dollar (HK\$) and Malaysian Ringgit (MYR), which are also the functional currencies of these entities.

Use of Estimates

The preparation of the financial statements in conformity with U.S. GAAP requires the Company’s management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the balance sheet.

Making estimates requires management to exercise significant judgment. It is at least reasonably possible that the estimate of the effect of a condition, situation or set of circumstances that existed at the date of the balance sheet, which management considered in formulating its estimate, could change in the near term due to one or more future confirming events. Accordingly, the actual results could differ significantly from those estimates.

Revision of Previously Issued Financial Statements

In connection with the preparation of the condensed consolidated financial statements for the six months ended June 30, 2026, the Company identified that payroll and related employee benefit costs of personnel who directly support the business of the F&B operation had been classified within general and administrative (“G&A”) expenses rather than within cost of revenue in prior periods. Under U.S. generally accepted accounting principles, these costs are properly presented within cost of revenue to align with the functional activities of the personnel involved. Accordingly, the accompanying condensed consolidated financial statements for the three and six months ended June 30, 2026, reflect the appropriate classification, and the prior period comparative amounts have been revised to conform to the current-period presentation

The Company evaluated this misclassification, both quantitatively and qualitatively, in accordance with SEC Staff Accounting Bulletin No. 99, and concluded that it was not material to the previously issued financial statements. Accordingly, the Company has revised the prior period comparative amounts presented herein to correct the classification. As a result of the revision, cost of revenue increased by \$104,813 and \$219,974, and general and administrative expenses decreased by the same amounts, for the three and six months ended June 30, 2025, respectively, resulting in a corresponding decrease in gross profit; there was no effect on previously reported total revenues, total operating expenses, loss from operations, net income (loss), total assets, total liabilities, stockholders’ equity, or net cash flows from operating, investing, or financing activities.

Cash and Cash Equivalents

The Company considers all short-term investments with an original maturity of three months or less when purchased to be cash equivalents. The Company had cash of \$1,506,036 and \$2,085,918 as of June 30, 2026 and December 31, 2025, respectively. The Company had no cash equivalents as of June 30, 2026 and December 31, 2025.

Fair Value of Financial Instruments

The Company adopted Accounting Standards Codification (“ASC”) 820, “Fair Value Measurements and Disclosures”, for assets and liabilities measured at fair value on a recurring basis. ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820 also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. ASC 820 describes three levels of inputs that may be used to measure fair value:

- Level 1: Observable inputs such as quoted market prices in active markets for identical assets or liabilities
- Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data
- Level 3: Unobservable inputs for which there is little or no market data, which require the use of the reporting entity’s own assumptions

Level 1 marketable securities are liquid and transparent financial instruments with readily observable market prices. Their value is based on unadjusted quoted prices in active markets for identical assets. Examples often include U.S. treasury securities, listed equities, exchange-traded funds and open-end mutual funds, foreign currencies, and gold bullion. An active market is defined by sufficient transaction frequency and volume to provide ongoing pricing information.

For purpose of this disclosure, the fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation. The carrying values reported in balance sheets for current assets and liabilities approximate their estimated fair market values based on the short-term maturity of these instruments.

The Company has a portfolio of trading level 1 marketable securities. The objective is to generate profits on short-term differences in market prices. The Company does not have significant influence over any trading securities in our portfolio and fair value of these trading securities are determined by quoted stock prices.

Investment Securities at Cost

Investments in equity securities without readily determinable fair values are measured at cost minus impairment adjusted by observable price changes in orderly transactions for the identical or similar investments of the same issuer. These investments are measured at fair value on a nonrecurring basis when there are events or changes in circumstances that may have a significant adverse effect. An impairment is recognized in the consolidated statements of comprehensive income equal to the amount by which the carrying value exceeds the fair value of the investment.

Investment Securities under Equity Method Accounting

The Company accounts for equity investments in certain entities with significant influence under equity-method accounting. Under this method, the Group’s pro rata share of income (loss) from investment is recognized in the consolidated statements of comprehensive income. Dividends received reduce the carrying amount of the investment. When the Company’s share of loss in an equity-method investee equals or exceeds its carrying value of the investment in that entity, the equity method investment can be reduced below zero based on losses if the Company either be liable for the obligations of the investee or provide for losses in excess of the investment when imminent return to profitable operations by the investee appears to be assured. Otherwise, the Company does not recognize its share of equity method losses exceeding its carrying amount of the investment. Equity-method investment is reviewed for impairment by assessing if the decline in market value of the investment below the carrying value is other-than-temporary. In making this determination, factors are evaluated in determining whether a loss in value should be recognized. These include consideration of the intent and ability of the Group to hold investment and the ability of the investee to sustain an earnings capacity, justifying the carrying amount of the investment. Impairment losses are recognized in other expense when a decline in value is deemed to be other-than-temporary.

Inventory

Inventory is stated at the lower of cost or net realizable value. Cost is determined using the first-in, first-out method and includes all costs in bringing the inventories to their present location and condition. Net realizable value is an estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale. As of June 30, 2026 and December 31, 2025, inventory consisted of finished goods procured from suppliers. The Company continuously evaluates the need for reserve for obsolescence and possible price concessions required to write-down inventory to its net realizable value.

Leases

The Company follows FASB ASC Topic 842 in accounting for its operating lease right-of-use assets and operating lease liabilities. At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is or contains a lease if it conveys the right to control the use of an identified asset for a period of time in exchange of a consideration. To assess whether a contract is or contains a lease, the Company assesses whether the contract involves the use of an identified asset, whether it has the right to obtain substantially all of the economic benefits from the use of the asset and whether it has the right to control the use of the asset. The right-of-use assets and related lease liabilities are recognized at the lease commencement date. The Company recognizes operating lease expenses on a straight-line basis over the lease term. For leases that contain related non-lease components, such as maintenance, the Company will account for these payments as a single lease component.

Right-of-use of Assets

The right-of-use of asset is measured at cost, which comprises the amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and less any lease incentive received.

Lease Liabilities

Lease liability is measured at the present value of the outstanding lease payments at the commencement date, discounted using the Company’s incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise mainly of fixed lease payments.

Short-term Leases and Leases of Low Value Assets

The Company has elected to not recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less at inception and leases of low value assets. Lease payments associated with these leases are expensed as incurred.

Property and Equipment

Property and equipment are recorded at cost, less depreciation. Repairs and maintenance are expensed as incurred. Expenditures incurred as a consequence of acquiring or using the asset, or that increase the value or productive capacity of assets are capitalized. When property and equipment is retired, sold, or otherwise disposed of, the asset’s carrying amount and related accumulated depreciation are removed from the accounts and any gain or loss is included in statement of operations. Depreciation is computed by the reducing balance method (after considering their respective estimated residual values) over the estimated useful lives of the respective assets as follows:

Office Equipment	3 – 5 years
Furniture and Fittings	3 – 5 years
Kitchen Equipment	3 – 5 years
Operating Equipment	3 – 5 years
Leasehold Improvements	Shorter of lease life or asset life

The Company reviews the carrying value of property and equipment for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized, equaling an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing this assessment include current operating results, trends, and prospects, as well as the effects of obsolescence, demand, competition, and other economic factors.

Deposits

Deposits represent rental security deposits paid for the Company’s office and café locations, which are refundable upon expiration of the respective lease terms. Deposits are classified as current or non-current based on the expected timing of refund. Deposits related to leases expiring within the next twelve months are classified as current, while deposits related to leases expiring after twelve months are classified as non-current. As of June 30, 2026, current deposits totaled \$21,057 and non-current deposits totaled \$97,304.

Revenue Recognition

ASC 606 – *Revenue from Contracts with Customers* (“ASC 606”), establishes principles for reporting information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity’s contracts to provide goods or services to customers.

In accordance with ASC 606, revenue is recognized when a customer obtains control of promised goods or services. The amount of revenue recognized reflects the consideration to which the Company expects to be entitled to receive in exchange for these goods or services. The provisions of ASC 606 include a five-step process by which the determination of revenue recognition, depicting the transfer of goods or services to customers in amounts reflecting the payment to which the Company expects to be entitled in exchange for those goods or services. ASC 606 requires the Company to apply the following steps:

(1) identify the contract with the customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations in the contract; and (5) recognize revenue when, or as, performance obligations are satisfied.

The Company generates its revenue primarily from and F&B business.

Food and Beverage: The Company’s performance obligation is to transfer ownership of its F&B products to its customers. The Company generally recognizes revenue when F&B products are delivered to its customers. Revenue is recorded net of applicable taxes, allowances, refunds or returns. The Company receives the net sales price in cash or through credit card payments at the point of sale or from web-based ordering system.

Accounts Receivable

Accounts receivable is recorded at invoiced amounts net of an allowance for credit losses and does not bear interest. The allowance for credit losses is the Company’s best estimate of the amount of probable credit losses in the Company’s existing account receivable. The measurement and recognition of credit losses involves the use of judgment. Management’s assessment of expected credit losses includes consideration of current and expected economic conditions, market and industry factors affecting the Company’s customers (including their financial condition), the aging of account balances, historical credit loss experience, customer concentrations, customer creditworthiness, and the existence of sources of payment. The Company also establishes an allowance for credit losses for specific receivables when it is probable that the receivable will not be collected and the loss can be reasonably estimated. Account receivable considered uncollectible is charged against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote.

Value-added Tax

The Company is subject to value-added tax (“VAT”) on purchases of inventory, rent payments, professional fees, and certain other taxable expenditures. As of June 30, 2026 and December 31, 2025, included in other receivables was VAT paid of \$3,392 and \$3,027, respectively, due primarily to the purchase of inventory and payment of rents and accounting fees.

Cost of Revenue

Cost of revenue consists of the cost of procuring finished goods from suppliers and related shipping and handling fees from third-party money platforms, and contractor fees for part-time staff.

Below is a breakdown of the Company’s cost of revenue for the three and six months ended June 30, 2026 and 2025.

For the three months ended:

	Total
June 30, 2026	
Finished goods	\$ 10,488
Handling fee	3,975
Contractor fee	101
Employee wages, salaries and benefits	27,225
Depreciation	2,047
Total of Cost of revenue	\$ 43,836
June 30, 2025	
Finished goods	\$ 119,720
Related shipping	13,396
Handling fee	13,741
Contractor fee	8,554
Franchise commission	3,453
Employee wages, salaries and benefits	104,813
Depreciation	2,637
Total of Cost of revenue	\$ 266,314

For the six months ended:

	Total
June 30, 2026	
Finished goods	\$ 21,387
Handling fee	7,867
Contractor fee	132
Employee wages, salaries and benefits	68,727
Depreciation	4,137
Total of Cost of revenue	\$ 102,250
June 30, 2025	
Finished goods	\$ 228,726
Related shipping	26,327
Handling fee	25,307
Contractor fee	16,808
Franchise commission	6,803
Employee wages, salaries and benefits	219,974
Depreciation	5,133
Total of Cost of revenue	\$ 529,078

Shipping and Handling Fees

The Company utilizes the practical expedient under ASC 606-10-25-18B to account for its shipping and handling as fulfillment activities, and not a promised service (a revenue element). Shipping and handling fees are included in costs of revenue within the statements of operations.

Advertising Expenses

Advertising costs are charged to operations as incurred. Advertising expenses for the three months ended June 30, 2026 and 2025 were \$666 and \$38,249, respectively. Advertising expenses for the six months ended June 30, 2026 and 2025 were \$1,667 and \$107,094, respectively.

