WINKING STUDIOS LIMITED

ANNUAL REPORT 2023

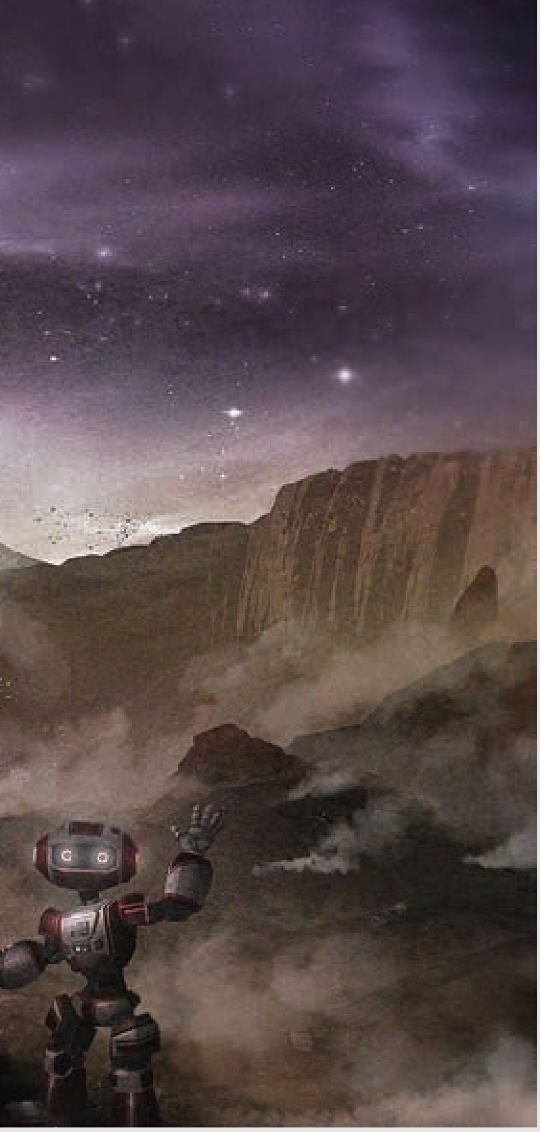
Two Decades of Creative Excellence

Flushed from the success of our recent listing on the Catalist Board of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), Winking Studios is ready to embark on our next stage of growth.

With the funds raised from our IPO, we intend to capitalise on the widespread acceptance and normalisation of the gaming lifestyle by establishing overseas subsidiaries and offices in Asia to capture the region’s strong prospects and growth trends for gaming. At the same time, we expect to expand our global reach by increasing our business development and marketing efforts in the US and in Europe.

To enlarge our customer base, spur market penetration, and enhance our technical competencies including the application of AI in our operations, we are keen to pursue strategic acquisitions, joint ventures and alliances that will grow our market share and/or expand into new businesses that are complementary to our existing businesses.

We believe these plans will enable us to raise our game and level up as one of the leading providers of end-to-end art outsourcing and game development services in Asia and beyond!



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This annual report has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange assumes no responsibility for the contents of this annual report, including the correctness of any of the statements or opinions made or reports contained in this annual report.

The contact person for the Sponsor is Ms. Foo Jien Jieng, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg.

CORPORATE PROFILE

Winking Studios Limited ("**Winking Studios**" or together with its subsidiaries, the "**Group**") is Asia's third largest game art outsourcing studio and the fourth largest globally[1], with over 25 years of experience providing complete end-to-end art outsourcing and game development services across various platforms for the video games industry. Headquartered in Singapore, the Group has seven studios across Nanjing, Shanghai and Taipei, supported by more than 700 highly skilled talents and serving a global customer base.

The Group has three main business segments. The largest is Art Outsourcing segment, followed by the Game Development segment and the Global Publishing and Other Services segment.

Winking Studios has earned strong international brand recognition and this has led to collaborations with the top game development companies in the world including NetEase, Tencent, miHoYo, Nexon, NCSOFT and Ubisoft.

It has also established partnerships with three major game publishing platforms, namely Sony, Microsoft and Nintendo. Over the years, it has garnered numerous awards for the portfolio of critically acclaimed games that it has worked on.

Winking Studios is majority owned by Acer Gaming Inc. ("**Acer Gaming**"), a subsidiary of Acer Incorporated ("**Acer**"), which has an extensive network of relationships in the game development and art outsourcing industries.

1 According to the reported titled "Global Game Art Outsourcing Industry Report" dated 28 September 2023 prepared by China Insights Industry Consultancy Limited (in terms of global revenue derived from game art outsourcing in 2022).

BUSINESS SEGMENTS

Art Outsourcing:

This segment is involved in the creation and development of digital art assets. The Group has the capabilities to provide a wide gamut of design services including 2D concept art, 3D modelling, 2D animation, 3D animation and visual effects, which includes environment design and game character design.

Game Development:

This segment provides programming, game development, design and script writing of services.

Global Publishing and Other Services:

This segment is involved in the release of game products produced by the Group as well as third party game developers on global game platforms such as PlayStation, Switch and Steam. It is also involved in the sale of the Group's in-house developed video game products and peripheral gaming products.

KEY **MILESTONES**

Established track record of more than 25 years in game art outsourcing and game development.

Early Years

1997

- Executive Chairman & CEO, Johnny Jan, founded WindThunder Studio in Taipei, Taiwan

2002-2003

- WindThunder Studio developed two commercially successful PC games – Heroine's Anthem 1 and 2

2004

- Incorporated Shanghai Winking and established game development studios in Shanghai, PRC to offer a full suite of game development services

Transition Years

2005-2008

- Established Winking Studios Limited
- Started to focus on providing and offering a full suite of art outsourcing services

2013

- Achieved commercial success for in-house developed game X.A.O.C., which clinched the GameStar Silver award for best domestic self-made online game

Growth Years

2016

- Established partnership with American game and software developer and publisher, Epic Games for their marketing efforts in Taiwan
- Started working with major game publishers including Sony, Nintendo and Microsoft

2017

- Developed first in-house VR console game – Unearthing Mars, topped sales in Japan and North America

2019

- Collaborated with major game development companies on popular games such as Destiny 2 and Lineage 2M

2020

- Collaborated on internationally renowned games – Assassin's Creed, FIFA Online 4, etc.

2021

- Established Singapore as global headquarters to target the Southeast Asian region
- Collaborated on internationally renowned game titles such as New World, Blade & Soul II and Need for Speed

2022

- Acer Gaming, a wholly owned subsidiary of Acer, became the single largest shareholder of the Company

New Chapter

2023

- Listed on the Catalist of SGX-ST on 20 November

FINANCIAL HIGHLIGHTS

Healthy performance underpinned by robust revenue growth

Revenue

US$29.3m

▲ 19.5%
FY2022: US$24.5m

Net Profit

US$1.8m

▲ 71.6%
FY2022: US$1.0m

Total Equity

US$21.4m

▲ 92.7%
FY2022: US$11.1m

Adjusted EBITDA

US$5.3m

▲ 109.2%
FY2022: US$2.5m

Special Dividend Per Share (SGD)

0.5¢

Earnings Per Share(USD)

0.7¢

▲ 40.0%
FY2022: 0.5¢

Healthy performance

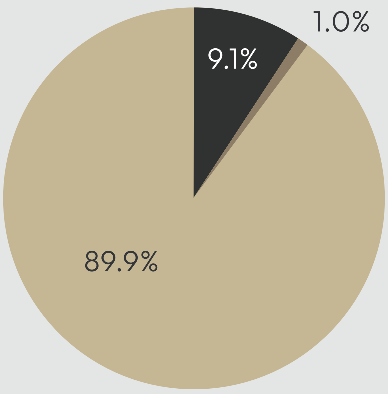
Strong year-on-year growth driven by strategic focus to further bolster market share geographically and increase efforts to secure or expand business with existing and new customers

Improved efficiency

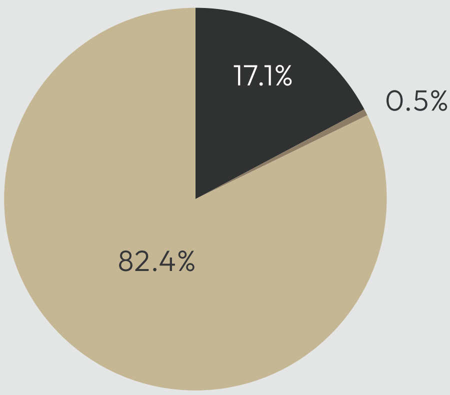
Effective cost control and establishment of a new performance and reward assessment system to motivate staff and improve sales efficiency

Revenue Contribution by Services

FY2022



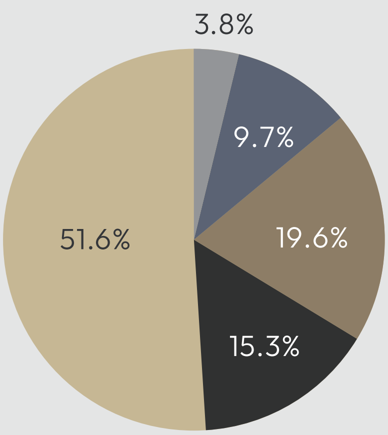
FY2023



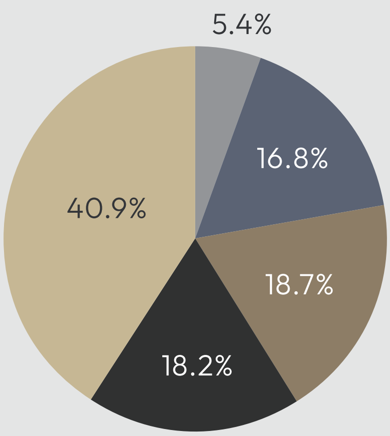
- Art Outsourcing
- Game Development
- Global Publishing and Others

Revenue Contribution by Geographical Area

FY2022



FY2023



- PRC and Hong Kong[1]
- Taiwan[2]
- Korea
- USA
- Others

1. Hong Kong refers to Hong Kong Special Administrative Region
2. Taiwan refers to Taiwan region

Balance Sheet and Cash Position

US$' 000	As at 31 December 2022	As at 31 December 2023
Current Assets	12,736	23,768
Non-current Assets	6,748	6,735
Total Assets	**19,484**	**30,503**
Current Liabilities	5,561	6,439
Non-current Liabilities	2,793	2,617
Total Liabilities	**8,354**	**9,056**
Total Equity	**11,130**	**21,447**
Cash and cash equivalents at end of the year	**6,057**	**16,423**

LETTER TO SHAREHOLDERS

Johnny Jan
Executive Chairman and
Chief Executive Officer

DEAR SHAREHOLDERS

It gives me great pleasure to address you in Winking Studios' inaugural annual report for the financial year ended 31 December 2023 (“**FY2023**”).

The past year had truly been a very eventful one, which culminated in our listing on SGX-ST Catalist on 20 November 2023. I want to begin by thanking all investors and shareholders for your ardent support of our initial public offering (“**IPO**”), which led to this major milestone and the start of a new chapter for Winking Studios.

Growing Gaming Prospects

The Group is very excited about our industry prospects. Our optimism is largely fuelled by the acceptance and normalisation of gaming as a lifestyle and expectations that it will lead to the long-term development of the global gaming industry.

