



July 18, 2025

Dear Sirs,

Name of the Company:	Beat Holdings Limited (URL: www.beatholdings.com/en/)
Representative:	Chief Executive Officer, Chin Siang Hui (TSE Standard Market, Code : 9399)
Inquiries to:	IR Division Manager, Yuta Takayama (TEL: Tokyo 03-4570-0741)

Issuance of Stock Warrants with Consideration (Stock Acquisition Rights)

Today the Board of Directors of the Company resolved to issue stock warrants with consideration (“**SAR(s)**”) to total of 4 persons who are directors and officers of the Company and its subsidiaries (“**the Group**”), pursuant to the provisions of Article 12 of the amended and restated articles of association of the Company as follows. The SARs will be issued subject obtaining approval from the shareholders at the 2025 Annual General Shareholders Meeting (“**AGM**”), although the issuance will be made at fair value with consideration and not with particularly favorable terms to individuals who will be allotted the SARs. We will announce the date/time and others of the AGM, as soon as decided.

I. Purpose and reason of issuing the SARs

The Company will issue SARs with consideration to directors and officers of the Group (the “**Allotees**”) to enhance commitment to further expand performance of the Group, in order to target to expand the performance and increase corporate value.

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

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

The Group has continuously recorded operating losses and net loss attributable to owners of parent up to the end of previous consolidated fiscal year, and financial improvements are urgently needed. Under this situation, in February this year we have decided to invest in Bitcoin and related ETF as our primary treasury reserve, and we have started to invest in iShares Bitcoin Trust a Bitcoin ETF. Through these measures, we believe it is necessary to increase our corporate value in the medium to long term and to externally demonstrate the



management's strong commitment to expanding business performance. As part of this, the conditions for exercising the SARs have been limited to "when the Company's share price exceeds JPY3,000 for 5 consecutive trading days". This share price level of JPY3,000 is approximately three times of JPY1,144, the one month average closing price immediately before the nearest trading day to the date of Board Resolution, and a significant increase in corporate value is essential to achieving this target. Therefore, by setting this condition, our management has set a specific share price target, to achieve results toward increasing shareholders value, and we have adopted this structure, in which incentives as rewards are to be obtained only after such target had been achieved.

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

II. Outline of SARs

Number of the SARs:	540,000 (2.88% of total number of shares outstanding) (Note) subject to customary adjustments for share split and share consolidation
Type and number of shares issued upon exercise of the SARs:	1 ordinary share to be issued upon the exercise of 1 Stock Warrant for a total of 540,000 New Shares to be issued upon the exercise of all SARs, subject to customary adjustments for share split and share consolidation.
Date of Issuance:	The business day following the AGM
Issuance Price:	JPY2.87, fair market value to be determined by an independent valuer
Paid-in Date:	The business day following the AGM
Exercise Price:	JPY1,144, which is the one month average closing price prior to the date of the resolution to issue the SARs, subject to customary adjustments for share split and share consolidation and in no event shall be below par value of the New Shares to be issued upon exercise
Exercise Period :	3 years from the allotment date
Maximum Number of Cumulative SARs Exercisable each year:	1 st year: maximum of 1/3 of the SARs of each holder are exercisable 2 nd year: maximum of 2/3 of the SARs of each holder are exercisable 3 rd year: all of the SARs of each holder are exercisable
Allottees:	The directors and officers of the Company and its subsidiaries as may be determined by the Board of Directors in its sole discretion: <ul style="list-style-type: none"> • Mr. Chin Shiang Hui (Director, CEO), 320,000 SARs • Mr. Naoya Harano (Independent Director), 100,000 SARs • Ms. Chang Tzu-Ing (Independent Director), 70,000 SARs • Mr. Yuta Takayama (Director of subsidiary), 50,000 SARs The number of SARs to be allotted to each allottee to be approved by the Board, with a total of 540,000 SARs.



Others:	<ul style="list-style-type: none"> • Issuance subject to obtaining shareholders' approval at Shareholders' Meeting; • Buy back right: In case the Allottee ceases to be a director or officer of the Company and its subsidiaries during the Exercise Period, and/or the Board of the Company resolves that it is necessary to buy back the SARs, the Company shall notify the SARs holder with 1 business days prior notice. On the buy-back date specified by the Board of Directors, the Company shall buy back all of the SARs held by the SARs holder at the original issue price for each SARs. • Exercise Conditions: in case the closing price of ordinary shares of the Company exceeds JPY3,000 (subject to customary adjustments for share split and share consolidation) for 5 consecutive trading days during the Exercise Period, the SARs shall become exercisable. • Transferable with Board approval.
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(Note) Ratio against 18,743,557.76, the sum of total number of shares outstanding of 18,203,557.76 (Ordinary and Series A Preferred shares) as of July 18, 2025, and 540,000 ordinary shares assuming all SARs had been exercised.