Income Taxes

The Company accounts for income taxes pursuant to the provision of ASC 740-10, “Accounting for Income Taxes” (“ASC 740-10”), which requires, among other things, assets and liabilities approach to calculating deferred income taxes. The assets and liabilities approach requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. A valuation allowance is provided to offset any net deferred tax assets for which management believes it is more likely than not that the net deferred tax assets will not be realized. Tax positions that meet the more likely than not recognition threshold are measured at the largest amount of tax benefit that is more than 50 percent likely of being realized upon settlement with the applicable taxing authority.

The Company follows the provision of ASC 740-10 related to Accounting for Uncertain Income Tax Positions. When tax returns are filed, there may be uncertainty about the merits of positions taken or the amount of the position that would be ultimately sustained. In accordance with the guidance of ASC 740-10, the benefit of a tax position is recognized in the financial statements in the period during which, based on all available evidence, management believes it is more likely than not that the position will be sustained upon examination, including the resolution of appeals or litigation processes, if any. Tax positions taken are not offset or aggregated with other positions.

The Company has not recorded any unrecognized tax benefits. The Company’s policy is to recognize interest and penalties related to income taxes in income tax expense.

The Company’s tax returns for 2022, 2023, 2024 and 2025 remain open to examination.

Franchise Tax

The Company was reincorporated in the State of Nevada on November 14, 2025, through a reincorporation merger. As a Nevada corporation, we are no longer subject to the Delaware franchise tax. Prior to the reincorporation the Company was subject to annual Delaware franchise taxes, which are a privilege fee and not an income tax. During the year ended December 31, 2025 the Company received a refund of prepaid Delaware franchise tax of \$41,349.

Earnings (Loss) per Share

The Company presents basic and diluted earnings (loss) per share for its common shares. Basic earnings (loss) per share is calculated by dividing net income (loss) attributable to common shareholders of the Company by the weighted-average number of common shares outstanding during the period, adjusted for treasury shares held by the Company.

Diluted earnings (loss) per share is computed by dividing net income (loss) attributable to common stockholders by the weighted-average number of shares of common stock outstanding during the period, adjusted to give effect to all potentially dilutive securities, including stock options, warrants, and convertible debt securities. During the six months ended June 30, 2026 and 2025 there were 909,874 potentially dilutive warrants outstanding.

For the periods ended June 30, 2026 and 2025, basic and diluted earnings per share (EPS) were the same, as the effect of potentially dilutive securities was anti-dilutive during periods of net loss and therefore did not reduce the loss per share.

Non-controlling Interests

Non-controlling interests represent the equity in a subsidiary not attributable, directly or indirectly, to owners of the Company, and are presented separately in the Consolidated Statements of Operations and Other Comprehensive Loss, and within equity in the Consolidated Balance Sheets, separately from equity attributable to owners of the Company.

Liquidity and Capital Resources

In the six months ended June 30, 2026, we incurred a net loss, a loss from operations and negative cash flow from operating cafés during the period. These factors raise substantial doubt about our ability to continue as a going concern.

Notwithstanding the above, the Company believes that the available cash in the Company’s bank accounts, anticipated cash from operations, and financing availability from related parties are sufficient to alleviate substantial doubt about the Company’s ability to continue as a going concern for at least the next 12 months. The Company’s capital requirements for the planned expansion are based on, among other items, location-specific property costs, team requirements, and marketing steps needed. Our expansion includes plans to take over leases of existing Hapi Cafes that we currently do not own, with a goal to add additional Hapi Cafes over the next two years. Executing these plans will require a minimum investment for each Hapi Café location. There is no guarantee, however, that we will be able to achieve these plans as described.

The accompanying financial statements have been prepared assuming the Company will continue as a going concern and do not contain any adjustments that might be required should the Company be unable to continue as a going concern.

On April 24, 2024, the Company entered into a Credit Facility Agreement (the “Credit Agreement”) with Alset Inc., a Texas corporation and the Company’s majority stockholder, pursuant to which Alset Inc. provided the Company a non-revolving line of credit facility (the “Credit Facility”), which provided a maximum, aggregate credit line of up to \$1,000,000. During 2024, \$300,000 was drawn from the loan, which was converted to equity on September 24, 2024. The remaining credit of \$700,000 expired on April 14, 2026.

Pursuant to the Credit Agreement, the Company may request an advance (each, an “Advance”) on the Credit Facility. Each Advance shall bear a simple interest rate of three percent (3%) per annum. Each Advance and all accrued but unpaid interest shall be due and payable at the first (1st) anniversary of the effective date of the Credit Agreement. The Company may at any time during the term of the Credit Agreement prepay a portion or all amounts of its indebtedness without penalty. Each advance shall not be secured by a lien or other encumbrance on any of the Company’s assets, but shall be solely a general unsecured debt obligation of the Company.

On April 14, 2025, the Company entered into an amendment (the “Amendment”) to this Credit Agreement. Under the terms of the Amendment, the date upon which each advance made under the Credit Facility and all accrued but unpaid interest shall be due and payable was extended from April 24, 2025 to April 14, 2026. As of the issuance of these quarterly condensed consolidated financial statements, the Company is still in discussion with Alset Inc. regarding the possible extension of the Amendment to the Credit Agreement.

The Company obtained letters of financial support from Alset Inc. pursuant to which Alset Inc. committed to provide any additional funding required by the Company and would not demand repayment through twelve months from the filing of this Form 10-Q.

Recent Accounting Pronouncement

Management does not believe that any recently issued, but not effective, accounting standards, if currently adopted, would have a material effect on the Company’s condensed consolidated financial statements.

Segment reporting

On November 27, 2023, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update No. 2023-07, *Improvements to Reportable Segment Disclosures* (“ASU 2023-07”). ASU 2023-07 amends ASC 280, *Segment Reporting* (“ASC 280”) to expand segment disclosures by requiring disclosure of significant segment expenses that are regularly provided to the Company’s chief operating decision maker (“CODM”), the amount and description of other segment items, the title and position of the CODM, and an explanation of how the CODM uses the reported measure(s) of segment profit or loss in assessing segment performance and deciding how to allocate resources. ASU 2023-07 further permits disclosure of more than one measure of segment profit or loss and extends the full disclosure requirements of ASC 280 to companies with single reportable segments. The Company adopted ASU 2023-07 on December 31, 2025 on a retrospective basis. See —*Segment reporting* below for additional information.

In December 2023, the FASB issued ASU No. 2023-09, Income Taxes (Topic 740) – Improvements to Income Tax Disclosures (“ASU 2023-09”). ASU 2023-09 requires that an entity, on an annual basis, disclose additional income tax information, primarily related to the rate reconciliation and income taxes paid. The amendment in the ASU is intended to enhance the transparency and decision usefulness of income tax disclosures. The ASU’s amendments are effective for annual periods beginning after December 15, 2024. The Company adopted ASU 2023-09 for the year ended December 31, 2025. The adoption of this ASU did not have a material impact on our condensed consolidated financial statements.

In November 2024, the FASB issued ASU 2024-04—Debt—Debt with Conversion and Other Options (Subtopic 470-20): Induced Conversions of Convertible Debt Instruments (“ASU 2024-04”) to improve the relevance and consistency in the application of induced conversion guidance in Subtopic 470-20, Debt—Debt with Conversion and Other Options. The amendments in ASU 2024-04 clarify the requirements for determining whether certain settlements of convertible debt instruments should be accounted for as an induced conversion. The amendments in ASU 2024-04 affect entities that settle convertible debt instruments for which the conversion privileges were changed to induce conversion. The amendments in ASU 2024-04 are effective for all entities for annual reporting periods beginning after December 15, 2025, and interim reporting periods within those annual reporting periods. Early adoption is permitted for all entities that have adopted the amendments in ASU 2020-06. The amendments in ASU 2024-04 permit an entity to apply the new guidance on either a prospective or a retrospective basis. The adoption of this ASU did not have a material impact on our condensed consolidated financial statements.

Accounting pronouncements pending adoption

On November 4, 2024, the FASB issued ASU No. 2024-03, *Expense Disaggregation Disclosures* (“ASU 2024-03”). ASU 2024-03 amends ASC 220, *Comprehensive Income* to expand income statement expense disclosures and require disclosure in the notes to the financial statements of specified information about certain costs and expenses. ASU 2024-03 is required to be adopted for fiscal years commencing after December 15, 2026, with early adoption permitted. The Company is currently evaluating the impact of adopting the standard on the condensed consolidated financial statements.

In December 2025, the FASB issued ASU 2025-11, Interim Reporting (Topic 270). This update enhances the clarity and organization of interim reporting and the applicability of Topic 270. It also clarifies the required form and content of interim financial statements, including requiring entities to disclose events since the end of the last annual reporting period that have a material impact on the entity. The standard is effective for interim reporting periods within annual periods beginning after December 15, 2027, with early adoption permitted. Entities may apply the update either prospectively or retrospectively. We are currently evaluating the impact of adopting this standard on our condensed consolidated financial statements and disclosures.

Segment Reporting

The Company reports its segment information to reflect the manner in which the CODM reviews and assesses performance. The Company’s Chief Executive Officer and President and Chief Operating Officer have joint responsibility as the CODM and review and assess the performance of the Company as a whole.

The primary financial measures used by the CODM to evaluate performance and allocate resources are net income (loss) and operating income (loss). The CODM uses net income (loss) and operating income (loss) to evaluate the performance of the Company’s ongoing operations and as part of the Company’s internal planning and forecasting processes. Information on Net income (loss) and Operating income (loss) is disclosed in the Consolidated Statements of Operations. Segment expenses and other segment items are provided to the CODM on the same basis as disclosed in the Consolidated Statements of Operations.

NOTE 3 — ACCOUNTS RECEIVABLE, NET

Accounts receivable, net at June 30, 2026 and December 31, 2025 was \$4,051 and \$3,324, respectively, represent collection received by the credit card processor in F&B business and rent receivable. Accounts receivable is recorded at invoiced amounts net of an allowance for credit losses and does not bear interest. As of June 30, 2026 and December 31, 2025, the allowance for credit losses was an immaterial amount. The Company does not have any off-balance sheet credit exposure related to its customers.

NOTE 4 — PROPERTY AND EQUIPMENT, NET

The components of property and equipment are as follows:

	Total
June 30, 2026	
Cost:	
Office Equipment	\$ 38,909
Furniture and Fittings	5,798
Kitchen Equipment	32,043
Other Operating Equipment	12,177
Leasehold Improvements	156,372
Accumulated Depreciation:	
Office equipment	\$ (31,794)
Furniture and Fittings	(3,382)
Kitchen Equipment	(16,111)
Other Operating Equipment	(5,364)
Leasehold Improvements	(84,500)
Impairment:	
Office equipment	\$ (7,165)
Furniture and Fittings	(2,433)
Kitchen Equipment	(12,518)
Other Operating Equipment	(6,861)
Leasehold Improvements	(61,147)
Add: Foreign currency translation adjustment	631
Total, net	\$ 14,655
December 31, 2025	
Cost:	
Office Equipment	\$ 39,021
Furniture and Fittings	5,839
Kitchen Equipment	31,960
Other Operating Equipment	12,263
Leasehold Improvements	159,518
Accumulated Depreciation:	
Office equipment	\$ (31,856)
Furniture and Fittings	(3,406)
Kitchen Equipment	(15,655)
Other Operating Equipment	(5,402)
Leasehold Improvements	(83,005)
Impairment:	
Office equipment	\$ (7,165)
Furniture and Fittings	(2,433)
Kitchen Equipment	(12,518)
Other Operating Equipment	(6,861)
Leasehold Improvements	(61,147)
Total, net	\$ 19,153

For the three months ended June 30, 2026 and 2025, the Company recorded depreciation expenses of \$2,047 and \$3,380, respectively. For the six months ended June 30, 2026 and 2025, the Company recorded depreciation expenses of \$4,137 and \$6,662, respectively. There was no impairment of property and equipment during the six months ended June 30, 2026 and 2025.