Indeed, the numbers speak for themselves. According to industry estimates and the independent market report that we commissioned for our IPO, gamers now make up over 40% of the global population and this number is growing rapidly. In 2022, the number of gamers was about 3.2 billion worldwide. This figure is expected to reach 4.4 billion globally by 2027 as more people embrace this lifestyle especially in emerging markets around Asia, which is a key region of interest for us.

In tandem with the growing number of gamers, global gaming revenue has risen over the years. In 2022, revenue was US$207.0 billion and it is expected to increase at a compound annual growth rate (“**CAGR**”) of 8.9% to US$317.6 billion by 2027. This is estimated to be twice the size of the movie industry and nearly 10 times the size of the music industry.

As the consumption model for games evolves from free-to-play to a subscription-based model, it is natural to expect an even faster rate of growth.

The rising sophistication of gamers meant higher expectations in terms of game graphics such as characters and game environment because these are important elements for a totally immersive gaming experience. To extend the lifespan of popular game titles, game developers are creating fresh content, at a faster pace to capture and retain gamers.

Such trends bode well for the global game art outsourcing segment, which is expected to increase to US$6.3 billion in revenue by 2027, from US$3.4 billion in 2022. This is at a CAGR of 13.4%, which is at a faster pace than the projected global gaming revenue.

As an established game art outsourcing player who counts 19 out of 25 global game development companies as our customers, we expect these projections and trends to be very positive for our business and are ready and eager to leverage on our strong market position to execute the strategies that we believe will enable us to capture a larger slice of the pie.

With net proceeds of S$5.1 million raised from our IPO, we have already embarked on plans to reach our next stage of growth. Just weeks after our trading debut, we announced a sale and purchase agreement to fully acquire Taiwan-based On Point Creative Co., Ltd. ("**OPC**"), which is a design studio specialising in complementary art outsourcing services. It was a wholly owned subsidiary of Game Hours, Inc. which is listed on the Taipei Exchange.

The acquisition of OPC, which was completed in April 2024, is in line with our IPO disclosure to pursue acquisitions to boost sales, capabilities and our market presence globally. We will continue to explore similar transactions and other commercial arrangements with companies that are synergistic and complementary with the Group.

In addition, Winking Studios intends to establish overseas subsidiaries and offices in Asia to capitalise on the region's strong prospects and growth trends, while increasing our business development and marketing efforts in the US and Europe. We will also explore the application of artificial intelligence to improve and expand our art outsourcing capabilities.

Steady Performance

In FY2023, our performance rebounded strongly following the dip a year ago ("**FY2022**"), which was caused mainly by the temporary suspension of gaming licence issuances by the PRC's government.

With all engines firing in FY2023, we achieved a 71.6% jump in net profit to US$1.8 million on the back of a 19.5% growth in revenue to US$29.3 million from US$24.5 million in FY2022. The healthy topline growth was largely due to higher contributions from our Art Outsourcing and Game Development business segments.

Accounting for 82.4% of the Group's FY2023 revenue, our Art Outsourcing Segment, which is the Group's largest business, booked a 9.5% increase in revenue to US$24.1 million fuelled by new contracts with customers from the United States and South Korea. Meanwhile, revenue from our Game Development Segment doubled to US$5.0 million in FY2023 from US$2.2 million in FY2022, on expanded business with existing customers and projects from new customers.

Our gross profit for the year rose 44.8% to US$9.3 million with a 5.6 percentage points increase in margin to 31.9% from 26.3% in FY2022, while earnings before interest, taxes, depreciation and amortisation (**"EBITDA"**) climbed 44.4% to US$3.3 million in FY2023. After adjusting for one-off IPO related expenses, our adjusted EBITDA came in at US$5.3 million from US$2.5 million in FY2022, with adjusted EBITDA margin increasing 7.8 percentage points to 18.1% in FY2023 from 10.3% in FY2022.

The Group wrapped up the year in a strong financial position with cash and cash equivalents of US$16.4 million as at 31 December 2023, up from US$6.1 million as at 31 December 2022, and zero borrowings.

In line with our strong performance for the year, the Group has proposed a special cash dividend of 0.5 Singapore cents per share for the current financial year.

LETTER TO SHAREHOLDERS

Appreciation

On behalf of the Board of Directors and management team, I would like to extend our heartfelt gratitude once again to all shareholders who have joined us on this growth journey.

Special thanks to our entire workforce and our teams across all regions and markets for your dedication and commitment, which has enabled Winking Studios to establish the strong reputation it enjoys today. My deepest appreciation to our customers, business partners and collaborators for the longstanding support you have given the Group since our early days.

Winking Studios have come a long way since our humble beginnings. We owe our success to everyone who has contributed in one way or another and I look forward to working even closer with you to achieve great things in the gaming world.

Game on!

Mr. Johnny Jan
Executive Chairman and Chief Executive Officer

CORPORATE INFORMATION

SINGAPORE HEADQUARTERS

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Singapore 048580
Tel: (65) 6717 3377

WEBSITE & EMAIL

https://www.winkingworks.com
ir@winkingworks.com

BOARD OF DIRECTORS

Johnny Jan
Executive Chairman and Chief Executive Officer

Kao Shu-Kuo
Non-Executive Director

Lim Heng Choon
Lead Independent Director and Non-Executive Director

Chang Yi-Hao
Independent and Non-Executive Director

Yang Wu Te
Independent and Non-Executive Director

Audit Committee
Lim Heng Choon (Chairman)
Chang Yi-Hao
Yang Wu Te

Nominating Committee
Yang Wu Te (Chairman)
Lim Heng Choon
Chang Yi-Hao

Remuneration Committee
Chang Yi-Hao (Chairman)
Lim Heng Choon
Yang Wu Te

SPONSOR

PrimePartners Corporate Finance Pte. Ltd.
16 Collyer Quay
#10-00 Income at Raffles
Singapore 049318

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
7 Straits View
Level 12, Marina One East Tower
Singapore 018936

Partner-in-Charge:
Alex Toh Wee Keong
Appointed from financial year 2020

SHARE REGISTRAR AND SHARE TRANSFER OFFICE

Tricor Barbinder Share Registration Services
(a division of Tricor Singapore Pte. Ltd.)
9 Raffles Place
#26-01, Republic Plaza, Tower 1
Singapore 048619

JOINT COMPANY SECRETARIES

Loo Shi Yi (ACS, ACG)
(Member of the Chartered Secretaries Institute of Singapore)

Hon Wei Ling (ACS, ACG)
(Member of the Chartered Secretaries Institute of Singapore)

INVESTOR & MEDIA RELATIONS

August Consulting Pte. Ltd.
101 Thomson Road
#29-05 United Square
Singapore 307591

OPERATIONAL & FINANCIAL REVIEW

INCOME STATEMENT

(US$' 000)	FY2023	FY2022	% Change
Revenue	**29,281**	**24,498**	**19.5**
Cost of Sales	(19,947)	(18,050)	10.5
Gross Profit	**9,334**	**6,448**	**44.8**
Other Income	124	146	(15.1)
Other Gains/(Losses), Net	13	(120)	n.m.
Distribution & Marketing	(1,548)	(1,013)	52.8
Administrative Expenses	(6,368)	(4,603)	38.3
Expected Credit (Losses)	(111)	(32)	n.m.
Interest Income	68	9	n.m.
Finance Expenses	(89)	(60)	48.3
Profit Before Income Tax	**1,423**	**775**	**83.6**
Income Tax Credit	357	262	36.3
Profit for the Year	**1,780**	**1,037**	**71.6**

Alternative Performance Measures

(US$' 000)	FY2023	FY2022	% Change
Profit for the Year	**1,780**	**1,037**	**71.6**
Interest Expenses	89	60	48.3
Income Tax Credit	(357)	(262)	36.3
Earnings Before Interest & Tax (EBIT)	**1,512**	**835**	**44.8**
Depreciation	1,721	1,389	23.9
Amortisation	74	66	12.1
Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA)	**3,307**	**2,290**	**44.4**
IPO Expenses	1,992	243	n.m.
Adjusted EBITDA	**5,299**	**2,533**	**109.2**
Adjusted EBITDA Margin (%)	**18.1**	**10.3**	**7.8 %pt**

Revenue

The Group's revenue for the year rose 19.5% to US$29.3 million from US$24.5 million in FY2022, largely on higher contributions from its Art Outsourcing Segment and Game Development Segment.

The Art Outsourcing Segment registered a 9.5% increase in revenue to US$24.1 million from US$22.0 million in FY2022 driven by new contracts from customers from the United States and South Korea, while the Game Development Segment doubled its revenue to US$5.0 million from US$2.2 million in FY2022, on expanded business with existing customers and projects from new customers.

Revenue by Segment

(US$' 000)	FY2023	FY2022	% Change
Art Outsourcing	24,124	22,021	9.5
Game Development	4,996	2,227	124.3
Global Publishing & Other Services	161	250	(35.6)
Total Revenue	**29,281**	**24,498**	**19.5**

Gross Profit

With effective cost control, the establishment of a new performance and reward assessment system and sales efficiency, the Group saw a 44.8% rise in gross profit to US$9.3 million in FY2023 from US$6.4 million a year ago, while gross profit margin rose 5.6 percentage points to 31.9% in FY2023 from 26.3% in FY2022.

Operating Expenses

Distribution and marketing expenses rose to US$1.5 million in FY2023 from US$1.0 million in FY2022 due to more aggressive marketing and distribution activities to expand market share and increase sales volume by adding more sales staff and organising more promotional activities to penetrate the Europe, America and Asia markets.

Administrative expenses increased to US$6.4 million in FY2023 from US$4.6 million in FY2022 on various expenses incurred in relation to the Group's IPO.

EBITDA

The Group's EBITDA came in at US$3.3 million in FY2023, a 44.4% increase over US$2.3 million of the previous year. After adjusting for one-off IPO-related expenses, the adjusted EBITDA surged to US$5.3 million from US$2.5 million in FY2022, with adjusted EBITDA margin increasing 7.8 percentage points to 18.1% in FY2023 from 10.3% in FY2022.

Net Profit

Net profit for the year grew 71.6% to US$1.8 million from US$1.0 million in FY2022, reflecting the overall improvement in operational efficiency and effectiveness of cost control measures, in addition to increased revenue from the Art Outsourcing and Game Development business segments.

BALANCE SHEET

The Group's total assets rose to US$30.5 million as at 31 December 2023 compared to US$19.5 million as at 31 December 2022. Current assets increased to US$23.8 million as at 31 December 2023 from US$12.7 million as at 31 December 2022, largely due to (i) a significant increase in cash and cash equivalents to US$16.4 million from US$6.1 million a year ago arising from IPO proceeds; (ii) a marginal increase in trade and other receives to US$3.9 million; and (iii) a 16.6% increase in contract assets to US$3.5 million due to an increase in revenue for the year.