III. Terms and Conditions of the Stock Warrants with Consideration

1. Name of the SARs

Beat Holdings Limited Stock Warrants (Issued on September 9, 2025) ("SAR(s)")

2. Persons to whom SARs will be allotted and Number of SARs

Director and Officer of the Company and its subsidiary: 4 persons, total of 540,000 SARs

- Mr. Chin Shiang Hui (Director, CEO), 320,000 SARs
- Mr. Naoya Harano (Independent Director), 100,000 SARs
- Ms. Chang Tzu-Ing (Independent Director), 70,000 SARs
- Mr. Yuta Takayama (Director of subsidiary), 50,000 SARs

3. Total number of the SARs

The number of SARs shall be 540,000 (1 share per SAR), and the total number of shares underlying the SARs shall be 540,000 ordinary shares of the Company, however, that, if the number of shares underlying SARs is adjusted pursuant to Paragraph (1) of Section 5. below, the total number of shares underlying the SARs shall be adjusted to the number obtained by multiplying the Post-adjustment Number of Allotted Shares by the number of the SARs.

4. Payment in Exchange for the SARs

The amount to be paid for the acquisition of each SAR shall be JPY2.87. Such amount is equivalent to the amount evaluated by a third party valuer Tokyo Financial Advisors Co., Ltd., based on the Monte Carlo Simulation, which is a general price assessment model, taking into consideration of JPY1,518 closing price per share of the Company at Tokyo Stock Exchange immediately before 18 July 2025, the day the Board of Directors of the Company resolved the issue of the SARs, the volatility (138.10%), the dividend rate (0%), the risk-free interest rate (0.873%), and certain conditions for issue of the SARs



(JPY1,144 for the exercise price per share of the SARs, 3 years exercise period of the SARs, conditions of share price).

5. Class and number of the shares underlying the SARs

(1) Class and Number of the Shares Underlying the SARs

The number of shares underlying each SAR (“the Number of Allotted Shares”) shall be 1 share of ordinary shares of the Company. The Number of Allotted Shares shall be adjusted in accordance with the following formula in case the Company conducts share split or a share consolidation after the allotment of the SARs. However, this adjustment is only applicable to the number of shares underlying SARs not exercised at that point of time. Any fraction less than one share resulting from the adjustment shall be omitted.

$$\text{Post-adjustment Number of Allotted Shares} = \text{Pre-adjustment Number of Allotted Shares} \times \text{Ratio of share split (or share consolidation)}$$

In case, after the date of allotment of the SARs, there occurs a capitalization issue, rights issue, capital reduction or other similar capital restructuring where the Number of Allotted Shares needs to be adjusted, the Company shall adjust such number in an appropriate manner within a reasonable range.

(2) Amount to be provided as consideration upon the Exercise of the SARs

The amount to be provided as consideration upon the exercise of the SARs shall be calculated by multiplying the amount paid per share that is issuable through the exercise of the SARs (“Exercise Price”) by the Number of Allotted Shares. The Exercise Price shall be JPY1,144. In case the Company conducts a share split or share consolidation after the date of allotment of the SARs, the Exercise Price shall be adjusted in accordance with the following formula, with any fraction less than one yen rounded up.

$$\text{Post-adjustment Exercise Price} = \text{Pre-adjustment Exercise Price} \times \frac{1}{\text{Ratio of share split or share consolidation}}$$

In addition, in the case where after the date of allotment of the SARs, the Company issues new ordinary shares or disposes of treasury shares at a price lower than their market price (except the cases of issuing new shares or disposing treasury shares through exercise of SARs, and transferring treasury shares through share exchange), the Exercise Price shall be adjusted in accordance with the following formula and any fraction less than one yen resulting from the adjustment shall be rounded up to the nearest whole yen.

$$\text{Post-Adjustment Exercise Price} = \text{Pre-Adjustment Exercise Price} \times \frac{\text{Total Number of Issued Shares} + \frac{\text{Number of Newly Issued or Disposed Shares} \times \text{Amount of Subscription Money/Other Consideration per Share}}{\text{Market Price per Share}}}{\text{Total Number of Issued Shares} + \text{Number of Newly Issued or Disposed Shares}}$$

The “Total Number of Issued Shares” of the above formula shall be the number of shares deducting the number of treasury shares of the Company from the total number of the issued ordinary shares of



the Company. In case the Company disposes of treasury shares of the Company, the terms “Number of Newly Issued Shares” shall be replaced by “Number of Disposed Shares”. In addition to the above, in case where, after the date of allotment of the SAR, there occurs a capitalization issue, rights issue, capital reduction or other similar capital restructuring requiring the Exercise Price to be adjusted, the Company may appropriately adjust the Exercise Price in a reasonable manner.