NOTE 5 — INVESTMENTS

Investments in equity securities without readily determinable fair values are measured at cost minus impairment adjusted by observable price changes in orderly transactions for the identical or a similar investment of the same issuer. These investments are measured at fair value on a nonrecurring basis when there are events or changes in circumstances that may have a significant adverse effect. An impairment is recognized in the consolidated statements of comprehensive income equal to the amount by which the carrying value exceeds the fair value of the investment. No impairment was recorded as of and for the six months ended June 30, 2026 and 2025.

Ideal Food & Beverage Pte. Ltd.

On March 14, 2024, the Company entered into a share subscription agreement through its subsidiary Alset F&B Holding Pte. Ltd. (“F&BH”) for 19,000 shares of Ideal Food & Beverage Pte. Ltd. (“IFBPL”), constituting 19% of the issued shares of IFBPL. The investment amount was \$14,010 paid to IFBPL on May 23, 2024. For the year ended December 31, 2024, the Company impaired this investment of \$14,010 to \$0.

On February 26, 2026, the Company entered into a share subscription agreement through F&BH for additional 19,000 shares of newly issued 100,000 shares of IFBPL. The investment amount was \$14,974 paid to IFBPL on February 26, 2026. Following the new investment, the Company holds a total of 38,000 shares out of 200,000 total outstanding shares of IFBPL, representing 19% of IFBPL’s outstanding shares.

Sale of HWH World Inc. and Acquisition of AES Group Inc.

On April 23, 2025, the Company completed the sale of HWH World Inc. (“HWHKOR”) by Health Wealth Happiness Pte. Ltd. (“HWHPL”) to AES Group Inc. (“AES”), a Korean entity. The sale was consummated under a term sheet signed on April 20, 2025, pursuant to which the Company agreed to transfer its 100% equity interest in HWHKOR to AES. In exchange, AES agreed to issue new shares to the Company upon closing, representing 19.9% of AES’s share capital, with a total cost basis of \$1,354. Total of \$383,667 gain was generated from this deal and recorded in other non-operating income / (expenses) in the statement of operations. The disposal of HWH World Inc. had immaterial effect on the Company’s condensed consolidated financial statements and the deconsolidation did not meet the criteria for presentation as discontinued operations under ASC 205-20.

Sale of Alset F&B One Pte. Ltd.

On September 10, 2025, Alset F&B Holdings Pte. Ltd. (“F&BH”), entered into a sale and purchase agreement (the “Sale and Purchase Agreement”) with Alset International Limited (“AIL”), pursuant to which the F&BH agreed to sell 70% of the outstanding shares of its subsidiary, Alset F&B One Pte. Ltd. to the AIL in exchange for \$170,754. Following this sale, F&BH will continue to own 20% of Alset F&B One. Total \$21,611 loss was generated from this deal and recorded in other non-operating income / (expenses) in the statement of operations. The remaining 20% interest in Alset F&B One was initially measured at its fair value of \$54,961 on the date of deconsolidation, which became the initial basis of the equity method investment. The deconsolidation did not meet the criteria for presentation as discontinued operations under ASC 205-20. The F&BH carrying amount of investment in equity method - related party on Alset F&B One was \$68,943 and \$60,708 as of June 30, 2026 and December 31, 2025, respectively.

NOTE 6 – NOTES PAYABLE

D. Boral Capital, LLC

On December 18, 2023, the Company entered into a Satisfaction and Discharge of Indebtedness Agreement in connection with an underwriting agreement previously entered into by HWH and D. Boral Capital LLC (“D. Boral Capital”) (formerly known as EF Hutton, LLC), a division of Benchmark Investments, LLC, under which in lieu of HWH tendering the full amount due of \$3,018,750, the underwriters accepted a combination of \$325,000 in cash paid upon the closing of Business Combination, 149,443 shares of the Company’s common stock and a \$1,184,375 promissory note as full satisfaction. This agreement was effective at the closing of Business Combination on January 9, 2024. The 149,443 shares were issued at the price of \$10.10, totaling the amount of \$1,509,375. The fair value of the HWH shares at issuance on January 9, 2024 was \$2.82 per share or \$421,429. No gain or loss was recognized upon issuance of the shares on January 9, 2024, as this was an adjustment to prior underwriting costs accounted for in equity. The promissory note carries interest rate equal to SOFR (secured overnight financing rate for U.S. Government Securities Business Day published by the Federal Reserve Bank of New York) plus a margin of one percent. The principal amount of the promissory note and any accrued interest shall mature (i) partially in the event HWH completes an offering within one year of the date of the promissory note, the amount of outstanding debt maturing being proportionate to the amount of proceeds of the future offering, or (ii) in partial installments through October of 2028, the outstanding balance being paid annually until the balance owed is paid in full. The first installment of the note that was due in October 2024 was paid in January 2025, resulting in a default due to the delay in payment. The second installment of the note was paid in October 2025. We have concluded negotiations with D. Boral Capital LLC and cured the default stemming from the late payment of the installation due in October of 2024. As of December 31, 2025 total due to D. Boral Capital was \$829,182, which includes \$710,625 in principal and \$118,557 in interest.

On April 16, 2026, the Company and D. Boral Capital entered into an amendment to the Satisfaction and Discharge of Indebtedness Agreement. Under the terms of the amendment, D. Boral Capital accepted a one-time payment of \$500,000 from the Company as satisfaction of the Company’s further obligations and indebtedness under the Satisfaction and Discharge of Indebtedness Agreement and the promissory note in lieu of principal and interest otherwise owed and scheduled to be paid. The settlement for \$500,000 was paid on April 20, 2026. On April 16, 2026, the Company and D. Boral Capital LLC (“D. Boral”) entered into Amendment No. 1 to the Satisfaction and Discharge of Indebtedness, pursuant to which D. Boral agreed to accept a one-time cash payment of \$500,000 in full satisfaction of all amounts owed by the Company to D. Boral under the underwriting agreement, the original satisfaction and discharge, and the related promissory note. The payment was made on April 20, 2026, and upon payment the promissory note was cancelled. The carrying amount of the obligation at the settlement date was \$839,182, consisting of \$710,625 of principal and \$128,557 of accrued interest. The Company accounted for the transaction as an extinguishment of debt under ASC 470-50. The \$339,185 difference between the carrying amount of the obligation and the cash consideration paid was recognized as a gain on extinguishment of debt in other income (expense) in the condensed consolidated statements of operations for the three and six months ended June 30, 2026.

Loans for Operations

The Company’s subsidiary, Ketomei Pte Ltd (“Ketomei”) has a loan from DBS Bank Limited, which was used to fund Ketomei’s current operations. Ketomei owes the bank \$22,258 and \$22,415 at June 30, 2026 and December 31, 2025, respectively.

NOTE 7 — DUE TO/FROM RELATED PARTIES

Due to Alset Inc.

Alset Inc. (“AEI”) is our ultimate holding company that is incorporated in the United States of America. The amount due to AEI represents short-term working capital advances to the Company for its daily operations. There is no written, executed agreement and the amount due to AEI is non-interest bearing. Since the amount due to AEI is due upon request, it is classified as a current liability. The amounts due to AEI at June 30, 2026 and December 31, 2025 are \$574,086 and \$569,614 respectively.

Due to Alset International Limited.

Alset International Limited (“AIL”) is incorporated in Singapore and is a fellow subsidiary of the common parent company, Alset Inc. The amount due to AIL represents short-term working capital advances to the Company for its daily operations. There is no written, executed agreement and the amount due to AIL is non-interest bearing. Since the amount due to AIL is due upon request, it is classified as a current liability. The amounts due to AIL at June 30, 2026 and December 31, 2025 are \$4,694,762 and \$4,653,037, respectively. This balance is subject to a right of offset against other related party balances under common control and is presented on a net basis as “Due to related parties, net” on the condensed consolidated balance sheet.

Due from Alset Business Development Pte. Limited.

Alset Business Development Pte. Limited (“ABD”) is incorporated in Singapore and is a fellow subsidiary of Alset Inc. The amount due from ABD represents amount lent by ABD to Hapi Cafe Inc. for the investment in Ketomei Pte. Ltd in March 2022, and \$5,000,000 lent from HWHPL to ABD in November 2024, with partial repayment of \$707,000 received by the Company in December 2024. There is no written, executed agreement and the amount due from ABD is non-interest bearing. Since the amount due from ABD is due upon request, it is classified as a current asset. The amount due from ABD at June 30, 2026 and December 31, 2025 is \$4,083,643 and \$4,232,313, respectively. This balance is subject to a right of offset against other related party balances under common control and is presented on a net basis as “Due to related parties, net” on the condensed consolidated balance sheet.

Due from Hapi Metaverse Inc.

Hapi Metaverse Inc. (“HMI”) is incorporated in the United States of America and is a fellow subsidiary of Alset Inc. The amount due from represents short-term working capital advances for the Company to finance its daily operations, \$5,000 from HMI and \$121,510 from HotApp International Limited, a subsidiary of HMI, during the six months ended June 30, 2026. There is no written, executed agreement and the amount due from HMI is non-interest bearing. Since the amount due from HMI is due upon request, it is classified as a current asset. The amount due from HMI and its subsidiaries at June 30, 2026 and December 31, 2025 is \$0 and \$381,461, respectively. The decrease is mainly due to \$509,067 forgiveness of liabilities provided by HWH and its subsidiaries, and the related cost is included in general and administrative expenses. This balance is subject to a right of offset against other related party balances under common control and is presented on a net basis as “Due to related parties, net” on the condensed consolidated balance sheet.

NOTE 8 — RELATED PARTY TRANSACTIONS

On March 20, 2024, the Company entered into a securities purchase agreement with Sharing Services Global Corporation (“SHRG”), pursuant to which the Company purchased from SHRG a (i) Convertible Promissory Note (“CN 1”) in the amount of \$250,000, convertible into 208,333,333 shares of SHRG’s common stock at the option of the Company, and (ii) certain warrants exercisable into 208,333,333 shares of SHRG’s common stock at an exercise price of \$0.0012 per share, the exercise period of the warrant being five (5) years from the date of the securities purchase agreement, for an aggregate purchase price of \$250,000 (“WRNT 1”). CN 1 bears a 6% interest rate and has scheduled maturity on March 19, 2027, three years from the date of the CN 1. At the time of filing, the Company has not converted any of the note nor exercised any of the warrants.

On May 9, 2024, the Company entered into a securities purchase agreement with Sharing Services Global Corporation, pursuant to which the Company purchased from SHRG a Convertible Promissory Note (“CN 2”) in the amount of \$250,000, convertible into 125,000,000 shares of SHRG’s common stock at the option of the Company for an aggregate purchase price of \$250,000. CN 2 bears an 8% interest rate and has scheduled maturity on May 8, 2027, three years from the date of the CN 2. Additionally, upon signing CN 2, SHRG owed the Company a commitment fee of 8% of the principal amount, \$20,000 in total, to be paid either in cash or in common stock of SHRG, at the discretion of the Company. At the time of filing, the Company has not converted any of the note contemplated by CN 2.