Total liabilities climbed to US$9.1 million as at 31 December 2023 compared to US$8.4 million as at 31 December 2022. Current liabilities increased by US$0.9 million to US$6.4 million as at 31 December 2023, largely attributable to (i) an increase in trade and other payables to US$5.4 million on increased operating activities; (ii) a 67.9% decline in contract liabilities to US$44,000 as more contractual obligations were fulfilled in FY2023 and customer prepayments received were recognised as revenue with the completion of the corresponding services; and (iii) a marginal 3.8% increase in lease liabilities to US$0.9 million due to adjustments in existing lease agreements and net addition in total lease liabilities on changes in the terms of new lease agreements.

The Group's shareholders equity doubled to US$21.4 million as at 31 December 2023 from US$11.1 million as at 31 December 2022 due to (i) a significant increase in share capital to US$8.6 million on completion of IPO in FY2023; and (ii) a turnaround in other reserves from a negative US$2.2 million as at 31 December 2022 to a positive US$4.6 million as at 31 December 2023 on fully subscribed new shares from placement and cornerstone tranches in relation to the IPO.

CASH FLOWS

(US$' 000)	FY2023	FY2022
Net cash generated from operating activities	3,469	1,979
Net cash used in investing activities	(541)	(1,746)
Net cash generated from/(used in) financing activities	7,493	(850)
Cash and cash equivalents at end of financial year	16,423	6,057

The Group generated net cash from operating activities of US$3.5 million compared to US$2.0 million in FY2022, mainly from an increase in profit before tax to US$1.4 million and the positive adjustments in cash flows before changes in working capital.

Net cash used in investing activities declined to US$0.5 million in FY2023 from US$1.7 million in FY2022 due to investments in new office leases and computer equipment as the Group expanded its operations.

The net cash generated from financing activities amounted to US$7.5 million in FY2023 compared to a US$0.9 million net cash used in financing activities in FY2022. This change was primarily due to the completion of the Group's IPO in FY2023, reflecting a shift in the Group's financing strategy and an adjustment of its capital structure.

As a result of the foregoing, cash and cash equivalents rose to US$16.4 million as at 31 December 2023 from US$6.1 million at 31 December 2022.

BOARD OF DIRECTORS

Johnny Jan
Executive Chairman and
Chief Executive Officer

Kao Shu-Kuo
Non-Executive Director

Lim Heng Choon
Lead Independent Director and
Non-Executive Director

Chang Yi-Hao
Independent and Non-Executive
Director

Yang Wu Te
Independent and Non-Executive
Director

Johnny Jan

Executive Chairman and Chief Executive Officer

Date of Appointment to the Board:
17 May 2023

Board Committees:
- Nil

Present Directorships in Listed Companies:
- Nil

Past Directorships in Listed Companies:
- Nil

Other Commitments:
- Chih-ching Universe Co., Ltd.
- Taiwan Game Industry Promotion Alliance

Mr Johnny Jan was appointed the Group's Director on 15 December 2005 and re-designated as Executive Chairman on 21 July 2023. He is also a director of all the Group's subsidiaries. Mr Jan is primarily responsible for overseeing the business development activities and operations as well as the overall strategic direction of the Group.

He has over 25 years of experience in the art outsourcing and game development industries. He started his career in Japan TGL Co., Ltd in 1997 as an R&D supervisor leading the development of game titles. He subsequently founded WindThunder Era Co., Ltd in 2000 and under his stewardship as its CEO, the company went on to develop and publish various game titles. In 2004, he founded the Group's art outsourcing and game development studios in the PRC, prior to the incorporation of the Company in 2005.

Mr Jan is a director of the Taiwan Game Industry Promotion Alliance. He obtained a Bachelor of Business Administration from the Central University of Taiwan in 2000.

Kao Shu-Kuo

Non-Executive Director

Date of Appointment to the Board:
17 May 2023

Board Committees:
- Nil

Present Directorships in Listed Companies:
- Acer Gaming Inc. – Chairman

Past Directorships in Listed Companies:
- Nil

Other Commitments:
- Acer Global Merchandise Philippines Inc.
- Acer Gadget Inc.
- Altos Computing Inc.
- DropZone Holding Limited
- DropZone (Hong Kong) Limited
- Star VR Corporation

Mr Kao Shu-Kuo was appointed as Director on 17 May 2023 and re-designated as Non-Executive Director on 21 July 2023. Mr Kao is the chairman of the Board of Directors in Acer Gaming Inc. He started his career in Acer in 1995 where he was responsible for the IT product business. In 2016, Mr Kao was promoted to the general manager of

Acer's IT products business, where he was responsible for the management of business and product cycles of various products, including personal computers, desktop computers, monitors, peripheral accessories, virtual, wide augmented reality and R&D. In 2018, he took on dual roles as Acer's chief operating officer as well as general manager of its IT products business.

Mr Kao graduated from the Chung Hsing College of Law and Business - Institute of Corporate Management with a Master's degree in 1993.

Lim Heng Choon

Lead Independent Director and
Non-Executive Director

Date of Appointment to the Board:
17 May 2023

Board Committees:

- Audit Committee - Chairman
- Nominating Committee – Member
- Remuneration Committee - Member

Present Directorships in Listed Companies:

- Ritamix Global Limited – Independent Non-Executive Director

Past Directorships in Listed Companies:

- Nil

Other Commitments:

- Centific Global Solutions, Inc
- edgeTech Venture Ltd
- Esports Business Network Sdn Bhd
- Global Vision Holdings Pte Ltd
- Hyperion Connect Pte Ltd
- International Liquid Packaging Solutions Pte Ltd
- KDH Design Inc
- KDH Design Co Ltd
- Liho Besuto Sdn Bhd
- Awesome Realty Sdn Bhd

Mr Lim Heng Choon was appointed as Independent Director on 17 May 2023 and re-designated as Lead Independent and Non-Executive Director on 21 July 2023. He is the chief financial officer of Centific Global Solutions, Inc (formerly known as Pactera Technologies NA, Inc.) as well as the founder and managing director of Hyperion Connect Pte. Ltd.

Mr Lim started his career in the Kuala Lumpur office of the Boston Consulting Group as an associate in 1996 and left as a consultant in 2003. He then joined Southern Bank Berhad from 2003 to 2004 where, as a vice president and the head of its Financial Advisory Services, he built and led the sales and service division in the consumer banking group. From 2004 to 2009, he was with Hisoft Technology International Limited, first as its head of strategic planning / corporate development from 2004 to 2007 where he was responsible for its Series B and C fundraising and all merger and acquisitions, before being promoted to the role of acting chief financial officer from 2008 to 2009 where he oversaw the finance and internal audit functions. From 2007 to 2009, he was its chief operating officer where he oversaw the support functions in the company which encompassed the human resource, legal, business operations, shared services, corporate development, facilities, IT and marketing functions, before transitioning to the role of an advisor from 2010 to 2020. From 2011 to 2018, Mr Lim co-founded International Liquid Packaging Solutions Pte. Ltd., a start-up company involved in the business of industrial green packaging. He also founded Hyperion Connect Pte. Ltd., a boutique consulting firm in 2018 that takes on corporate advisory projects. Mr Lim graduated from Monash University in 1996 with a Bachelor of Engineering (Electrical and Computer Systems) (Honours) and an MBA from the Kellogg School of Management, Northwestern University, USA in 2001.

Chang Yi-Hao

Independent and Non-Executive Director

Date of Appointment to the Board:
17 May 2023

Board Committees:

- Remuneration Committee – Chairman
- Audit Committee - Member
- Nominating Committee – Member

Present Directorships in Listed Companies:

- Nil

Past Directorships in Listed Companies:

- Nil

Other Commitments:

- Big Data Co., Ltd.
- Howard Digital Marketing Co., Ltd.
- Rainbow Path Global Ltd
- Treasure Sage Ltd
- Treasure Sage Sabah Sdn Bhd

Mr Chang Yi-Hao was appointed as Independent Director on 29 September 2021 and re-designated as Independent and Non-Executive Director on 21 July 2023. He started his career in Wistron Corporation in 2003 as a product engineer, before joining X-Legend Entertainment, a company engaged in the business of game licensing and publishing in 2004, as its chief operating officer where he was responsible for licensing games from Korean developers and launching such games in the Taiwan market. Additionally, he oversaw the publishing of self-developed games by X-Legend for the Taiwan market, and established an international operations team which was responsible for licensing and managing these games across multiple countries, including Japan, China, the United States, Europe, Thailand and Malaysia, amongst others.

From 2012 to 2017, Mr Chang was the president of Kunlun Games, which is one of the business units within Kunlun Tech Group, a global gaming distribution company, where he managed the marketing and operations teams across Japan, Taiwan, and Thailand. He acted as the primary liaison with major platforms such as the Apple Store, Google Play, and Facebook and secured licensing for internationally renowned games and intellectual properties for distribution in the Chinese market. He subsequently founded Internet marketing and media agency Howard Marketing Co., Ltd, and became its CEO.

Mr Chang obtained a Bachelor of Electrical Engineering and Economics from the Tsinghua University of Taiwan in 1997 and an MBA from the Taiwan University Graduate School of Business in 2001.

Yang Wu Te

Independent and Non-Executive Director

Date of Appointment to the Board:
17 May 2023

Board Committees:

- Nominating Committee – Chairman
- Audit Committee - Member
- Remuneration Committee – Member

Present Directorships in Listed Companies:

- Nil

Past Directorships in Listed Companies:

- Nil

Other Commitments:

- Nil

Mr Yang Wu Te was appointed as Independent Director on 17 May 2023 and re-designated as Independent and Non-Executive Director on 21 July 2023. He started his private banking career with Bankers Trust Co. Ltd. (now known as Deutsche Bank) in 1989 to 1991 as an assistant vice president in the Private Banking Group.

From 1991 to 1993, he was senior vice president – Private Banking Group of The Chase Manhattan Bank N.A. (now known as JPMorgan Chase & Co). He subsequently joined Taishin International Bank from 1993 to 1994 as an assistant vice president, before moving to Merrill Lynch International Bank Limited, first as its vice president – Global Private Client from 1994 to 1999 before being promoted to first vice president – Global Private Client, a role which he held from 1999 to 2013. He joined Bank Julius Baer & Co. Ltd. as its executive director/ relationship manager – Private Banking from 2013 to 2020.

Mr Yang graduated from the China Municipal Administrative Institute in 1979 with a certificate in Business and Industrial Administration.

KEY MANAGEMENT

Oliver Yen

Group Chief Financial Officer

Mr Oliver Yen is the Group Chief Financial Officer. Since joining the Group in September 2014, he has been responsible for all finance related areas including overseeing the Group's treasury function, audit and taxation matters. He supports the management on all strategic and financial planning matters in relation to the Group's business. Prior to joining Winking Studios, Mr Yen first started his career in July 1994 as an assistant financial manager in Taiwan Cement Corporation, a role which he held until August 1997. From November 1997 to March 2000, he was an assistant manager in the finance department of Tailyn Technologies Inc. From May 2000 to September 2013, he was the vice general manager of the general management office in Softstar Entertainment Inc., a Taiwanese game development and game publishing company. He was senior financial controller of Wenetgroup Ltd. from February 2014 to April 2014.

Mr Yen graduated with a Bachelor of Business from Tunghai University's School of Management in 1991.