Under no circumstances shall any adjustment of the Exercise Price result in it being lower than the par value of the ordinary shares of the Company. In case this occurs, the Exercise Price shall be adjusted to the par value of an ordinary share.

(3) Period during which the SARs may be Exercised

The period during which the SARs may be exercised (“Exercise Period”) shall be 3 years from 9 September 2025 to 8 September 2028.

(4) Matter related to Stated Capital and Capital Reserve to be Increased/Decreased

On July 15, 2025, the Board of Directors has approved a sub-division of shares to split the issued and unissued ordinary, preference and deferred shares of the Company in the ratio of 1 share to 10 shares, subject to shareholders’ approval at the 2025 annual shareholders’ meeting. Once the sub-division becomes effective, the number of authorized shares will be increased, and the par value of the shares will be decreased. If new shares are issued thereafter, Hong Kong \$0.1 per share will be incorporated into paid-in capital (stated capital) of the Company and others into share premium of the Company, regardless of the issue price of the share (paid-in value).

(5) Restrictions on acquiring the SARs through transfer

The transfer of the SARs shall require the approval of Board of Directors of the Company.

(6) Conditions for the Exercise the SARs

- (i) The holder of the SARs may exercise the SARs in case when the closing price of the ordinary shares of the Company on the Tokyo Stock Exchange exceeds JPY3,000 (subject to customary adjustments for share split and share consolidation) for 5 consecutive trading days, during the period from the date of allotment to the end of the Exercise Period.
- (ii) Maximum Number of Cumulative SARs Exercisable each year:
 - 1st year: maximum of 1/3 of the SARs of each holder are exercisable;
 - 2nd year: maximum of 2/3 of the SARs of each holder are exercisable;
 - 3rd year: all of the SARs of each holder are exercisable
- (iii) The exercise of SARs by the heirs of the holders of SARs is not permitted.
- (iv) Holders of the SARs may exercise the SARs only when they hold the position of director, auditor or employee of the Company, subsidiaries of the Company, or affiliates of the Company (as defined in Article 8 of the Ordinance on Terminology, Forms, and Preparation Methods of Financial Statements, etc. (Ordinance of the Ministry of Finance, No. 59 of 1963, as amended); the same shall apply hereinafter). Provided, however, that this shall not apply in cases where the Board of Directors finds that there are justifiable grounds for doing so.



(v) No SARs shall be exercised if there is insufficient authorised but unissued ordinary shares of the Company.

(vi) Exercise of less than one (1) SAR shall not be permitted.

6. Buy back Right

In case the holder ceases to be a director or officer of the Company and its subsidiaries during the Exercise Period, and/or the Board of the Company resolves that it is necessary to buy back the SARs, the Company shall notify the SARs holder with 1 business day's prior notice. On the buy-back date is determined by the Board of Directors, the Company shall buy back all of the SARs held by the SARs holder at the original issue price for each SARs.

7. Allotment Date of the SARs

September 9, 2025

8. Acquisition of the SARs

- (1) In the event of a merger agreement under which the Company merged into another company and cease to exist, a consolidation agreement whereby the Company is combined with another company to form a consolidated company, or a share exchange agreement or share transfer plan in which the Company ceases to be listed on the Tokyo Stock Exchange and becomes a wholly owned subsidiary of another company is approved by a shareholders meeting (or by a resolution of the board of directors if the approval of the shareholders meeting is not required), the Company may, subject to Section 9 not being applicable, acquire and, in that case, the holders of SARs shall surrender to the Company all of the SARs free of charge before the date of completion of the merger/consolidation/share exchange or share transfer determined by the Board of Directors of the Company.
- (2) In the event of the following, the Company may acquire all of the SARs without compensation even before the end of Exercise Period set forth in Section 5.(3) above.
 - (i) In case the holder of the SARs is sentenced to imprisonment or a greater punishment.
 - (ii) In case the holder of the SARs is dismissed by disciplinary punishment or retired under the Rules of Employment or by the determination of the Company or affiliated companies of the Company.
 - (iii) In case a serious act in violation of laws and regulations or the internal rules of the Company or affiliated companies of the Company with respect to the holder of the SARs occurs.
 - (iv) In case the holder of the SARs falls under the category of a radioactive group, an organized member, an organized group quasi-member, a general meeting house, a logo for social movement, etc., a special intellectual violence group, or any other person equivalent thereto ("Anti-Social Force"), or in case it is found that they interact with or participate in some kind of Anti-Social Force through funding, etc.
 - (v) In case the holder of SARs requests in writing as prescribed by the Company to waive all or part of the SARs.