On June 6, 2024, the Company entered into a securities purchase agreement with Sharing Services Global Corporation, pursuant to which the Company purchased from SHRG a Convertible Promissory Note (“CN 3”) in the amount of \$250,000, convertible into 125,000,000 shares of SHRG’s common stock at the option of the Company for an aggregate purchase price of \$250,000. CN 3 bears an 8% interest rate and has scheduled maturity on June 5, 2027, three years from the date of the CN 3. Additionally, upon signing CN 3, SHRG owed the Company a commitment fee of 8% of the principal amount, \$20,000 in total, to be paid either in cash or in common stock of SHRG, at the discretion of the Company. At the time of filing, the Company has not converted any of the note contemplated by CN 3.

On August 13, 2024, the Company entered into a securities purchase agreement with Sharing Services Global Corporation, pursuant to which the Company purchased from SHRG a Convertible Promissory Note (“CN 4”) in the amount of \$100,000, convertible into 50,000,000 shares of SHRG’s common stock at the option of the Company for an aggregate purchase price of \$100,000. CN 4 bears an 8% interest rate and has scheduled maturity on August 13, 2027, three years from the date of the CN 4. Additionally, upon signing CN 4, SHRG owed the Company a commitment fee of 8% of the principal amount, \$8,000 in total, to be paid either in cash or in common stock of SHRG, at the discretion of the Company. At the time of filing, the Company has not converted any of the note contemplated by CN 4.

On January 15, 2025, the Company entered into a securities purchase agreement with Sharing Services Global Corporation pursuant to which the Company purchased from SHRG a Convertible Promissory Note (“CN 5”) with the principal amount of \$150,000. CN 5 bears interest at a rate of 8% per annum and matures on January 15, 2028. Under the terms of CN 5, the Company has the sole discretion to elect repayment in either cash or shares of SHRG common stock. In the event the Company elects repayment in shares, the number of shares issuable will be determined based on the average closing market price of SHRG’s common stock during the three trading days immediately preceding the repayment date. At the time of filing, the Company has not converted any of the note contemplated by CN 5.

On March 31, 2025, the Company entered into a securities purchase agreement with Sharing Services Global Corporation pursuant to which the Company purchased from SHRG a (i) Convertible Promissory Note (“CN 6”) in the amount of \$150,000, convertible into 187,500 shares of SHRG’s common stock at the option of the Company, and (ii) certain warrants exercisable into 937,500 shares of SHRG’s common stock at an exercise price of \$0.85 per share, the exercise period of the warrant being three (3) years from the date of the securities purchase agreement, for an aggregate purchase price of \$796,875. (“WRNT 2”). At the time of filing, the Company has not converted any of the debt contemplated by CN 6 nor exercised any of the warrants. Additionally, upon signing CN 6, SHRG owed the Company a commitment fee of 8% of the principal amount, \$12,000 in total, to be paid either in cash or in common stock of SHRG, at the discretion of the Company. CN 6 bears an 8% interest rate and has scheduled maturity on March 30, 2028, three years from the date of the CN 6. At the time of filing, the Company has not converted any of the note nor exercised any of the warrants.

On April 21, 2025, the Company entered into a loan agreement (the “Loan Agreement 1”) with Sharing Services Global Corporation, under which the Company provided a loan to SHRG in the amount of \$30,000. The maturity date of the Loan Agreement 1 is April 21, 2026. The Loan Agreement 1 bears a 10% interest rate. As of June 30, 2026, the loan had passed its maturity date and remained outstanding. Accordingly, the outstanding balance was classified as a current asset and included in other receivables, related party, net on the condensed consolidated balance sheet. The Company is currently in discussion with the borrower regarding a possible extension of the loan term.

On April 25, 2025, the Company entered into a loan agreement (the “Loan Agreement 2”) with Sharing Services Global Corporation, under which the Company provided a loan to SHRG in the amount of \$250,000. The maturity date of the Loan Agreement 2 is April 25, 2026. The Loan Agreement 2 bears an 8% interest rate. Additionally, upon execution of the Loan Agreement 2 SHRG incurred a commitment fee representing 5% of the loan principal, \$12,500. As of June 30, 2026, the loans had matured and remained outstanding. As of June 30, 2026, the loan had passed its maturity date and remained outstanding. Accordingly, the outstanding balance was classified as a current asset and included in other receivables, related party, net on the condensed consolidated balance sheet. The Company is currently in discussion with the borrower regarding a possible extension of the loan term.

On June 27, 2025, the Company entered into a securities purchase agreement with Sharing Services Global Corporation pursuant to which the Company purchased from SHRG a Convertible Promissory Note (“CN 7”) in the amount of \$60,000, convertible into 10,000,000 shares of SHRG’s common stock at the option of the Company for an aggregate purchase price of \$60,000. Additionally, upon signing CN 7, SHRG owed the Company a commitment fee of 8% of the principal amount \$4,800 in total, to be paid either in cash or in common stock of SHRG, at the discretion of the Company. CN 7 bears an 8% interest rate and has scheduled maturity on June 26, 2028, three years from the date of the CN 7. At the time of filing, the Company has not converted any of the note contemplated by CN 7.

On September 17, 2025, the Company entered into a securities purchase agreement with Sharing Services Global Corporation pursuant to which the Company purchased from SHRG a Convertible Promissory Note (“CN 8”) in the amount of \$70,000, convertible into 11,666,667 shares of SHRG’s common stock at the option of the Company for an aggregate purchase price of \$70,000. Additionally, upon signing CN 8, SHRG owed the Company a commitment fee of 8% of the principal amount, \$5,600 in total, to be paid either in cash or in common stock of SHRG, at the discretion of the Company. CN 8 bears an 8% interest rate and has scheduled maturity on September 16, 2028, three years from the date of the CN 8. At the time of filing, the Company has not converted any of the note contemplated by CN 8.

On October 6, 2025, the Company entered into a securities purchase agreement with Sharing Services Global Corporation pursuant to which the Company purchased from SHRG a Convertible Promissory Note (“CN 9”) in the amount of \$200,000, convertible into 33,333,333 shares of SHRG’s common stock at the option of the Company for an aggregate purchase price of \$200,000. Additionally, upon signing CN 9, SHRG owed the Company a commitment fee of 8% of the principal amount, \$16,000 in total, to be paid either in cash or in common stock of SHRG, at the discretion of the Company. CN 9 bears an 8% interest rate and has scheduled maturity on October 6, 2028, three years from the date of the CN 9. At the time of filing, the Company has not converted any of the note contemplated by CN 9.

On December 10, 2025, the Company entered into a securities purchase agreement with Sharing Services Global Corporation pursuant to which the Company purchased from SHRG a Convertible Promissory Note (“CN 10”) in the amount of \$150,000, convertible into 25,000,000 shares of SHRG’s common stock at the option of the Company for an aggregate purchase price of \$150,000. Additionally, upon signing CN 10, SHRG owed the Company a commitment fee of 8% of the principal amount, \$12,000 in total, to be paid either in cash or in common stock of SHRG, at the discretion of the Company. CN 10 bears an 8% interest rate and has scheduled maturity on December 10, 2028, three years from the date of the CN 10. At the time of filing, the Company has not converted any of the note contemplated by CN 10.

On January 2, 2026, the Company entered into a securities purchase agreement with Sharing Services Global Corporation pursuant to which the Company purchased from SHRG a Convertible Promissory Note (“CN 11”) in the amount of \$40,000, convertible into 6,666,667 shares of SHRG’s common stock at the option of the Company for an aggregate purchase price of \$40,000. Additionally, upon signing CN 11, SHRG owed the Company a commitment fee of 8% of the principal amount, \$3,200 in total, to be paid either in cash or in common stock of SHRG, at the discretion of the Company. CN 11 bears an 8% interest rate and has scheduled maturity on January 1, 2029, three years from the date of the CN 11. At the time of filing, the Company has not converted any of the note contemplated by CN 11, and recorded at cost under convertible notes receivable - related party.

On January 8, 2026, the Company entered into a securities purchase agreement with Sharing Services Global Corporation pursuant to which the Company purchased from SHRG a Convertible Promissory Note (“CN 12”) in the amount of \$120,000, convertible into 20,000,000 shares of SHRG’s common stock at the option of the Company for an aggregate purchase price of \$120,000. Additionally, upon signing CN 12, SHRG owed the Company a commitment fee of 8% of the principal amount, \$9,600 in total, to be paid either in cash or in common stock of SHRG, at the discretion of the Company. CN 12 bears an 8% interest rate and has scheduled maturity on January 7, 2029, three years from the date of the CN 12. At the time of filing, the Company has not converted any of the note contemplated by CN 12, and recorded at cost under convertible notes receivable - related party.

On February 4, 2026, the Company entered into a securities purchase agreement with Sharing Services Global Corporation pursuant to which the Company purchased from SHRG a Convertible Promissory Note (“CN 13”) in the amount of \$125,000, convertible into 20,833,333 shares of SHRG’s common stock at the option of the Company for an aggregate purchase price of \$125,000. Additionally, upon signing CN 13, SHRG owed the Company a commitment fee of 8% of the principal amount, \$10,000 in total, to be paid either in cash or in common stock of SHRG, at the discretion of the Company. CN 13 bears an 8% interest rate and has scheduled maturity on February 4, 2029, three years from the date of the CN 13. At the time of filing, the Company has not converted any of the debt contemplated by CN 13, and recorded at cost under convertible notes receivable - related party.

As of June 30, 2026 and December 31, 2025, a total of \$133,700 and \$110,900 in commitment fees \$145,844 and \$147,504 of interest was recorded under other receivable – related party, net and \$85,432 and \$0 of interest was recorded under other non-current asset, respectively.

SHRG is a related party of the Company, as our stockholders Alset Inc. and Alset International Limited, in addition to certain entities affiliated with them, are significant stockholders of SHRG, and our former Chief Executive Officer, John Thatch, is also the Chief Executive Officer of SHRG.

Cancelled Acquisition of Hapi Metaverse Inc.

On February 5, 2026, Alset Inc., the Company’s majority stockholder entered into a Stock Purchase Agreement with the Company, pursuant to which Alset Inc. agreed to sell to the Company 505,341,376 shares of Hapi Metaverse Inc. for a purchase price of \$19,910,603 in the form of a promissory note convertible into newly issued shares of common stock of the Company at an exercise price of \$1.85 per share, maturing five (5) years from the date of the term sheet, and bearing an interest rate of 1% per annum. Under the terms of the transaction, upon the closing, the Company would have become HMI’s largest stockholder. The deal was cancelled on May 6, 2026.

Other Receivables – related party, Net

Other receivables – related party, net, are primarily composed of miscellaneous receivables from related parties, including interest accrued on loans to related parties. The remaining portion mainly represents VAT receivables expected to be refunded by the local government. As of June 30, 2026 and December 31, 2025, the amount of other receivable – related party, net was \$615,565 and \$614,577, respectively, including the amount due from related parties of \$600,703 and \$605,267, respectively. The impairment of other receivables – related party, net was \$172,808 and \$158,036 as of June 30, 2026 and December 31, 2025, respectively.

HapiTravel Holding Pte. Ltd.