Tina Li

General Manager of Art Outsourcing Segment

Ms Tina Li is the General Manager of Art Outsourcing Segment responsible for overseeing the expansion and growth of the Group's businesses. She began her career in Nanjing Solitary Advertising Design Co., Ltd as a graphic designer from March 2000 to February 2001, before joining Xiamen Xin Rui Shi Multimedia Co., Ltd (Nanjing Office) as an art designer from March 2001 to December 2003. She subsequently joined the Group in December 2003 as an art designer and became an employee of Shanghai Winking upon its incorporation in January 2004 before being promoted to the role of General Manager of Shanghai Winking, a position which she held from August 2004 to January 2010. From January 2010 until the present, she has been the General Manager of Nanjing Winking and the head of the Group's Art Outsourcing Segment. She obtained a Master's degree in Software Engineering from Shanghai Fudan University in 2011.

Sustainability Report

ABOUT THIS REPORT

Scope of Report

Winking Studios is the third largest art outsourcing and game development studios in Asia and fourth globally. The scope of this Sustainability Report (the **"Report"**) encompasses the entire operations and activities of the Group and its subsidiaries that span multiple jurisdictions, Singapore, Taiwan, and China, providing a comprehensive view of corporate sustainability. This Report encapsulates the key aspects of Winking Studios' Environmental, Social and Governance (**"ESG"**) performance for FY2023. It addresses financial performance and stability, the Group's environmental stewardship encompassing energy efficiency and waste management, social directives including employee well-being and welfare, and community engagement through corporate social responsibility, and firm governance practices emphasising on transparency and ethical conduct. This report firmly demonstrates Winking Studios' solidified allegiance to sustainability, accountability and responsible business practices within the art outsourcing and game development sector.

Reporting Framework

This Report has been approved by the Board and is prepared in accordance with the sustainability reporting requirements of Rules 711A and 711B of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist. The Report is prepared with reference to the Global Reporting Initiative (**"GRI"**) Standards 2021 and the Task Force on Climate-related Financial Disclosures (**"TCFD"**) framework. The GRI Standards 2021 was identified as the framework of choice as it is not only widely recognised as the global benchmark for sustainability reporting, but it also provides guiding principles on report content and quality, as well as recommends specific key performance indicators and disclosures pertaining to material sustainability topics. Moreover, adopting the TCFD framework further enables Winking Studios to improve climate risk disclosure, enhance decision-making, strengthen investor confidence while also increasing access to capital, enhance reputation and ultimately, contribute to long-term resilience, value creation and sustainability.

Report Content and Quality

This Report aims to deliver an integrated overview of the Group's initiatives and strategies related to sustainability and responsible business development. Through our policies, practices, and actions, we strive to address key concerns and issues our stakeholders encounter and hold dearly. In defining and instilling strong fundamentals on content quality and proper presentation, the following GRI's reporting principles are applied:

Reporting Principles

Accuracy & Completeness	Quantitative and qualitative information have been provided to a sufficient level of accuracy and attention to detail to allow our stakeholders to assess our performance and impact.
Balance	We seek to paint an unbiased picture of our performance, reflecting both positive and negative aspects as well as impacts, and distinguishing fact from interpretation, to attain a fair and just assessment.
Clarity	Information and data that we have presented and disclosed are clear, understandable, and accessible to all relevant stakeholders across all platforms and media.
Comparability	We aim to report current information and performances in a manner that allows and enables our stakeholders to compare against our objectives and goals, past performances, and relative industry peers.
Timeliness	This report is produced annually to allow our stakeholders to access readily, understand our impacts and performances and make prompt decisions effectively and efficiently.
Verifiability	Precision and authenticity are of paramount importance and all data, information and processes involved in the preparation of this report was gathered, compiled, and analysed in a trustworthy, reliable manner.

Feedback

To demonstrate our staunch duty and devotion towards positive impacts and long-term, sustainable value creation, we welcome all input and feedback on our sustainability report and strongly encourage all stakeholders to share their thoughts, concerns, and suggestions for improvement. For inquiries related to this report, our sustainability practices, or any relevant feedback, please feel free to contact Investor Relations via email (ir@winkingworks.com).

BOARD STATEMENT

Johnny Jan

Executive Chairman and Chief Executive Officer

The Board of Directors (**"Board"**) of Winking Studios, is pleased to present our inaugural annual Sustainability Report for the financial year ended on 31 December 2023 (**"FY2023"**). This report reflects our strong, unwavering commitment and drive towards long-term value creation, responsible business practices and positive impacts in a rapidly evolving global landscape.

Winking Studios embarked on a transformative journey characterised by innovation, strategic expansion, and profound collaboration within the competitive landscape of the gaming industry. We swiftly emerged as one of the premier providers of cutting-edge art outsourcing and full-cycle game development services.

Since incorporation on 15 December 2005, we have strategically diversified operations across pivotal hubs in Asia. We are now headquartered in Singapore and possess major presence in Shanghai, Nanjing, and Taiwan , thus capitalising on the extensive networks and opportunities, diverse talent pools and fostering a culture of ingenuity and collective excellence. Winking Studios unwavering commitment to fostering enduring partnerships propelled it into collaboration with industry titans such as Ubisoft, Electronic Arts, Sony, and Nintendo. The Group has also collaborated on internationally renowned game titles and notable award-winning projects such as Assassin's Creed, Genshin Impact, and FIFA. This allows the Group to earn widespread acclaim for its unswerving commitment to excellence and value-driven service delivery.

Winking Studios is the first gaming-related company to be listed on SGX-ST. This landmark achievement underscored the Company's robust performance, market leadership, and investor confidence, providing an expanded platform for visibility, capital access, and future growth prospects within the dynamic gaming sphere.

Here at Winking Studios, we are deeply committed to sustainability practices and directives to drive impactful change. Corporate social responsibility **("CSR")** is a cornerstone of our sustainability endeavours, and we take proactive measures to initiate programmes focused on social responsibilities and address pertinent issues concerning stakeholders. Moreover, we adopt sustainability operational practices that allows us to monitor, maintain and reduce energy and water consumptions, driving our environmental and social impact internally.

Our continuous participation in CSR, upholding sustainable business conduct and effective implementation of green actions and sustainable development within the Group, allows us to leave a meaningful impact on employees, stakeholders, and the wider community. Additionally, the Group recognises the challenges associated with climate-related considerations incorporating sustainability into our operations. Key challenges include ensuring compliance with regulations, rising mean temperature and the occurrence of frequent extreme weather conditions. Despite these challenges, we are keenly aware of numerous prospects for growth and progress. For instance, the Group utilises water and energy-efficient fixtures and fittings, adopts energy-saving LED lights, and advocates recycling and digitalisation across various offices.

Throughout our illustrious journey, Winking Studios remained steadfast in upholding values of creativity, integrity, and customer-centricity, driving relentless innovation and improvement across the service spectrum. With a passionate team of skilled professionals, an extensive network of esteemed partners, and an unyielding dedication to excellence, Winking Studios stands poised to continue shaping the forefront of gaming innovation while delivering unparalleled value to stakeholders across the globe and prioritising and integrating sustainability into business operations.

We greatly appreciate the support provided by all our stakeholders along this journey and look forward to working with all stakeholders to build a sustainable future together.

Johnny Jan
Executive Chairman and Chief Executive Officer

SUSTAINABILITY GOVERNANCE

Winking Studios recognises that sustainability is essential for the Group's long-term success and the generation of value for all our stakeholders. Winking Studios' commitment to sustainability is ingrained within the Group's governance framework which ensures that sustainability considerations are integrated into decision-making processes across all levels.

The Board of Directors (**"The Board"**) provides and ensures effective oversight of the Group's sustainability, strategy, goals, and performance. Winking Studios' Sustainability Governance Structure is illustrated below, reflecting the relevant roles and responsibilities and corresponding personnel involved. Winking Studios' Group Chief Financial Officer (**"CFO"**) also acts as the Chief Sustainability Officer (**"CSO"**) and will head Winking Studios' sustainability function, reporting directly to the Sustainability Steering Committee. The CSO is responsible for developing and implementing the sustainability strategy, ensuring alignment with overall business strategy, as well as coordinating with departments to integrate sustainability into business activities and operations.

Board of Directors

Sustainability Steering Committee
| Chief Executive Officer (CEO)
| Group Chief Financial Officer / Chief Sustainability Officer
| General Manager (GM)

Roles & Responsibilities
| Focuses on sustainability matters
| Sets overarching sustainability goals, policies and strategies

Sustainability Working Group
| Group Finance
| Chief Operating Officer (COO)
| Sustainability Coordinator

Roles & Responsibilities
| Implements sustainability initiatives, manages data collection, ensures compliance with standards
| Collaborates with departments to embed sustainability operationally

STAKEHOLDER ENGAGEMENT

Stakeholder engagement and responsiveness is integral to the sustainability reporting approach. Winking Studios engages with stakeholders through various channels to understand their concerns and incorporate their feedback into the Group's sustainability strategy, decision-making processes, and performance improvement efforts. This allows the Group to illustrate its steadfast commitment towards accountability, engagement, and continuous improvement in sustainability performance.

<table>
<tr><th>Stakeholders</th><th>Engagement Channels</th><th>Frequency</th><th>Key Concerns</th></tr>
<tr><td rowspan="4">Employees</td><td>Performance appraisals</td><td>Annual</td><td rowspan="4">• Remuneration & benefits
• Employee safety & well-being
• Training & development opportunities
• Fair & competitive employment practices
• Job security & workplace safety</td></tr>
<tr><td>Internal and external training programmes</td><td>Ad-hoc</td></tr>
<tr><td>Digital feedback and communication platforms</td><td>Ad-hoc</td></tr>
<tr><td>Regular meetings</td><td>Monthly</td></tr>
<tr><td rowspan="3">Customers</td><td>Customer Feedback Surveys</td><td>Ad-hoc</td><td rowspan="3">• Product & service quality
• Project timeline and execution
• Competitive pricing
• Customer data protection
• Sustainability efforts</td></tr>
<tr><td>Social media</td><td>Ad-hoc</td></tr>
<tr><td>Informal dialogues</td><td>Ad-hoc</td></tr>
<tr><td rowspan="3">Suppliers</td><td>Supplier Pre-assessment</td><td>Ad-hoc</td><td rowspan="3">• Fair payment terms
• Payment timeliness
• Sustainability efforts</td></tr>
<tr><td>Supplier Performance Evaluation</td><td>Ad-hoc</td></tr>
<tr><td>Meetings / discussions</td><td>Ad-hoc</td></tr>
<tr><td rowspan="4">Investors</td><td>Investor Relations</td><td>Ad-hoc</td><td rowspan="4">• Business ethics
• Sustainability efforts
• Corporate governance
• Financial performance and growth
• Risk management
• Business strategies & performance</td></tr>
<tr><td>Annual General Meetings</td><td>Annual</td></tr>
<tr><td>Corporate Announcements</td><td>Ad-hoc</td></tr>
<tr><td>Company Website</td><td>Ad-hoc</td></tr>
<tr><td rowspan="2">Government/ Regulatory Body</td><td>Annual Report & Sustainability Report</td><td>Annual</td><td rowspan="2">• Compliance with laws and regulations
• Anti-corruption
• Implementation of policies
• Good corporate governance, ethics, and transparency
• Sustainability reporting</td></tr>
<tr><td>Submission of statutory reports</td><td>Ad-hoc</td></tr>
<tr><td rowspan="2">Local Communities</td><td>Corporate Social Responsibility Report</td><td>Annual</td><td rowspan="2">• Social welfare</td></tr>
<tr><td>Community service programs</td><td>Ad-hoc</td></tr>
</table>

MATERIALITY ASSESSMENT

Winking Studios identifies and prioritises sustainability issues that are of concern to our stakeholders, considering the impact on the business, economy, environment, and people through the materiality assessment process. The results of the materiality assessment contribute to the development of Winking Studios' sustainability strategy, initiatives, and goals. This methodology comprises the following key steps:

Organisational Context → Stakeholder Engagement → Issue Identification → Issue Prioritisation → Validation → Review & Approval

Understanding Organisational Context

The initial phase is to understand the Group's business model, activities, and philosophy before identifying relevant stakeholders to engage for the next phase of the materiality assessment. Moreover, Winking Studios monitors industry trends, regulatory development, and emerging sustainability best practices to stay abreast of evolving expectations and standards towards corporate sustainability. Comparative analysis with industry peers and sector benchmarks is conducted to assess the Group's competitive advantage and strategic direction and create opportunities to evaluate Winking Studios' sustainability competitiveness and position.