9. Treatment of the SARs in Cases of Organizational Restructuring

In cases where the Company conducts a merger (limited to cases where the Company is extinguished as a result of a merger), a consolidation where the Company is combined with another company to form a consolidated company, a share exchange or a share transfer whereby the Company ceases to be listed on the Tokyo Stock Exchange and becomes a wholly owned subsidiary of another company ("Organizational Restructuring Act"), holders of the SARs shall be granted, instead of the remaining SARs of the Company, the SARs of the company which acquires or succeeds all or part of the shares or assets or rights and obligation of the Company by the Organizational Restructuring Act (the "Restructured Company") on the effective date of the Organizational Restructuring Act, in each case, on the following conditions: Provided, however, that this shall be limited to the cases where it is stipulated in a merger agreement, a consolidation agreement, a share exchange agreement or a share transfer plan that the SARs of the Restructured Company shall be granted in accordance with the following conditions:

(1) Number of the SARs of the Restructured Company to be granted

The same number as the number of the SARs held by the holder SARs shall be delivered respectively.

(2) Class of shares of the Restructured Company underlying the SARs

The class of the share shall be ordinary shares of the Restructured Company.

(3) Number of shares of the Restructured Company underlying the SARs

Decisions shall be made in accordance with Section 5.(1) above after taking into consideration the conditions of the Organizational Restructuring Act.

(4) Amount of Property to be Provided as Contribution upon the Exercise of the SARs

The value of property to be provided upon the exercise of the SARs to be granted shall be the amount obtained by multiplying the Post-Restructuring exercise price adjusted pursuant to Section 5.(2) above after taking into consideration the conditions of Organizational Restructuring Act, etc., by the number of shares of the Restructured company underlying the SARs determined in accordance with Section 9. (3) above.

(5) Period during which the SARs may be Exercised

The period during which the SARs may be exercised shall be from the first day of the Exercise Period set forth in Section 5.(3) above or the effective date of the Organizational Restructuring Act, whichever is later, to the last day of the exercise period set forth in Section 5.(3) above.

(6) Matters concerning the stated capital and capital reserve to be increased in case shares are issued upon the exercise of SARs

Decisions shall be made in accordance with Section 5.(4) above.

(7) Restrictions on acquiring the SARs through transfer

Acquisition of the SARs through transfer shall require approval by resolution of the board of directors of the Restructured Company.



(8) Other conditions for exercise of the SARs

Decisions shall be made in accordance with Section 5.(6) above.

(9) Reasons and Conditions for Acquisition of the SARs

Decisions shall be made in accordance with Section 6 and 8 above.

(10) Other conditions shall be determined in accordance with the conditions of the Restructured Company.

10. Matters relating to the stock warrant certificates of the SARs

The Company shall not issue stock warrant certificates of the SARs

11. Payment Date for Subscription in Exchange for the SARs

September 9, 2025

12. Application Date for SARs

September 9, 2025

This document is the English translation of the official Japanese version of the Press Release (“Official Japanese Version”). This English translation was prepared for your reference. In the event of any discrepancy between the Official Japanese Version and this English translation, the Official Japanese Version will prevail.

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About Beat Holdings Limited

Beat Holdings is a global investment company, incorporated in and registered at Cayman Islands under the laws of Cayman, headquartered in Hong Kong, with subsidiaries in Japan, Singapore, Malaysia, Indonesia, China and Canada. Through our subsidiary, Xinhua Mobile Limited (HK), we acquire and license intellectual property rights. Through our subsidiary, GINSMS Inc. (listed on Toronto Venture Exchange, TSXV: GOK), provides mobile messaging service, software products and services as well. Beat is listed on Tokyo Stock Exchange’s Second Section (TSE: 9399).

For more information, please visit <https://www.beatholdings.com/>

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