On April 25, 2024, the Company entered into a binding term sheet (the “Term Sheet”) through its subsidiary Health Wealth Happiness Pte. Ltd., outlining a joint venture with Chen Ziping, an experienced entrepreneur in the travel industry, and Chan Heng Fai, HWH’s Executive Chairman, as a part of HWH’s strategy of building its travel business in Asia. The planned joint venture company (referred to here as the “JVC” or “HTHPL”) will be known as HapiTravel Holding Pte. Ltd. The JVC will be initially owned as follows: (a) HWHPL will hold 19% of the shares in the JVC; (b) Mr. Chan will hold 11%; and (c) the remaining 70% of the shares in the JVC will be held by Mr. Chen.

On November 6, 2024, the Company signed a loan agreement with HTHPL in the amount of \$137,658 at an interest rate of 5% per annum, the maturity date of which is on or before the second anniversary of the effective date.

On December 18, 2024, the Company sold Hapi Travel Pte. Ltd. (“HTPL”) to HTHPL for a consideration of \$834.

As of June 30, 2026 and December 31, 2025, HTHPL owed the Company a total of \$3,585 and \$26,623, respectively, which is recorded in other receivables – related party, net in the financial statements. This amount is presented net of the subscription fee of \$190 that the Company owed for the 19% shareholding in the JVC.

NOTE 9 - FINANCIAL ASSETS AT FAIR VALUE

Financial assets measured at fair value on a recurring basis are summarized below and disclosed on the consolidated balance sheet as of June 30, 2026 and December 31, 2025:

	Fair Value Measurement Using			Amount at
	Level 1	Level 2	Level 3	Fair Value
June 30, 2026				
Assets				
Warrants – SHRG	\$ -	\$ 55	\$ -	\$ 55
Convertible notes receivable – SHRG	-	1,497,620	-	1,497,620
Marketable securities - Trading	113,687	-	-	113,687
Total Investment in securities at Fair Value	\$ 113,687	\$ 1,497,675	\$ -	\$ 1,611,362
	Fair Value Measurement Using			Amount at
	Level 1	Level 2	Level 3	Fair Value
December 31, 2025				
Assets				
Warrants – SHRG	\$ -	\$ 87	\$ -	\$ 87
Convertible notes receivable – SHRG	-	1,478,419	-	1,478,419
Marketable securities - Trading	84,466	-	-	84,466
Total Investment in securities at Fair Value	\$ 84,466	\$ 1,478,506	\$ -	\$ 1,562,972

The fair value of the SHRG warrants under level 2 category as of June 30, 2026 and December 31, 2025 were calculated using a binomial option pricing model valued with the following weighted average assumptions:

	June 30, 2026	December 31, 2025
WRNT 1		
Stock price	\$ 0.0222	\$ 0.023
Exercise price	\$ 1.68	\$ 1.6800
Risk free interest rate	4.18%	3.56%
Annualized volatility	410.265%	390.99%
Dividend yield	0.00%	0.00%
Year to maturity	2.72	3.21
	June 30, 2026	December 31, 2025
WRNT 2		
Stock price	\$ 0.0222	\$ 0.023
Exercise price	\$ 0.85	\$ 0.8500
Risk free interest rate	3.93%	3.49%
Annualized volatility	410.265%	390.99%
Dividend yield	0.00%	0.00%
Year to maturity	1.75	2.25

The Company has elected to recognize the convertible note at fair value and therefore there was no further evaluation of embedded features for bifurcation. The Company engaged third party valuation firm to perform the valuation of convertible notes. The fair value of the convertible notes is calculated using the binomial tree model based on probability of remaining as straight debt using discounted cash flow with the following assumptions:

CN#	1	2	3	4
Valuation date	June 30, 2026	June 30, 2026	June 30, 2026	June 30, 2026
Risk-free interest rate	3.972%	3.973%	3.974%	3.998%
Expected life	0.71 year	0.86 year	0.93 year	1.12 year
Discount rate	6.00%	8.00%	8.00%	8.00%
Expected volatility	410.265%	410.265%	410.265%	410.265%
Expected dividend yield	0%	0%	0%	0%
Fair value	\$ 233,613	\$ 237,014	\$ 235,928	\$ 93,551

CN#	5	6	7	8
Valuation date	June 30, 2026	June 30, 2026	June 30, 2026	June 30, 2026
Risk-free interest rate	4.082%	4.123%	4.171%	4.174%
Expected life	1.54 year	1.75 year	1.99 year	2.21 year
Discount rate	8.00%	8.00%	8.00%	8.00%
Expected volatility	410.265%	410.265%	410.265%	410.265%
Expected dividend yield	0%	0%	0%	0%
Fair value	\$ 146,616	\$ 135,209	\$ 53,519	\$ 62,061

CN#	9	10
Valuation date	June 30, 2026	June 30, 2026
Risk-free interest rate	4.175%	4.176%
Expected life	2.27 year	2.44 year
Discount rate	8.00%	8.00%
Expected volatility	410.265%	410.265%
Expected dividend yield	0%	0%
Fair value	\$ 173,348	\$ 126,761

Changes in the observable input values would likely cause material changes in the fair value of the Company’s Level 2 financial instruments. A significant increase (decrease) in this likelihood would result in a higher (lower) fair value measurement.

During the six months ended June 30, 2026 and 2025, the Company held convertible notes receivable with SHRG. The following table shows the activity of the notes during the six months ended June 30, 2026 and 2025.

	December 31, 2025	Additions	Unrealized Gain	June 30, 2026
Convertible note receivable, related party at fair value	\$ 1,478,419	\$ -	\$ 19,201	\$ 1,497,620
Total	\$ 1,478,419	\$ -	\$ 19,201	\$ 1,497,620

	December 31, 2024	Additions	Unrealized Loss	June 30, 2025
Convertible note receivable, related party at fair value	\$ 744,652	\$ 360,000	\$ 20,539	\$ 1,084,113
Total	\$ 744,652	\$ 360,000	\$ 20,539	\$ 1,084,113

The Company remeasures its convertible note receivable from SHRG at fair value, with changes in fair value recognized in earnings. The carrying amount increased from \$1,478,419 at December 31, 2025 to \$1,497,620 at June 30, 2026, resulting in an unrealized gain of \$19,201 for the six months ended June 30, 2026. As of June 30, 2025, the carrying amount increased from \$744,652 to \$1,084,113, primarily due to the issuance of additional \$360,000 of convertible notes during the period, partially offset by an unrealized loss of \$20,539 resulting from the fair value remeasurement.

Realized loss on marketable securities for the three and six months ended June 30, 2026 was \$13,320 and \$3,083 , respectively. Realized gain on marketable securities for the three and six months ended June 30, 2025 was \$419 and \$419, respectively. These gains were recorded directly to net loss.

NOTE 10 — STOCKHOLDERS’ EQUITY

The total amount of authorized capital stock of the Company of 500,000,000 shares, consists of (a) 450,000,000 shares of common stock (the “Common Stock”), and (b) 50,000,000 shares of preferred stock (the “Preferred Stock”). As of June 30, 2026 and December 31, 2025, there were no shares of preferred stock outstanding.

Warrants — Public Warrants may only be exercised for a whole number of shares. No fractional warrants will be issued upon separation of the Units and only whole warrants will trade. The Public Warrants became exercisable 30 days after the completion of a Business Combination. The Public Warrants will expire five years after the completion of the Business Combination.

The Company will not be obligated to deliver any shares of common stock pursuant to the exercise of a warrant and will have no obligation to settle such warrant exercise unless a registration statement under the Securities Act covering the issuance of the shares of common stock issuable upon exercise of the warrants is then effective and a current prospectus relating to those shares of common stock is available, subject to the Company satisfying its obligations with respect to registration, or a valid exemption from registration is available. No warrant will be exercisable for cash or on a cashless basis, and the Company will not be obligated to issue any shares to holders seeking to exercise their warrants, unless the issuance of the shares upon such exercise is registered or qualified under the securities laws of the state of residence of the exercising holder, or an exemption from registration is available.

Redemption of Warrants When the Price per Share of Common Stock Equals or Exceeds \$18.00 — Once the warrants become exercisable, the Company may redeem the outstanding Public Warrants:

- in whole and not in part;
- at a price of \$0.01 per Public Warrant;
- upon a minimum of 30 days’ prior written notice of redemption, or the 30-day redemption period to each warrant holder; and
- if, and only if, the last reported sale price of the common stock equals or exceeds \$18.00 per share (as adjusted for stock splits, stock dividends, reorganization, recapitalizations and the like) for any 20 trading days within a 30-trading day period ending on the trading day prior to the date on which the Company sends the notice of redemption to warrant holders.

If and when the warrants become redeemable by the Company, the Company may exercise its redemption right even if it is unable to register or qualify the underlying securities for sale under all applicable state securities laws.

If the Company calls the Public Warrants for redemption, as described above, its management will have the option to require any holder that wishes to exercise the Public Warrants to do so on a “cashless basis,” as described in the warrant agreement. The exercise price and number of common stock issuable upon exercise of the Public Warrants may be adjusted in certain circumstances including in the event of a stock dividend, extraordinary dividend or recapitalization, reorganization, merger or consolidation. However, except as described below, the Public Warrants will not be adjusted for issuances of common stock at a price below its exercise price. Additionally, in no event will the Company be required to net cash settle the Public Warrants.

The Private Placement Warrants are identical to the Public Warrants underlying the Units sold in the Initial Public Offering except the Private Placement Warrants (including the common stock issuable upon exercise of the Private Placement Warrants) were not transferable, assignable or salable until 30 days after the completion of the Business Combination, subject to certain exceptions.

The following table summarizes the warrant activity for the six months ended June 30, 2026 and 2025.

	Warrants for Common Shares	Weighted Average Exercise Price	Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Warrants Outstanding as of December 31, 2025	909,874	\$ 57.5	3.03	\$ -
Warrants Vested and exercisable at December 31, 2025	909,874	\$ 57.5	3.03	\$ -
Granted	-	\$ -		
Exercised	-	\$ -		
Forfeited, cancelled, expired	-	-		
Warrants Outstanding as of June 30, 2026	909,874	\$ 57.5	2.53	\$ -
Warrants Vested and exercisable at June 30, 2026	909,874	\$ 57.5	2.53	\$ -

	Warrant for Common Shares	Weighted Average Exercise Price	Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Warrants Outstanding as of December 31, 2024	909,874	\$ 57.5	4.03	\$ -
Warrants Vested and exercisable at December 31, 2024	909,874	\$ 57.5	4.03	\$ -
Granted	250,000	\$ 2.0		
Exercised	(250,000)	\$ (2.0)		
Forfeited, cancelled, expired	-	-		
Warrants Outstanding as of June 30, 2025	909,874	\$ 57.5	3.53	\$ -
Warrants Vested and exercisable at June 30, 2025	909,874	\$ 57.5	3.53	\$ -

Public Offering

On January 3, 2025, the Company announced the pricing of its public offering of 3,162,500 shares of common stock, par value \$0.0001 per share (the “Shares”) and 1,250,000 pre-funded warrants to purchase shares of common stock (“Pre-Funded Warrants”). The Shares and Pre-Funded Warrants were offered at a public offering price of \$0.40 per share and \$0.3999 per Pre-Funded Warrant. The Pre-Funded Warrants were exercisable immediately upon issuance and have an exercise price of \$0.0001 per share. The gross proceeds to the Company from the offering were approximately \$1.76 million, before deducting placement agent fees and other offering expenses of approximately \$355,017.