Stakeholder Engagement

Winking Studios engages with a diverse range of stakeholders which include employees, customers, vendors, investors, and local communities to understand their expectations regarding sustainability issues, and every perspective and concern on sustainability issues that arises from the Group's activities. Sustainability initiatives and direction can then integrate stakeholder feedback to ensure relevance and responsiveness to needs. Please refer to the "Stakeholder Engagement" section above, which details the approach to gather and understand their valuable input and expectations from the relevant stakeholders.

Issue Identification

Aside from ongoing, continuous engagement with all relevant stakeholders, the Group's sustainability issues are identified based on review of diverse sources of information, frameworks, and guidelines, which include sustainability standards such as GRI, TCFD and Sustainability Accounting Standards Board (**"SASB"**), initiatives such as the United Nations Sustainable Development Goals (**"UN SDGs"**), peer benchmarking and industry reports.

Furthermore, Winking Studios conducted an internal discussion and analysis, involving Executive Officers and external consultants, to identify and assess the significance of material sustainability topics and issues to the Group's business operations, risk profile, long term value-creation and goals. Winking Studios ensures that the Group's sustainability priorities align with business activities, strategies, and core values, as sustainability issues can impact the Group's ability and direction to achieve strategic objectives, maintain market competitiveness and raise corporate brand.

The material topics identified are divided into three categories: environment, social, and governance.

Issue Prioritisation

Identified material sustainability issues are evaluated and prioritised through risk assessment conducted based on two key attributes : (i) likelihood of the issue, where Winking Studios examines the probability of the issue/event occurring, be it due to business activities or externalities, and (ii) severity of the impact, where upon potential occurrence, Winking Studios evaluates the corresponding risks, consequences and damages on the Group's business and its resilience, the economy, environment, and people. With this predefined criterion to evaluate the importance, gravity, and magnitude of each sustainability topic, it provides the opportunity to consider financial implications, reputational risks, stakeholder expectations and the alignment with Winking Studios' vision, values, and strategic objectives.

Validation

The ESG material topics are finalised by the Sustainability Committee. Emerging trends and changes in the business and regulatory environment are considered when finalising the material topics. Gathering and analysing relevant data and information related to the prioritised sustainability topics from internal sources allows us to quantify the concerns and relevant implications. Seeking input, advice and validation from external consultants allows the Group to further understand and validate the materiality of the identified sustainability topics and ensure alignment with best practices and emerging trends, regulations, and sustainability directions.

Approval

The results of the FY2023 materiality assessment, including the targets, metrics and initiatives are presented to the Board for approval before publishing in Winking Studios' annual Sustainability Report.

Based on Winking Studios' FY2023 materiality assessment, the following key sustainability topics were identified as most material to the Group's business and have ranked them accordingly, "Highly Critical", "Critical" or "Moderate":

<table>
<tr><th>Highly Critical Material Issues</th><th>Critical Material Issues</th><th>Moderate Material Issues</th></tr>
<tr><td rowspan="2">Economic Performance</td><td>Tax</td><td rowspan="2">Energy Efficiency</td></tr>
<tr><td>Employment Practices</td></tr>
<tr><td rowspan="2">Market Presence</td><td>Occupational Health & Safety</td><td rowspan="2">Water & Effluents</td></tr>
<tr><td>Training & Education</td></tr>
<tr><td rowspan="3">Information Security & Data Privacy</td><td>Diversity & Equal Opportunities</td><td>Climate Change - Emissions</td></tr>
<tr><td>Contribution to Society – Local Communities</td><td rowspan="2">Waste Management</td></tr>
<tr><td>Business Ethics (including Anti-corruption)</td></tr>
</table>

Environmental Social Governance

IMPACT ASSESSMENT OF MATERIAL TOPICS

By conducting an impact assessment, it allows Winking Studios to better understand the actual and potential positive and negative impacts associated with sustainability initiatives. This clarity enables us to develop holistic strategies to maximise benefits and positive outcomes while mitigating, minimising, or ideally eliminating negative impacts, risks and challenges for the environment and relevant stakeholders.

Material Topic	Description	Positive Impacts	Negative Impacts	Description of business activity/relationship (for negative impacts)
Environmental				
Energy Efficiency	Adopting energy-efficient practices in business operations.	Reduce energy consumption and costs, leading to financial savings. Contribution to mitigating climate change by reducing greenhouse gas (**"GHG"**) emissions.	High energy consumption and reliance on fossil fuels exacerbate energy poverty and increase costs.	Game development / graphic design by Winking Studios, vendors and business partners.
Water & Effluents	Water management and reduction systems and strategies to minimise environmental impact.	Reduce water usage leading to conservation of water resources.	No significant negative impact due to Winking Studios' service-oriented business line.	Not Applicable.
Climate Change – Emissions	Increased scrutiny and focus on net zero emissions due to impact of global climate change and extreme patterns.	Reduction in GHG emissions contributes to global climate change mitigation efforts, biodiversity preservation and protects natural habitats.	High emission levels contribute to global warming, environmental degradation and threatening biodiversity.	Game development / graphic design by Winking Studios, vendors and business partners.
Waste Management	Waste management through proper collection, disposal, and recycling.	Implementing waste reduction, recycling and circular economy initiatives minimises waste generation, conserve resources and promotes environmental sustainability.	Inefficient waste management contributes to the depletion of natural resources.	Winking Studios' decision in resource allocation.

Material Topic	Description	Positive Impacts	Negative Impacts	Description of business activity/relationship (for negative impacts)
Social				
Employment Practices	Fair, just and inclusive treatment and management of employees.	Foster positive work culture and enhances employee satisfaction, and potentially boost talent attraction and employee retention. Strong employee morale and engagement contribute to increased productivity and innovation, and thus potentially reducing employee turnover.	No significant negative impact due to Group's fair employment terms.	Not Applicable.
Occupational Health & Safety	Provide a safe, healthy working atmosphere for employees.	Prioritising occupational health and safety enhances employee well-being and reduces absenteeism, promoting social stability and harmony. Reduced workplace incidents and injuries contribute to improved employee morale and productivity.	No significant negative impact due to Group's service-oriented business .	Not Applicable.
Training & Education	Develop and enhance employee skills, knowledge and capabilities.	Enhances employee skills, employability, and social mobility, contributing to social inclusion and human capital development.	Analysis to meet and cater to training and education needs require resources and investments.	Winking Studios' engagement with employees. Winking Studios' collaboration with external training providers.

Material Topic	Description	Positive Impacts	Negative Impacts	Description of business activity/relationship (for negative impacts)
Social				
Diversity & Equal Opportunities	Equality across genders and age, employee diversity, freedom of association and collective bargaining, to promote strong, healthy employee relations.	Diversity brings a variety of perspectives, experiences, and ideas. Improve employee satisfaction, increase attractiveness retention of talents and loyalty of employees.	Limited diversity of experiences and backgrounds, resulting in missed opportunities for innovation, creativity, and problem-solving.	Winking Studios/ vendor /business partner talent recruitment.
Contribution to Society – Local Communities	Initiatives and activities such as CSR to contribute and benefit local communities.	Fosters social cohesion, cultural preservation and communal well-being through social programs, philanthropy, and volunteering. Transparency and accountability build trust, strengthen stakeholder relationship and promotes good corporate citizenship.	Increase company operational expenses and opportunity cost due to organisation of events. Increase the time and manpower allocated to the initiatives.	Corporate Social Responsibility initiatives.
Governance				
Market Presence	Our visibility, reputation and competitive position in the marketplace puts us at the frontier of ESG impact.	Implementing sustainable practices in operations enhances environmental stewardship and reduces ecological footprint. Creates job opportunities, fosters economic growth, and promotes social inclusion and diversity.	Intense market competition can lead to increased resource consumption and environmental degradation.	Increased sales volume leading to increased operations resulting in more resource consumption, as well as general office wastes and electronic wastes.
Business Ethics (including Anti-corruption)	Ethical standards, values and principles that govern our business conduct and decision-making.	Transparency, integrity, and accountability in business activities. strengthens corporate governance frameworks.	Increased legal costs for the Group. Focused on short term profitability and neglecting long term goals may erode the interest of shareholders and stakeholders.	Winking Studios' transaction with third parties and decision-making process.

Material Topic	Description	Positive Impacts	Negative Impacts	Description of business activity/relationship (for negative impacts)
Governance				
Tax	Transparent and accountable tax practices, strict compliance with tax regulations.	Supports public service and infrastructure development, contributing to environmental sustainability. Fair tax contributions promote social welfare, education, healthcare, and poverty alleviation programs, fostering social cohesion and inclusivity.	No significant negative impact due to Group's transparent tax practices.	Not Applicable.
Information Security & Data Privacy	Robust information security manage-ment systems and protocols to protect all data (personal, customer, supplier, investors etc).	Reduces environmental footprint associated with cyberattacks. Protecting data privacy rights safeguards individual autonomy, fosters trust and promotes digital inclusivity and equality.	Reputational damage and legal liabilities. Unsustainable data practices contribute to environmental degradation and climate change.	Winking Studios' cybersecurity and information security.
Economic Performance	Financial health, profitability, contribution to economic growth, stability and our ESG efforts.	Sustainable economic growth promotes resource efficiency, renewable energy adoption and environmental conservation efforts. Creates job opportunities, fosters community development, and promotes social well-being and prosperity. Transparency, accountability, and ethical conduct enhance investor confidence, strengthen corporate confidence and drive long-term value creation.	Rising resource consumption and environmental degradation.	Game development / graphic design by Winking Studios, vendors and business partners.