The offering was conducted pursuant to the Company’s registration statement on Form S-1 (File No. 333-282567), which was initially filed with the Securities and Exchange Commission on October 10, 2024, subsequently amended on October 23, 2024, December 4, 2024, and December 10, 2024, and declared effective on December 19, 2024. The offering closed on January 6, 2025.

D. Boral Capital LLC (“D. Boral Capital”) was acting as the exclusive placement agent for the offering. Pursuant to the Placement Agency Agreement, the Company has agreed to pay D. Boral Capital a cash fee equal to 7.5% of the gross proceeds from the offering, a non-accountable expense allowance equal to 1.0% of the gross proceeds, and reimbursement for legal and out-of-pocket expenses up to \$75,000.

The Reverse Stock Split

On January 16, 2025, the holders of a majority of the issued and outstanding shares of common stock of the Company, approved by written consent, an amendment of the Company’s Amended and Restated Certificate of Incorporation to effect a reverse stock split of the Company’s common stock, par value \$0.0001 per share, at a ratio of 1-for-5 (the “Reverse Stock Split”). The Reverse Stock Split was effectuated on February 24, 2025.

Merger with HWH International Inc – Nevada

On November 12, 2025, the Company entered into an agreement and plan of merger (“Merger Agreement”) with HWH International Inc., a Nevada corporation and a wholly owned subsidiary of the Company (“New HWH”). The Company determined it advisable and in the best interests of the Company and its stockholders that the Company merge with and into New HWH, with New HWH being the surviving corporation (the “Merger”), upon the terms and subject to the conditions set forth in the Merger Agreement. The Merger was completed on November 14, 2025. After the Merger, the total number of shares of capital stock which New HWH has the authority to issue is five hundred million (500,000,000), of which (i) four hundred and fifty million (450,000,000) shares be designated as common stock, par value of \$0.0001 per share, which shares shall not be subject to any preemptive rights, and (ii) fifty million (50,000,000) shares of preferred stock, par value of \$0.0001 per share. \$10 of share capital from HWH International Inc. – Nevada was transferred to additional paid-in capital on November 14, 2025.

Term Sheet and Definitive Documents for Investment in the Company

On May 5, 2026, the Company entered into a term sheet (the “Term Sheet”) with Smart Dynamics Technology Limited, a company incorporated in the British Virgin Islands (the “Purchaser”), pursuant to which the Company has agreed to sell to the Purchaser, for an aggregate purchase price of \$10,000,000:

- (i) 20,000,000 newly issued unregistered shares of the Company’s common stock; and
- (ii) warrants to purchase 160,000,000 newly issued, unregistered shares of the Company’s common stock at an exercise price of \$0.63 per share, exercisable immediately and expiring on the fourth anniversary of their issuance.

The Term Sheet contains certain provisions which would, upon the closing of the transactions contemplated by the Term Sheet, grant the Purchaser anti-dilution rights for a period of two years from the closing in which the Company would not be able to sell new equity securities without the consent of the Purchaser, subject to certain exceptions. Further, upon the closing, the Purchaser would be given the right to appoint three directors to the Company’s Board of Directors, subject to the conditions described in the Term Sheet. Pursuant to the Term Sheet, the Company would be required to file a registration statement registering the 20,000,000 shares issuable to the Purchaser within sixty days of the closing.

On May 27, 2026, the Company entered into a Securities Purchase Agreement (the “Securities Purchase Agreement”) with the Purchaser, pursuant to which the Company would sell (i) 20,000,000 (twenty million) fully paid, non-assessable shares of its Common Stock and (ii) warrants to purchase up to 160,000,000 (one hundred and sixty million) shares of the Company’s common stock at an exercise price of \$0.63 per share, exercisable immediately and expiring on the fourth anniversary of the closing of the transactions contemplated by the Securities Purchase Agreement for an aggregate purchase price of \$10,000,000.

The Securities Purchase Agreement was made and entered into pursuant to the terms of that certain Term Sheet entered into by the Company and the Purchaser on May 5, 2026.

The Securities Purchase Agreement contains certain provisions which would, upon the closing of the transactions contemplated by the Securities Purchase Agreement, provided the Purchaser continues to beneficially own at least a majority of the Company’s common stock, grant the Purchaser anti-dilution rights for a period of two years from the closing in which the Company would not be able to sell new equity securities without the consent of the Purchaser, subject to certain exceptions as set forth in the Securities Purchase Agreement. Further, upon the closing, the Purchaser would be given the right to appoint three directors to the Company’s Board of Directors, subject to the conditions described in the Securities Purchase Agreement. Pursuant to the Term Sheet, the Company would be required to file a registration statement registering the 20,000,000 shares issuable to the Purchaser, and the shares underlying the warrants, within sixty days of the closing.

On June 8, 2026, the Company entered into Amendment No. 1 to the Securities Purchase Agreement with the Purchaser (the “Amendment”). The Amendment amends the Securities Purchase Agreement in order to: (i) add a closing condition to require the Company’s receipt of an extension from Nasdaq to regain compliance with the stockholders’ equity continued listing requirement; (ii) amend the definition of “Purchaser Consent Matter” in the Securities Purchase Agreement to explicitly permit affiliates of the Company to invest \$500,000 into the Company; and (iii) include the proposed investment by affiliate of the Company in Section 3.1(f) of the Securities Purchase Agreement, Capitalization.

On June 12, 2026 the holders of a majority of the issued and outstanding shares of common stock of the Company approved the definitive documents for the investment by written consent. This transaction has yet to close as of June 30, 2026.

The private placement with Smart Dynamics Technology Limited had not closed as of June 30, 2026. The Company expects the transaction to close in the near term, although the closing remains subject to the satisfaction of the closing conditions set forth in the Securities Purchase Agreement, as amended.

Issuance of Common Stock under Securities Purchase Agreement

On June 8, 2026 the Company entered into a Stock Purchase Agreement with Alset Inc. (“Alset”), pursuant to which Alset agreed to purchase 250,000 shares of the Company’s common stock (the “Shares”) for a total of \$500,000, representing a purchase price of \$2.00 per share. Alset is the majority shareholder of the Company, and immediately prior to the effectiveness of the Stock Purchase Agreement, Alset directly and through its subsidiaries owned 66.4% of the issued and outstanding shares of HWH common stock.

Amendment to 2025 Incentive Compensation Plan

The Company’s Board of Directors and Compensation Committee have approved an amendment to the Company’s 2025 Incentive Compensation Plan (the “Plan”) to permit the Company to issue up to an additional 2,000,000 shares of the Company’s common stock to officers, directors, employees and certain other persons who have provided, or shall provide, services to the Company, in addition to those shares already authorized under such plan. Pursuant to the Term Sheet, any such shares granted as compensation will have a lock up of 12 months. The amendment also changes the governing law of the Plan from the laws of the State of Delaware to the laws of the State of Nevada.

Pursuant to Nasdaq Listing Rules, the Company’s stockholders holding a majority of our issued and outstanding common stock approved the amendment on June 12, 2026. As of June 30, 2026, the amendment had not yet been made effective. This amendment became effective on July 13, 2026,

NOTE 11 —LEASES

The Company has operating leases for its one F&B store in South Korea and one F&B store in Singapore as of June 30, 2026. The related lease agreements do not contain any material residual value guarantees or material restrictive covenants. Since the Company’s leases do not provide an implicit rate that can be readily determined, management uses a discount rate based on the incremental borrowing rate. The Company’s weighted-average remaining lease term relating to its operating leases is 1.78 years, with a weighted-average discount rate of 2.06%.

The Company has also utilized the following practical expedients:

- Short-term leases – for leases that are for a period of 12 months or less, the Company will not apply the recognition requirements of ASC 842.
- For leases that contain related non-lease components, such as maintenance, the Company will account for these payments as a single lease component.

The current portion of operating lease liabilities and the non-current portion of operating lease liabilities are presented in the balance sheets. Total lease expenses amounted to \$29,822 and \$65,550, which were included in general and administrative expenses in the statements of operations for the three months ended June 30, 2026 and 2025, respectively. Total lease expenses amounted to \$60,394 and \$174,679, which were included in general and administrative expenses in the statements of operations for the six months ended June 30, 2026 and 2025, respectively. Total cash paid for operating leases amounted to \$30,038 and \$69,075 for the three months ended June 30, 2026 and 2025, respectively. Total cash paid for operating leases amounted to \$60,556 and \$178,179 for the six months ended June 30, 2026 and 2025, respectively. In addition, the Company leases certain equipment on a short-term (12 months or less) basis. Total short-term lease expense of \$1,171 and \$6,537 is included in general and administrative expenses for the three months ended June 30, 2026 and 2025, respectively. Total short-term lease expense of \$2,383 and \$10,298 is included in general and administrative expenses for the six months ended June 30, 2026 and 2025, respectively. Supplemental balance sheet information related to operating leases is as follows:

	June 30, 2026	December 31, 2025
Right-of-use assets	\$ 182,286	\$ 92,655
Lease liabilities - current	\$ 107,753	\$ 84,122
Lease liabilities - non-current	76,236	11,785
Total lease liabilities	\$ 183,989	\$ 95,907

As of June 30, 2026, the aggregate future minimum rental payments under non-cancelable agreements are as follows:

Maturity of Lease Liabilities	Total
12 months ended June 30, 2027	\$ 110,039
12 months ended June 30, 2028	76,749
Total undiscounted lease payments	\$ 186,788
Less: Imputed interest	(2,799)
Present value of lease liabilities	\$ 183,989
Operating lease liabilities - Current	107,753
Operating lease liabilities - Non-current	\$ 76,236

NOTE 12 — COMMITMENTS AND CONTINGENCIES

From time to time the Company may be named in claims arising in the ordinary course of business. Currently, no legal proceedings, government actions, administrative actions, investigations or claims are pending against the Company or involve the Company that, in the opinion of management, could reasonably be expected to have a material adverse effect on its business and financial condition. For all periods presented, the Company was not a party to any pending material litigation or other material legal proceedings.

NOTE 13 — CONCENTRATION RISK

The Company maintains cash balances at various financial institutions in different countries. These balances are usually secured by the central banks’ insurance companies. At times, these balances may exceed the insurance limits. As of June 30, 2026 and December 31, 2025, uninsured cash balances were \$1,030,865 and \$1,624,957, respectively.

Major Suppliers

For the three and six months ended June 30, 2026, five suppliers accounted for approximately over 38% and 59% of the Company’s total costs of revenue, respectively.

For the three and six months ended June 30, 2025, five suppliers accounted for approximately over 59% and 70% of the Company’s total costs of revenue, respectively.

NOTE 14 — SUBSEQUENT EVENTS

The Company has evaluated events that have occurred after the balance sheet date through the date of this report and identified the following matters.

Nasdaq Listing Matter

As described in Management’s Discussion and Analysis - Nasdaq Compliance, the Company received a notice from Nasdaq on May 29, 2026 regarding non-compliance with the stockholders’ equity requirement of Listing Rule 5550(b)(1) and submitted a plan to regain compliance in June 2026. On July 24, 2026, Nasdaq notified the Company that it had granted an extension to regain compliance with the stockholders’ equity requirement of Listing Rule 5550(b), subject to the Company furnishing a specified public report on or before August 31, 2026 and evidencing compliance at the time it files its periodic report for the period ending September 30, 2026. Company remains listed on the Nasdaq Capital Market as of the date of this Quarterly Report, and Company expects to evidence the compliance within the extension granted by Nasdaq as described above.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

References to the “Company,” “HWH International Inc.,” “HWH,” “our,” “us” or “we” refer to HWH International Inc. and its subsidiaries. The following discussion and analysis of the Company’s financial condition and results of operations should be read in conjunction with the unaudited interim financial statements and the notes thereto contained elsewhere in this report. Certain information contained in the discussion and analysis set forth below includes forward-looking statements that involve risks and uncertainties.