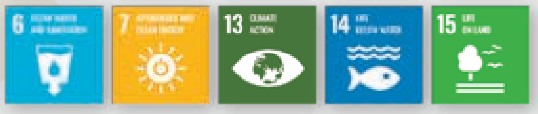
UNITED NATIONS SUSTAINABLE **DEVELOPMENT GOALS ("SDGs")**

The UN SDGs cover salient sustainability issues and challenges facing humanity. It enables companies to seize business opportunities, manage risks, meet stakeholder expectations, drive innovation and collaboration, and contribute to global sustainable development efforts, allowing Winking Studios to position itself strategically as responsible corporate citizens and agents of impactful positive change in the world. Comprising 17 different goals, the following SDGs identified are of deep, strong relevance and Winking Studios will continue leveraging on its core competencies to start implementing these SDGs, continue effectively and contribute to relevant goals and targets constructively:

1

GOAL 1 Reducing our Negative Environmental Impact

✦ Contributions to SDGs ✦



Key Performances

As this is Winking Studios' first year of sustainability reporting, the Group does not have sufficient environmental historical data and key performance indicators to assess our relative environmental impact and improvements, but we will continue to do so in future reporting periods, given sufficient data.

- GHG intensity of 1.28 tCO_2e/employee
- Electricity intensity of 1,656.68 kWh/employee

Current Practices

- Energy saving and reduction methods through turning off lights and air-conditioning when not in use.
- Upgrading to newer, more energy and water efficient equipment and fixtures.
- Regular maintenance and inspections on water, air-conditioning, and related facilities.
- Cultivate waste management habits operationally, such as going paperless and embracing digitalisation.

Targets

- Raise further awareness and cultivating habits geared towards energy, water savings and waste reduction and management with relevant stakeholders.
- Raise investments on energy, water savings and waste reduction and management infrastructure.

2 GOAL 2 Cultivating Fairness, Safety, and Inclusivity in a Workplace

✦ Contributions to SDGs ✦

Key Performances

- Zero incidents of material non-compliance with applicable laws and regulations
- Strong age, racial and gender diversity in workforce
- High training hours across genders and employee categories

Current Practices

- Fair, equal and comprehensive compensation package across genders, inclusive of medical check-ups and insurance, childcare leave, retirement provisions.
- Regular employee welfare and engagement geared towards both physical and mental well-being.
- Training provided to employees that does not discriminate across region, gender, and employee categories.
- Wide range of training opportunities and provisions, inclusive of employee upskilling, subsidies, professional certifications, job rotations and career development.
- Risk assessment to identify potential hazards and mitigation actions, including trainings on fire safety, first aid and occupational health and safety.

Targets

- Maintain zero incidents of material non-compliance with applicable laws and regulations.
- Maintain gender, regional and age diversity of workforce.
- Increase scope of training and training hours provided to employees.

3 GOAL 3: Instilling Corporate Transparency and Accountability

✦ Contributions to SDGs ✦

Key Performances

- Zero confirmed public cases or incidents regarding corruption brought against Group or its employees.
- Zero significant instances of non-compliance with laws and regulations of which either fines or non-monetary sanctions were incurred.
- Zero incidents of discrimination.

Current Practices

- Whistleblowing reporting mechanism in place for anonymous reporting or suggestions to strengthen corporate governance.
- Communications of policies and procedure, and training in related to business ethics and anti-corruption for governance body members, employees, and business partners.
- Proactive communication with tax authorities for compliance communication, collaborative issues resolution and tax filing transparency
- Tax public policy advocacy through stakeholder consultations, advocacy and information sharing and collaboration.

Targets

- Maintain zero confirmed public cases or incidents regarding corruption brought against Group or its employees.
- Maintain zero significant instances of non-compliance with laws and regulations of which either fines or non-monetary sanctions were incurred.
- Maintain zero incidents of discrimination.

ENVIRONMENTAL

At Winking Studios, the Group is aware of the need to combat climate change and recognises that its business practices have a certain environmental impact. The Group is committed to making efforts to progressively reduce it. To optimise the overall consumption, Winking Studios' employees have been informed about best practices to save energy and water, as well as on moving to "paperless" through electronic circulation and digitalisation.

TCFD Climate Risk Analysis

Group Strategy

With the goal of keeping the global temperature rise below 1.5 degrees Celsius, as stipulated in the Paris Agreement, the Group has made it a material topic to tackle climate change within its ESG considerations. A critical first step involves understanding the actual and potential qualitative impacts of climate-related risks and opportunities on Winking Studios' businesses and strategy where such information is material.

In adherence to the TCFD recommendations, clear communication of the Group's sustainability strategy allows Winking Studios' stakeholders to better understand how climate-related issues may affect future performance. Winking Studios' approach focuses on regular risk assessment and management, establishing resilience against physical and transitional climate risks, as well as transitioning to a low-carbon economy by setting emission reduction targets.

Scenario Analysis on Climate-Related Risk and Opportunities

The climate scenario analysis functions as a mechanism for comprehending the potential impacts of identified climate-related risks and opportunities on Winking Studios' future operations. Winking Studios' preliminary evaluation examines two scenarios based on the Intergovernmental Panel on Climate Change (**"IPCC"**): (1) a best-case scenario where the global average temperature increases by less than 2°C; and (2) a business as usual with no mitigation scenario where temperatures increase more than 4°C by the end of the century. The key features of the selected scenarios are described below:

Scenario	Paris-aligned scenario (Below 2°C)	No mitigation scenario (4°C)
Description	The world manages to reduce CO2e emissions through several measures.	The world fails to curb rising CO2e emissions by Year 2100 and impacts from extreme weather events are assumed to grow in magnitude.
Rationale	To evaluate the transitional impacts within an economy transitioning to a low carbon world. It reflects measures required to limit global warming to under 2°C.	To evaluate the physical risks under a high-emission scenario, consistent with a future where policy changes to reduce emissions are limited.
Underlying model	This model considers factors such as greenhouse gas emissions and policy developments which serve as a foundation for the Group to analyse how different climate scenarios may impact its business operations and strategy over the short-, medium-, and long-term time horizon.	This model considers factors such as increased frequency of extreme weather events and rising mean temperature. Climate models and scientific assessments play a key role in shaping the narrative of such scenarios.
Assumptions	1. Global adoption of renewable energy, advancements in technology, regulatory frameworks, and changes in consumer behavior. 2. Assumptions related to the physical impacts of climate change, such mean temperature rise and extreme weather events. 3. Collective global effort to mitigate climate change and transition towards a low-carbon economy.	1. The continuation of high greenhouse gas emissions and a lack of climate policy. 2. Limited technological advancements in clean energy and low levels of international cooperation to achieve climate goals.

Risk Management

Considering the two scenarios outlined, Winking Studios has identified three climate-related risks and two opportunities. The use of scenario analysis allows the Group to proactively address factors that could impact Winking Studios' operations in the context of climate considerations. In FY2023, the Group initiated the approach to climate-related risk management through meeting between the chief sustainability officer and its external consultant. This process enhanced the Group's understanding of climate-related risks and opportunities, providing insights into the potential effects of various scenarios on its business.

Risk/ Opportunity and Category	Risk/ Opportunity Description	Impact of Risk/ Opportunity	Existing Mitigating Action / Opportunity
Transition Risk			
Enhanced emis-sions-reporting obligations	More stringent regulations and requirements concerning GHG emissions reporting pose a transitional risk to the Group, including obligations related to reporting as outlined in GRI2021 Standards and TCFD recommendations.	The evolving emissions-reporting regulations and obligations will lead to a rise in the indirect operating costs for the Group. This includes an increase in professional and consultancy fees, compliance cost, and administrative expenses to fill reporting requirements.	The Group has been constantly monitoring regulatory requirements and assessing its capacity in meeting them.

1. The statement regarding the global warming trend and a warming rate of 0.26°C/decade in China was sourced from the" Blue Book on Climate Change of China 2023".
2. It was extracted from the statement provided by the Taiwan Climate Change Science Team. This team comprises departments from Taiwan's Ministry of Science and Technology, Meteorological Department, Department of Earth Sciences at National Taiwan Normal University, and Taiwan Disaster Prevention and Reduction Technology Center.

Risk/ Opportunity and Category	Risk/ Opportunity Description	Impact of Risk/ Opportunity	Existing Mitigating Action / Opportunity
Physical Risk			
Changes in precipitation patterns and extreme variability in weather patterns, such as floods caused by frequent and heavy rainfall	Climate change projections suggest an increase in the frequency of intense precipitation events which could cause an increased intensity and frequency of flood events.	Increased frequency and severity of climate-related events may lead to higher maintenance costs and insurance premiums for the Group's office premises. Consequently, this physical risk affects the transportation network and/or employees' commuting from home to the office, and vice versa.	The Group has implemented enhanced network security measures to facilitate employees working remotely, particularly during severe weather events, without the need for commuting to the office.
Rising mean temperatures	The global warming trend continues with a warming rate of 0.26°C/decade in China[1] . Moreover, the annual average temperature in Taiwan is projected to increase by 1.8°C and 3.4°C by the middle and end of this century respectively in the worst-case scenario[2] .	To maintain a comfortable indoor temperature, a rise of 1°C may result in higher air conditioning and a subsequent increase in energy consumption, leading to increased operational costs. Moreover, higher temperatures could induce physical strain, potentially causing heat-related issues like exhaustion or heatstroke, consequently diminishing employee productivity.	The Group has adopted the practice of keeping the office air conditioning at 26°C and turn it off 20 minutes before the end of the workday. In addition, the Group has engaged in tree-planting activities to contribute to the global effort in reducing carbon footprints.
Opportunity – Resource Efficiency			
Use of more efficient modes of transport/ recycling/ digitalisation	Initiatives and efforts in business practices and corporate events aimed at maximising resource efficiency and promoting sustainability	By optimising resource efficiency and embracing sustainable practices, it is expected to reduce operational costs and increase profit margin of the Group.	The Group plans to sign agreements with vendors to encourage employees to use shared cars and motorcycles. Moreover, there will be further promotion of resource recycling for bottles, wastepaper, and waste within office spaces. Specifically, the Taiwan office building has implemented a unified waste recycling system. Furthermore, the Group encourages the use of electronic documents, as well as online signature and review systems, to reduce or avoid the printing of paper.

Risk/ Opportunity and Category	Risk/ Opportunity Description	Impact of Risk/ Opportunity	Existing Mitigating Action / Opportunity
Opportunity - Resilience			
Participation in renewable energy programmes and adoption of energy-efficiency measures	Initiatives and efforts in corporate practices to foster resilience and advocate for sustainability.	By embracing these practices, the Group can contribute to its sustainability goals, potentially reduce electricity costs, and demonstrate a commitment to environmentally responsible operations.	The Group advocates for energy-efficient equipment and measures, with plans to enhance environmentally friendly procurement regulations. Moreover, Taiwan office has utilised energy-efficient LED lighting fixtures within its office space.

Metrics and Targets – Greenhouse Gas Emissions (Scope 1 and 2)

Most of the greenhouse gas (**"GHG"**) emissions within Winking Studios' operations arise from the use of purchased electricity and fuel consumption from mobile sources. Therefore, the Group discloses Scope 1 direct emissions and Scope 2 indirect emissions with reference to the GHG Inventory Guidance, GRI Standards and TCFD recommendation.

Consequently, the Group contributes to air pollution mainly through two streams: (i) combustion of fossil fuels from the use of motor vehicles (Scope 1 Emissions); and (ii) consumption of purchased electricity from Taiwan, Shanghai and Nanjing offices (Scope 2 Emissions). In FY2023, there was one private car owned and controlled by the Shanghai Office. As such, the Scope 1 GHG Emissions of the Group is primarily from carbon dioxide emission as below:

Pollutant	CO_2	CH_4	N_2O
Emission Factor - Petrol (kg/TJ)[3]	69,300	33	3.2
Global Warming Potential (GWP)[4]	1	28	265

Financial Year	FY2023
Fuel Used	Unleaded Petrol
Fuel Consumed (litre)	2,400
CO_2 Emissions (tCO_2e)	5.36
CH_4 Emissions (tCO_2e)	0.071
N_2O Emissions (tCO_2e)	0.066
Total Scope 1 Emissions (tCO_2e)	**5.49**
Number of employees	734
GHG Intensity (tCO_2e/employee)	**0.0075**

The Scope 2 emissions are indirect emissions generated from the consumption of purchased energy in the form of electricity. In FY2023, the Scope 2 GHG Emissions of the Group is as below:

Operating Margin (OM) Grid Emission Factor (GEF)[5]	
Taiwan	0.48 kg CO2/kWh
Shanghai	0.90 kg CO2/kWh
Nanjing	0.90 kg CO2/kWh

Pollutant	**CO_2**
Electricity Consumed (kWh)	1,216,000
Global Warming Potential (GWP)[6]	1
CO2 Emissions (tCO2e)	942.36
Total Scope 2 Emissions (tCO2e)	**942.36**
Number of employees	734
GHG Intensity (tCO2e/employee)	**1.28**

The Group's environmental performance of total GHG Emissions in FY2023 is as below:

Financial Year	**FY2023**
Scope 1 Emissions	0.0075
Scope 2 Emissions	942.36
Total GHG Emissions (tCO_2e)	**942.37**
Number of Employees	734
GHG Intensity (tCO_2e/employee)	**1.28**

Moving forward, the Group remains unwavering in its commitment to seek opportunities for enhancing environmental and sustainability performance, implementing viable initiatives to decrease energy consumption and emissions.

3. Retrieved from: Road Transport N2O and CH4 Default Emission Factors and Uncertainty Ranges (Chapter 3: Mobile Combustion) of 2006 IPCC Guidelines for National Greenhouse Gas Inventories.
4. Retrieved from: Greenhouse Gas Protocol - Global Warming Potential Values.
5. Retrieved from: Japan International Cooperation Agency (JICA) Climate-FIT Version 4.0 published in March 2023, Table 3 - Grid Emission Factors.
6. Retrieved from: Greenhouse Gas Protocol - Global Warming Potential Values.

Energy Efficiency

Winking Studios believes in creating a sustainable work environment and being conscientious in the Group's conservative efforts through daily endeavours and business operation. The Group's energy consumption and intensities[7] for FY2023 are as below:

Financial Year	FY2023
Electricity Consumed (kWh)	1,216,000
Number of Employees	734
Electricity Intensity (kWh/employee)	**1,656.68**

The Group remains committed to reducing energy consumption and increase energy efficiency by raising awareness among employees. Specifically, our Taiwan and Nanjing offices have instilled a culture of environmental stewardship throughout our business operations by promoting the following practices:

Taiwan Office	Nanjing Office
• Adjust the office air-conditioning system to 26°C to conserve energy. • Employees are encouraged to turn off lights and air-conditioning system when leaving the office or conference rooms. • Employees are required to turn off their computer equipment when leaving, unless a remote connection is necessary.	• Turn off the air-conditioning system 20 minutes before leaving work. • Implement sensible power schemes for company computers. For example, automatically switch off monitors during short breaks, activate sleep mode during prolonged inactivity, and encourage hibernation mode for extended periods of non-use. Following these practices not only conserves a minimum of 1 kWh of electricity daily but also prolongs the lifespan of the computers. • Connect printers to the network to minimise idle time, enhance efficiency, and conserve energy. • Upgrade outdated air conditioning units with modern, energy-efficient models during office building renovations. • Decrease electricity consumption of lighting equipment, utilise natural light when available, and ensure lights are turned off when not in use to improve the management of lighting energy conservation. • Minimise night-time lighting in public areas as much as possible.

7. Due to the fact that the electricity consumption in the Singapore office is essentially based on the entire building and cannot be individually measured, and also because of the relatively small number of employees, there have been no implemented methods to reduce electricity usage.

Water & Effluents

The Group relies on a third-party water supplier as its water source. In FY2023, the total water consumption amounted to 5.28 megalitres[8] . Of this total, 1.125 megalitres were sourced from Taiwan, and 4.155 megalitres were obtained from Nanjing. Winking Studios has introduced various water-saving initiatives in both Taiwan and Nanjing offices.

In the Taiwan office, water-saving valves have been installed on all faucets to effectively manage and reduce water usage. Additionally, electronic flushing facilities have been implemented in men's urinals. Conversely, in the Nanjing office, employees are encouraged to adopt water conservation practices, using minimal water for activities like handwashing. Vigilant maintenance practices are in place, with any pipe or water heater leaks promptly reported to the administration department for swift repair. To prevent leaks, faucets are tightly closed after use, and clear water-saving signage is in place to discourage unnecessary running of taps. Furthermore, the administration department conducts regular inspections of water pipes, air conditioning systems, and other facilities within the Group's office building, focusing particularly on restrooms and pantry areas to avert incidents such as pipe bursts.

Waste Management

At Winking Studios, the Group is committed to sustainable business practices, with waste management recognised as one of the 27 core ESG metrics recommended by SGX. The Group adopts practices that prioritise waste reduction, reuse, and recycling to minimise its operational environmental impact.

The offices at Winking Studios generate two primary types of waste: normal office waste and electronic waste. Employees are encouraged to reduce paper usage, embrace a "paperless" approach, and embrace digitalisation within the office premise. Recognising the significance of responsibly handling electronic waste, especially given the role as a game development company, the Group ensures that the disposal of outdated or non-functional electronic equipment complies with relevant regulations.

In FY2023, although the disclosure in this section provided a qualitative overview, Winking Studios is committed to progressively report relevant figures in the upcoming Sustainability Report to substantiate the Group’s performance. Looking ahead, the Group remains dedicated to continuous improvement in waste management practices. Regular reviews will be conducted to identify opportunities for further waste reduction and increased recycling efficiency. Additionally, employee feedback and engagement are welcomed in shaping Winking Studios’ waste management initiatives.

8. Due to the fact that water consumption in the Singapore and Shanghai offices is essentially based on the entire building and cannot be individually measured, and also because of the relatively small number of employees, there have been no implemented methods to reduce water usage.

Our Targets

Moving forward, as part of the ongoing commitment to minimise carbon footprint and improve environmental performance, Winking Studios aims to proactively implement climate actions that contribute positively to the environment. The Group plans to set the following targets, with FY2023 serving as the base year, to underscore our dedication to enhancing environmental value within the business practices:

Material Topics	Short-Term Targets (1 – 2 years)	Medium-Term Targets (2030)	Long-Term Targets (2050)
Greenhouse Gas Emissions	• Encourage sustainability commuting of our employees such as taking public transport and adopting electric cars. • Reduce Scope 2 emissions by practising sustainability habits and adopting for energy-efficient fixtures and fittings.	• Disclose categories under Scope 3 Emissions. • Report financial impacts of GHG emissions in quantitative terms and establish quantified and measurable targets.	• Aim to offset any remaining emissions through activities like carbon offset projects or investments in renewable energy projects.
Energy Efficiency	• Aim to launch awareness/ training campaigns to educate employees on energy-saving practices and encourage their active participation. • Adopt higher ratings/ticks of energy-efficient fixtures and fittings in office premises.	• Invest in energy-efficient hardware and servers for game development. • Optimise code and game assets to reduce computational demands, enhancing overall energy efficiency.	• Achieve the goal of installing more than half of equipment and fittings that are energy efficient and environmentally friendly. • Engage with the gaming community and collaborate with industry partners to share best practices, promote energy-efficient gaming practices, and contribute to broader sustainability initiatives.

Material Topics	Short-Term Targets (1 – 2 years)	Medium-Term Targets (2030)	Long-Term Targets (2050)
Water & Effluents	• Continue with the existing practices to enhance water efficiency. • Conduct aware-nessprogrammes once in a year among employees regarding respon sible water usage and the impact of their activities on water consump-tion.	• Work towards obtaining higher rating/ticks of water-efficient fixtures and fitting, ensuring compli-ance with local and international environmental regulations. • Reduce water consumption across various offices and studios.	• Invest in water-ef-ficient technolo-gies, such as water recycling solutions to reduce overall water demand. • Engage with local communities to address water-re-lated concerns, contribute to local water conservation initiatives, and foster positive relationships.
Waste Management	• Aim to launch a waste reduction awareness cam-paign to educate employees about proper waste disposal and recy-cling practices. • Provide a quantita-tive disclosure of the typical waste generation in offices.	• Aim to set up a recycling pro-gramme for common office materials like paper, cardboard, plastics, and elec-tronic waste. • Continue and expand employee engagement pro-grammes focused on waste reduction and sustainability.	• Invest in and adopt innovative technol-ogies to further reduce waste generation and enhance recycling capabilities. • Engage with the local community to promote responsi-ble waste manage-ment practices and contribute to broader environ-mental awareness.

SOCIAL

At Winking Studios, the Group believes that the commitment and skills of staff members are the main drivers of the business, ensuring the satisfaction of Winking Studios' clients. For this reason, the Group is committed to offering them a pleasant working environment where they can reach their full potential by developing their talents.

Employment Practices

The Group acknowledges the significance of fair employment practices in creating a positive and supportive work environment for all employees. By promoting equal opportunities and cultivating a safe and healthy workplace, Winking Studios ensures the well-being of the workforce while attracting and retaining top talent.

Winking Studios' approach to fair employment involves regular review and implementation of policies and practices in accordance with local laws and regulations. The Group prioritises employee health and safety, continues to invest in talent management programs, and provides employees with opportunities for professional growth and development. Winking Studios takes a firm stand against all forms of discrimination based on race, gender, or religion and holds the belief that all employees should have equal opportunities for advancement and professional development.

In FY2023, there were zero reported incidents of discrimination, and Winking Studios strives to maintain such performance in this aspect.

Employee Headcount (by Gender and Office Location)

Our detailed employment profile as of 31 December 2023 is as follows:

Workforce	FY2023	
	No. of Headcount	% of Total Headcount
By Gender		
Male	464	63.22
Female	270	36.78
By Location		
Southeast Asia	3	0.41
Greater China	731	99.59
TOTAL	**734**	**100.00**

In FY2023, the Group sustained a diverse workforce with employees across various locations. The total employee count reached 734, comprising 63.22% male and 36.78% female. All employees are full time, permanent employees. Notably, Greater China holds the largest share. This is attributed to its status as the Group's outsourcing hub and primary centre for artistic production, fostering collaborations with various local art institutions and universities. Additionally, the gaming development environment is well-established, and the operating costs can be optimised.