Cautionary Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Exchange Act. We have based these forward-looking statements on our current expectations and projections about future events. These forward-looking statements are subject to known and unknown risks, uncertainties and assumptions about us that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as “may,” “should,” “could,” “would,” “expect,” “plan,” “anticipate,” “believe,” “estimate,” “continue,” or the negative of such terms or other similar expressions. Factors that might cause or contribute to such a discrepancy include, but are not limited to, those described in our other SEC filings.

Overview

Hapi Marketplace. On November 4, 2024, the Company announced the launch of its business-to-consumer marketplace, Hapi Marketplace. Hapi Marketplace features a selection of over forty-seven product categories including wellness, elderly care, auto accessories and more. Launching first in the United States, we intend for Hapi Marketplace to expand in the near future to South Korea and Hong Kong, followed by further expansion across Asia.

The various aspects of the Hapi Marketplace will be launched in phases in different regions, each with their own timeline, depending on the completion of logistical aspects for implementation (i.e., payment gateway systems, business licenses, banking set up, import licenses, managerial resources, etc.) We are expanding the product range into robotics for consumer and commercial markets. As of June 30, 2026, this project has not been launched yet.

Hapi Cafés, which are, and will be, in-person, location-based social experiences, offer customers the opportunity to build a sense of community with like-minded customers who share a potential interest in our products. The cafes are designed to operate sustainably as standalone businesses. The cafes also seek to be an avenue to create awareness to and educate potential and existing customers about the products and services of HWH, providing us with the chance to significantly increase our customer base as well as increase the amounts spent by our customers on our affiliates’ products and services. Each of our cafés is a “Hapi Café.” We opened proof-of-concept Hapi Café locations in Seoul, the Republic of Korea and Singapore in May and July 2022, respectively, and one more opened in Seoul, in May 2024. We plan to open additional Hapi Cafés as we beta test and further improve our business concept. We intend to grow our customer base as we grow the number of Hapi Cafés around the world. Hapi Cafes are positioned to be integral parts of HWH’s business model. Due to the underperformance of certain café locations, the Company closed several cafés during 2024 and 2025. The Company currently operates one café in Singapore.

Hapi Wealth Builder seeks to provide participants the opportunity to attend courses, workshops, and coaching sessions in person, fostering a collaborative learning environment for those dedicated to learning investment in equities and wealth-building strategies. The team has been diligently producing digital content for Hapi Wealth Builder and working to collaborate with the right partners to launch the program and make it available to members. Hapi Wealth Builder will leverage the wealth of knowledge and experience of its leaders to make wealth building accessible and effective for its members. Our unique community-centric approach will offer members tools for making informed financial decisions while creating pathways for sustained growth.

On October 31, 2024, we announced that the Company scheduled the launch of Hapi Wealth, a program dedicated to providing comprehensive education in equity investment and wealth-building strategies. We are targeting a rollout in selected regions later in 2026 as well.

To further support its mission, Hapi Wealth is opening its China headquarters, designed as a conducive environment for individuals to participate in tutorials and workshops. The hub will offer participants the opportunity to attend courses, workshops, and coaching sessions in person, fostering a collaborative learning environment for those dedicated to learning investment in equities and wealth-building strategies.

Our Revenue Model

Our total revenue for the three months ended June 30, 2026 and 2025 was \$64,200 and \$310,391, respectively. Our total revenue for the six months ended June 30, 2026 and 2025 was \$128,400 and \$605,588, respectively. Our net income for the three months ended June 30, 2026 and 2025 was \$210,657 and \$75,977, respectively. Our net loss for the six months ended June 30, 2026 and 2025 was \$416,116 and \$410,995, respectively.

We currently recognize revenue from food and beverage sales, which accounted for approximately 100% of revenue in the six months ended June 30, 2026 and 2025, respectively.

From a geographical perspective, we recognized 100% of our total revenue in the three and six months ended on June 30, 2026, in Singapore. and 10% and 90% in the three and six months ended June 30, 2025, in South Korea and Singapore, respectively.

Matters that May or Are Currently Affecting Our Business

In addition to the matters described above, the primary challenges and trends that could affect or are affecting our financial results include:

- Our ability to improve our revenue through cross-selling and revenue-sharing arrangements among our group of companies;
- Our ability to identify complementary businesses for acquisition, obtain additional financing for these acquisitions, if and when needed, and profitably integrate them into our existing operation;
- Our ability to attract competent, skilled technical and sales personnel for each of our businesses at acceptable compensation levels to manage our overhead; and
- Our ability to control our operating expenses as we expand each of our businesses and product and service offerings.

Summary of Significant Accounting Policies

Basis of Presentation and Principles of Consolidation

The Company’s condensed consolidated financial statements and related notes include all the accounts of the Company and its wholly owned subsidiaries. They have been prepared in accordance with the accounting principles generally accepted in the United States of America (“U.S. GAAP”). All intercompany transactions have been eliminated in consolidation.

Use of Estimates and Critical Accounting Estimates and Assumptions

The preparation of 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 disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Significant estimates made by management include, but are not limited to, allowance for credit losses, recoverability and useful lives of property, plant and equipment, the valuation allowance of deferred taxes, contingencies, and equity compensation. Actual results could differ from those estimates.

Revenue Recognition and Cost of Sales

Product Sales: The Company’s performance obligation is to transfer ownership of its products to its customers. The Company generally recognizes revenue when a product is delivered to the customer. Revenue is recorded net of applicable taxes, allowances, refund or returns. The Company receives the net sales price in cash or through credit card payments at the point of sale.

If any customer returns a product to the Company on a timely basis, they may obtain a replacement product from the Company for such returned product. Allowances for product returns are provided at the time the sale is recorded. This accrual is based upon historical return rates for each country and the relevant return pattern, which reflects anticipated returns to be received over a period of up to 12 months following the original sale. There were no product returns for the three and six months ended June 30, 2026, and 2025.

Food and Beverage: The revenue received from food and beverage business in the three months ended June 30, 2026 and 2025 was \$64,200 and \$310,391, respectively. The revenue received from food and beverage business in the six months ended June 30, 2026 and 2025 was \$128,400 and \$605,588, respectively.

Cost of Revenue: Cost of revenue consists of cost of procuring finished goods from suppliers and related shipping and handling fees.

Results of Operations

Summary of Statements of Operations for the Three and Six Months Ended June 30, 2026 and 2025

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Revenue	\$ 64,200	\$ 310,391	\$ 128,400	\$ 605,588
Cost of revenue	43,836	266,314	102,250	529,078
Operating expenses	249,063	383,868	879,763	1,010,429
Other income	439,356	415,768	437,497	565,872
Provision for income taxes	-	-	-	(42,948)
Net income (loss)	\$ 210,657	\$ 75,977	\$ (416,116)	\$ (410,995)

Revenue	
Revenue was \$64,200 and \$310,391 for the three months ended June 30, 2026 and 2025, respectively. Revenue was \$128,400 and \$605,588 for the six months ended June 30, 2026 and 2025, respectively. Word of mouth, a social media presence, and the availability of meeting spaces are significant drivers of our revenue and revenue potential. Our revenue decreased in 2026 due to the cessation of operations of cafes located in Singapore and Korea in August and September 2025, respectively.	
Cost of revenue	
Cost of revenues decreased from \$266,314 in the three months ended June 30, 2025 to \$43,836 in the three months ended June 30, 2026. Cost of revenues decreased from \$529,078 in the six months ended June 30, 2025 to \$102,250 in the six months ended June 30, 2026. The decrease is a result of the cessation of operations of cafes located in Singapore and Korea in August and September 2025, respectively.	
Gross profit decreased from \$44,077 for the three months ended June 30, 2025 to gross loss \$20,364 for the three months ended June 30, 2026. Gross profit decreased from \$76,510 for the six months ended June 30, 2025 to \$26,150 for the six months ended June 30, 2026. The decrease in gross margin was caused by the cessation of operations of cafes located in Singapore and Korea in August and September 2025, respectively.	
Operating expenses	
Operating expenses decreased from \$383,868 for the three months ended June 30, 2025 to \$249,063 for the three months ended June 30, 2026. General and administrative expenses decreased from \$383,868 for the three months ended June 30, 2025 to \$249,063 for the three months ended June 30, 2026. Operating expenses decreased from \$1,010,429 for the six months ended June 30, 2025 to \$879,763 for the six months ended June 30, 2026. General and administrative expenses decreased from \$932,949 for the six months ended June 30, 2025 to \$879,763 for the six months ended June 30, 2026. The decrease in general and administrative expenses in 2026 compared with 2025 was mostly caused by the cessation of operations of cafes located in Singapore and Korea in August and September 2025, respectively. The Company recorded a goodwill impairment charge of \$77,480 during the six months ended June 30, 2025, which increased operating expenses for that period.	
Other income	
The Company recorded other income of \$439,356 for the three months ended June 30, 2026, compared to other income of \$415,768 for the same period in 2025. The Company recorded other income of \$437,497 for the six months ended June 30, 2026, compared to other income of \$565,872 for the same period in 2025. The change in other income was primarily due to \$339,185 gain from debt extinguishment for the six months ended June 30, 2026, \$383,667 gain on disposal of subsidiaries for the six months ended June 30, 2025. This was partially offset by foreign exchange transaction gain (loss), which changed from a gain of \$307,691 in the six months ended June 30, 2025 to a loss of \$33,161 in the six months ended June 30, 2026.	
Net income (loss)	
Net income increased from \$75,977 for the three months ended June 30, 2025 to \$210,657 for the three months ended June 30, 2026. Net loss increased from \$410,995 for the six months ended June 30, 2025 to \$416,116 for the six months ended June 30, 2026.	

Liquidity and Capital Resources

Our cash has decreased from \$2,085,918 as of December 31, 2025 to \$1,506,036 as of June 30, 2026. Our liabilities decreased from \$1,883,133 at December 31, 2025 to \$1,711,444 at June 30, 2026. Our total assets have decreased from \$4,567,858 as of December 31, 2025 to \$4,510,043 as of June 30, 2026.

In the six months ended June 30, 2026, we incurred a net loss, a loss from operations and negative cash flow from operating cafés during the period. These factors raise substantial doubt about our ability to continue as a going concern.

The Company believes that the available cash in the Company’s bank accounts, anticipated cash from operations, and financing availability from related parties are sufficient to fund our operations for at least the next 12 months. The Company’s capital requirements for the planned expansion are based on, among other items, geographical specific property costs, team requirements, and marketing steps needed. Our expansion consists of plans to take over leases of existing Hapi Cafes we currently do not own, as we look to add more Hapi Cafes over the next two years. There is no guarantee that we will be able to execute on our plans as laid out above.

On April 24, 2024, the Company entered into a Credit Facility Agreement (the “Credit Agreement”) with Alset Inc., a Texas corporation and the Company’s majority stockholder, pursuant to which Alset Inc. provided the Company a line of credit facility (the “Credit Facility”) which provides a maximum, aggregate credit line of up to \$1,000,000. As of June 30, 2026, there are no outstanding amounts related to the Credit Facility, as the debt with Alset Inc. was converted to equity on September 24, 2024. The remaining credit of \$700,000 expired on April 14, 2026.

Pursuant to the Credit Agreement, the Company may request an advance (each, an “Advance”) on the Credit Facility. Each Advance shall bear a simple interest rate of three percent (3%) per annum. Each Advance and all accrued but unpaid interest shall be due and payable at the first (1st) anniversary of the effective date of the Credit Agreement. The Company may at any time during the term of the Credit Agreement prepay a portion or all amounts of its indebtedness without penalty. Each advance shall not be secured by a lien or other encumbrance on any of the Company’s assets, but shall be solely a general unsecured debt obligation of the Company.

On April 14, 2025, the Company entered into an amendment (the “Amendment”) to this Credit Agreement. Under the terms of the Amendment, the date upon which each advance made under the Credit Facility and all accrued but unpaid interest shall be due and payable was extended from April 24, 2025 to April 14, 2026. As of the issuance of these quarterly condensed consolidated financial statements, the Company is still in discussion with Alset Inc. regarding the possible extension of the Amendment to the Credit Agreement.

The accompanying financial statements have been prepared assuming the Company will continue as a going concern and do not contain any adjustments that might be required should the Company be unable to continue as a going concern.

The Company has obtained letters of financial support from Alset Inc., the majority stockholder of the Company. Alset Inc. committed to provide any additional funding required by the Company and would not demand repayment through twelve months from the issuance of these condensed consolidated financial statements.

Summary of Cash Flows for the Six Months Ended June 30, 2026 and 2025

	Six Months Ended June 30,	
	2026	2025
Net cash provided by / (used in) operating activities	\$ 285,469	\$ (528,424)
Net cash used in investing activities	\$ (406,369)	\$ (741,523)
Net cash (used in) / provided by financing activities	\$ (488,972)	\$ 578,857

Cash Flows from Operating Activities

Net cash provided by operating activities was \$285,469 in the six months ended of June 30, 2026, as compared to net cash used in operating activities of \$528,424 in the same period of 2025. The increase in cash provided by operating activities during the six months ended June 30, 2026 was primarily due to changes in working capital, including movements in due to related parties, net.

Cash Flows from Investing Activities

Net cash used in investing activities was \$406,369 in the six months ended of June 30, 2026, as compared to net cash used in investing activities of \$741,523 in the same period of 2025. In the six months ended June 30, 2026 we paid \$285,000 for convertible note receivable – related party with the remaining amount of cash outflows related to purchases of property and equipment, investments at cost, and purchases and sales of marketable securities. In the six months ended June 30, 2025 we paid \$360,000 for convertible note receivable – related party and paid \$280,000 for loans receivable – related party.

Cash Flows from Financing Activities

Net cash used in financing activities was \$488,972 in the six months ended June 30, 2026, compared to net cash provided by financing activities of \$578,857 in the same period of 2025. In the six months ended June 30, 2026 we received \$500,000 issuance of common stock, received advance from related party for \$349,607 and paid \$834,590 to related parties. In the six months ended June 30, 2025, we received \$1,409,983 from the issuance of common stock and warrants and repaid \$240,792 under the D. Boral Capital (f.k.a. EF Hutton) promissory note and \$1,631,936 to related parties.

Nasdaq Compliance

On May 29, 2026, the Company received a letter from Nasdaq notifying the Company that it was not in compliance with the minimum stockholders’ equity requirement for continued listing on the Nasdaq Capital Market under Nasdaq Listing Rule 5550(b)(1), which requires a listed company to maintain stockholders’ equity of at least \$2,500,000. The determination was based on the Company’s stockholders’ equity of \$2,078,220 as reported in its Quarterly Report on Form 10-Q for the quarter ended March 31, 2026. The notice had no immediate effect on the listing or trading of the Company’s common stock. Under the Nasdaq Listing Rules, the Company had 45 calendar days from the date of the notice, or until July 13, 2026, to submit a plan to regain compliance.

On June 18, 2026, the Company submitted to Nasdaq a plan to regain compliance with Listing Rule 5550(b)(1) within the required period. On July 24, 2026, the Company received a letter from Nasdaq stating that, based on its review of the Company’s June 18, 2026 submission, Nasdaq had determined to grant the Company an extension to regain compliance with Listing Rule 5550(b). Under the terms of the extension, on or before August 31, 2026, the Company must furnish to the SEC and Nasdaq a publicly available report (such as a Form 8-K) under one of two prescribed alternatives, including disclosure of the deficiency, a description of the transaction or event that enabled the Company to satisfy the stockholders’ equity requirement, and, under the second alternative, a pro forma balance sheet no older than 60 days evidencing compliance. Nasdaq further advised that it will continue to monitor the Company’s ongoing compliance and that, if the Company does not evidence compliance with the stockholders’ equity requirement at the time it files its periodic report for the period ending September 30, 2026, the Company may be subject to delisting, in which case Nasdaq would provide written notification and the Company would have the right to appeal to a Nasdaq Hearings Panel.

As of June 30, 2026, the Company’s total stockholders’ equity was \$2,798,599, which exceeds the \$2,500,000 minimum. The increase in stockholders’ equity during the three months ended June 30, 2026 was attributable primarily to the \$500,000 investment by Alset Inc., the Company’s majority stockholder, described in Note 10, and to the settlement of the Company’s obligation to D. Boral Capital LLC described in Note 6. The Company has incurred operating losses in recent periods and expects to continue to do so, and its ability to maintain stockholders’ equity above the \$2,500,000 minimum in future periods is expected to depend substantially on the closing of the financing described in Note 10, which had not closed as of the date of this Quarterly Report and remains subject to closing conditions. Company remains listed on the Nasdaq Capital Market as of the date of this Quarterly Report, and Company expects to evidence the compliance within the extension granted by Nasdaq as described above.

Contractual Obligations

As of June 30, 2026, we did not have any long-term debt obligations, capital lease obligations, purchase obligations or long-term liabilities.

Impact of Inflation

We believe that inflation has not had a material impact on our results of operations for the six months ended June 30, 2026 or the year ended December 31, 2025. We cannot assure you that future inflation will not have an adverse impact on our operating results and financial condition.

Impact of Foreign Exchange Rates

The effects of foreign exchange rate changes on the intercompany loans (under ASC 830), which mostly consist of loans between the subsidiaries and fellow subsidiaries under common control from Singapore, South Korea and Hong Kong and which were approximately \$0.4 million and \$0.7 million on June 30, 2026 and December 31, 2025, respectively, are the reason for the fluctuation in foreign currency transaction gains or losses which are included in the Consolidated Statements of Operations and Other Comprehensive Loss. Because the intercompany loan balances between the subsidiaries and fellow subsidiaries under common control from Singapore, South Korea and Hong Kong will remain at approximately \$1 million over the next year, we expect this fluctuation of foreign exchange rates to still impact the results of operations in 2026, especially given that the foreign exchange rate may and is expected to be volatile. If the amount of intercompany loan is lowered in the future, the effect will also be reduced. However, at this moment, we do not expect to repay the intercompany loans in the short term.

Emerging Growth Company Status

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 applicable to other public companies that are not emerging growth companies. Section 107 of the JOBS Act 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 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 elected to take advantage of these exemptions until we are no longer an emerging growth company or until we affirmatively and irrevocably opt out of this exemption.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information otherwise required under this item.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this report, an evaluation was performed under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Based on that evaluation, our management, including our Chief Executive Officer and Chief Financial Officer, concluded that our disclosure controls and procedures are not effective as of June 30, 2026 to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission’s rules and forms and to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer as appropriate to allow timely decisions regarding required disclosure.

Changes in the Company’s Internal Controls Over Financial Reporting

There was no change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15(d)-15(f) under the Exchange Act) that occurred during the quarterly period ended June 30, 2026 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

None.

Item 1A. Risk Factors.

As a smaller reporting company, we are not required to provide the information required by this item.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Not applicable.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not Applicable.

Item 5. Other Information.

None.

Item 6. Exhibits

The following exhibits are filed as part of, or incorporated by reference into, this Quarterly Report on Form 10-Q.

Exhibit	Description
2.1	Agreement and Plan of Merger, dated as of November 12, 2025, by and between HWH International Inc., a Delaware company, and HWH International Inc., a Nevada company, incorporated by reference to Exhibit 2.1 of the Company’s Current Report on Form 8-K filed with the Securities and Exchange Commission on November 14, 2025.
3.1	Nevada Certificate of Merger, incorporated by reference to Exhibit 3.1 of the Company’s Current Report on Form 8-K filed with the Securities and Exchange Commission on November 14, 2025.
3.2	Delaware Certificate of Merger, incorporated by reference to Exhibit 3.2 of the Company’s Current Report on Form 8-K filed with the Securities and Exchange Commission on November 14, 2025.
3.3	Amended and Restated Articles of Incorporation of HWH International Inc., incorporated by reference to Exhibit 3.3 of the Company’s Current Report on Form 8-K filed with the Securities and Exchange Commission on November 14, 2025.
3.4	Bylaws of HWH International Inc., incorporated by reference to Exhibit 3.4 of the Company’s Current Report on Form 8-K filed with the Securities and Exchange Commission on November 14, 2025.
10.1	Term Sheet, between HWH International Inc. and Smart Dynamics Technology Limited, dated as of May 5, 2026, incorporated by reference to Exhibit 10.1 of the Company’s Current Report on Form 8-K filed with the Securities and Exchange Commission on May 7, 2026.
10.2	Termination Agreement, between Alset Inc. and HWH International Inc., dated as of May 6, 2026, incorporated by reference to Exhibit 10.2 of the Company’s Current Report on Form 8-K filed with the Securities and Exchange Commission on May 7, 2026.
10.3	Securities Purchase Agreement between HWH International Inc. and Smart Dynamics Technology Limited, dated as of May 27, 2026, incorporated by reference to Exhibit 10.1 of the Company’s Current Report on Form 8-K filed with the Securities and Exchange Commission on May 27, 2026.
10.4	Form of Common Stock Purchase Warrant, incorporated by reference to Exhibit 10.2 of the Company’s Current Report on Form 8-K filed with the Securities and Exchange Commission on May 27, 2026.
10.5	Amendment No. 1 to Securities Purchase Agreement between HWH International Inc. and Smart Dynamics Technology Limited, dated as of June 8, 2026, incorporated by reference to Exhibit 10.1 of the Company’s Current Report on Form 8-K filed with the Securities and Exchange Commission on June 9, 2026.
31.1	Certification of Principal Executive Officer Pursuant to Securities Exchange Act Rules 13a-14(a) and 15(d)-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 *
31.2	Certification of Principal Financial Officer Pursuant to Securities Exchange Act Rules 13a-14(a) and 15(d)-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 *
32.1	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 *
32.2	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 *
99.1	HWH International 2025 Incentive Compensation Plan, as amended, incorporated by reference to Exhibit 99.1 of the Company’s Registration Statement on Form S-8 filed with the Securities and Exchange Commission on July 27, 2026.
101.INS	Inline XBRL Instance Document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

* Filed herewith.

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

HWH INTERNATIONAL INC.

July 30, 2026

By: /s/ Chan Heng Fai

Name: Chan Heng Fai

Title: Chief Executive Officer
(Principal Executive Officer)

July 30, 2026

By: /s/ Rongguo Wei

Name: Rongguo Wei

Title: Chief Financial Officer
(Principal Accounting and Financial Officer)