New Employee Hires (by Gender, Age Group, Region)

Workforce	FY2023	
	No. of New Hires	Rate of New Hires (%)[9]
By Gender		
Male	114	15.82
Female	61	8.47
By Age Group		
Less than 30 years old	147	20.40
30 – 50 years old	28	3.89
Older than 50 years old	0	0.00
By Region		
Southeast Asia	0	0.00
Greater China	175	24.29
TOTAL	175	24.29

9. The rate of new employee hires during FY2023 was calculated by: Number of new hires by gender or age group or region / Average number of employees.

In FY2023, Winking Studios welcomed 175 new hires to the family – 114 males and 61 females, representing 65.14% and 34.86% respectively. Majority of these new hires fall within the age group below 30. Greater China has the highest number of new hires, attributed to its partnerships with local universities and the recruitment of young graduates.

Employee Turnover (by Gender, Age Group, Region)

Workforce	FY2023	
	No. of Leavers	Rate of Employee Turnover (%)[10]
By Gender		
Male	123	17.07
Female	56	7.77
By Age Group		
Less than 30 years old	143	19.85
30 – 50 years old	35	4.86
Older than 50 years old	1	0.14
By Region		
Southeast Asia	0	0.00
Greater China	179	24.84
TOTAL	179	24.84

In FY2023, Winking Studios observed an overall employee turnover rate of 24.84%. Among the 179 leavers - 123 were males, and 56 were females The age group below 30 exhibited the highest turnover. By region, Greater China experienced the highest number of leavers, which is deemed normal in this industry in the region.

Benefits

To promote employees' health, personal development, and work-life harmony, Winking Studios offers a range of benefits to full-time employees – such as life insurance coverage, medical and hospitalisation benefits, and retirement provision. According to the Labor Standards Act, employees are eligible to apply for voluntary retirement. As per laws and regulations set forth in Taiwan, the Taiwan office is obligated to allocate 6% of the employee's monthly salary to the "Individual Retirement Account for Workers" established by the Labor Insurance Bureau, which functions as the retirement fund for the employee.

All Winking Studios employees are entitled to parental leave. In FY2023, 12 female and 22 male employees were eligible for parental leave. In FY2023, 4 employees (3 female, 1 male) took parental leave, and of which, 3 have returned to work and 1 employee is expected to return to work on 1 April 2024. As such, the Group's return to work rate[11] is 75%.

11. Return to work rate is calculated by total number of employees that did return to work after parental leave/ Total number of employees due to return to work after taking parental leave.

Occupational Health & Safety

Winking Studios recognises the importance of occupational health and safety for employees, and the approach to managing occupational health and safety is focused on continuous improvement and risk mitigation. Winking Studios has established an occupational health and safety management system to monitor incidents that occur across the Group's offices, ensuring that a safe and healthy work environment is maintained.

The health and safety policies, based on industry wide best practices, aim to reduce the risk of accidents and incidents, and protect employees' well-being. Winking Studios conducts regular risk assessments to identify potential hazards and implement mitigation actions for risks identified. Furthermore, employees are encouraged to remove themselves from and report any work-related hazards and hazardous situations without fear of reprisal. All incidents reported are investigated promptly and resolved effectively. To raise awareness of occupational health and safety issues among employees, fire safety training, evacuation drills, first aid training, and occupational safety and health trainings are conducted for employees.

In FY2023, there were no fatalities or recordable cases due to work-related injuries and/or ill health for employees across various offices. Through the health and safety assessment, no work-related hazards were identified that pose a risk of high-consequence injuries.

Training & Education

The Group makes training opportunities available to all employees, equipping them with the required knowledge and skills to excel in their roles. In FY2023, all employees received an annual performance and career development review.

In Taiwan office, an incentive for Foreign Language Certification was offered to motivate employees to learn foreign languages and acquire certifications. Moreover, both departmental supervisors and employees can submit applications based on assessed job development needs, and the Group will subsidise training expenses. Meanwhile, in the Shanghai and Singapore offices, a training contract was established with F-council (China Finance Executive Council), a recognised tax expert, for provision of regular online training. The Nanjing office introduced job rotation as a practice for internal employees to foster engagement, create a flexible workforce, and enhance overall employee experience.

In FY2023, the Group has committed to fostering continuous learning, and the average training hours are outlined below, categorised by gender and employee level:

Category	Average Training Hours
By Gender	
Male	56.11
Female	55.77
By Employee Category	
Senior Management Level (Positions at the level of director and above)	26.21
Middle Management Level (Manager Positions)	68.80
Executive Level	56.56

Diversity & Equal Opportunities

The Group is dedicated to fostering a culture of fairness and inclusivity, valuing each employee, and treating them with dignity and respect. Notably, more than half of the total number of Winking Studios employees in Singapore (66.67%) and Shanghai (61.54%) office are female. In FY2023, the diversity of the Group's governance body, including senior management level employees and board of directors is outlined as follows:

Category	Percentage (%) of Individuals Within the Governance Body
By Gender	
Male	78.57
Female	21.43
By Age Group	
Less than 30 years old	3.57
30 – 50 years old	85.72
Older than 50 years old	10.71

Moreover, the diversity of the Group per employee category, including middle management level employees and executives is outlined as follows:

Category	Percentage (%) of Employees per Employee Category
By Gender	
Male	62.61
Female	37.39
By Age Group	
Less than 30 years old	68.55
30 – 50 years old	30.88
Older than 50 years old	0.57

Winking Studios adopts an inclusive recruitment approach to build a diverse workforce where all employees contribute their varied expertise and experience, leading to a more dynamic and innovative business culture. Additionally, employees are rewarded fairly for their contributions, with remuneration in line with industry and market benchmarks. To promote the enduring success of the Group, the following measures and benefits are practised to attract and retain employees at various offices:

Taiwan Office	Shanghai Office	Nanjing Office
1. Increase the frequency of on-site nursing services to once a month to regularly care for employees' physical and mental well-being. 2. Designate the last Wednesday of each month as "Winking Studios Day" to provide all employees with free lunch. 3. Install additional vending machines and provide employees with a monthly beverage allowance of NTD 200. 4. Offer flexible working hours and hybrid office arrangements to attract talent. 5. Actively participate in government, vocational training institutions, and school-sponsored job matching events to build a strong employer brand and corporate image.	1. Prepare holiday and birthday gifts to employees. 2. Organise departmental activities and year-end banquet. 3. Provide afternoon tea to employees.	1. Provide employees with corresponding statutory welfare benefits in accordance with laws and regulations. 2. Offer medical and commercial insurance coverage. 3. Establish a comprehensive performance evaluation mechanism. 4. Collaborate with various universities and colleges for school-enterprise cooperation and joint program development. 5. Organise a variety of employee activities to foster a sense of belonging among staff.

Contribution to Society – Local Communities

In FY2023, Winking Studios actively collaborated with various agencies and charitable organisations to give back to the local community. The Taiwan office provided disaster relief supplies, including warm beanies, blankets, diapers, and feminine hygiene products, to Turkey Trade Office and donated NT 50,000 to the Eden Welfare Foundation. Additionally, the Group demonstrated support for the "Elephant Circle Project" through monetary contributions, aiming to provide practical assistance to vulnerable children in terms of education and nutrition. The Group also took part in the "Marginalised Youth Employment Empowerment Programme" launched by TeenIDF, offering high school students a corporate visit experience and comprehensive information on various stages of game development.

In Nanjing office, clothing donations were provided to the Nanjing Red Cross, and a donation of RMB 50,000 was made through Tzu Chi Charity to assist areas affected by floods in the northern regions. Furthermore, employees in the Nanjing office actively participated in tree planting initiatives, contributing to carbon reduction efforts.

Our Targets

Moving forward, as part of our ongoing efforts to align our goals with the strategic objective of promoting fair job opportunities and cultivating a collaborative mindset in the upcoming workforce, alongside our steadfast dedication to corporate social responsibility and the generation of meaningful social impact, we have established the following targets:

Material Topics	Perpetual Targets
Employment Practices	• Maintain gender, regional and age diversity of workforce. • Aim to achieve annual employee turnover rate on par with the industry average.
Occupational Health & Safety	• Maintain zero incidents of material non-compliance with applicable laws and regulations. • Maintain zero incidents related to work-related injuries, fatalities, or ill-health.
Training & Education	• Offer internal and external trainings that are essential and beneficial to the development and career progression of its employees at all levels. • Increase the average training hours year on year.
Diversity & Equal Opportunities	• Improve talent acquisition and employee retention. • Improve proportion of female employees in Singapore, Taiwan and Nanjing offices.
Contribution to Society – Local Communities	• Continue to build harmonious relations and strengthen its bonds with local communities through corporate social responsibility efforts.

GOVERNANCE

Market Presence

Winking Studios firmly recognised that maintaining and strengthening a firm, robust market presence is pivotal for asserting leadership within the dynamic gaming industry. This allows significant contributions to the economic development in local areas or communities where it operates.

The Group measures these contributions in terms of our approach towards remunerations and local hiring. Winking Studios promotes equality to all regardless of gender, through offering fair, equal entry-level wages across Singapore, Taiwan, Shanghai, and Nanjing. Excluding Singapore, Taiwan, Shanghai, and Nanjing adopt a minimum wage scheme. For FY2023, the ratio of standard entry level wage by gender compared to the local minimum wage is displayed below, which is derived from the minimum hourly wage in the respective jurisdictions, average working hours per month as a proxy (8 hours X 22 days), and Winking Studios' entry level wage:

Region	Taiwan	Shanghai	Nanjing
Ratio	0.90	1.66	1.38

For other workers (excluding Winking Studios' employees), Winking Studios ensures that these workers are paid above the minimum wage through verification actions of compliance with legal minimum wage requirements and ensures workers' salaries exceed the minimum wage as stipulated by the law.

On top of that, Winking Studios embraces local hiring, as the Group embodies the principles of social responsibility through reducing local unemployment, alleviating poverty, and raising gross domestic product (**GDP**), environmental stewardship through mitigating environmental footprint associated with commuting and transport, and sustainable development. For FY2023, 89.29% of Winking Studios' senior management personnel are locally employed.

This sets a strong foothold for Winking Studios to enhance ESG performance, strengthen community relationships, and drive positive socio-economic outcomes for all stakeholders.

Business Ethics (including Anti-corruption)

Ethical conduct and unwavering integrity lie at the core of Winking Studios' operational ethos. The vital importance of upholding the top standards of business conduct and ethics, and the highest moral standards in all facets of the Group's operations are emphasised deeply to all employees. Winking Studios is also strongly dedicated to complying with all laws and regulations related to corruption of any nature in the relevant jurisdictions. To first set a strong foundation and create firm awareness of the matter, all governance body members, which constitutes The Board and Executive Officers (Singapore: 6, Taiwan: 1), have the anti-corruption policies and procedures communicated to them and received the relevant training. The following table below reflects the corresponding communication and training in relation to anti-corruption provided to employees within the Group as well.

Location	Senior Management	Middle Management	Executive Level	Total	Percentage
Singapore	2	0	1	3	100.00%
Taipei	8	9	10	27	23.08%
Shanghai	2	0	7	9	69.23%
Nanjing	16	14	20	50	8.32%
Total	28	23	38	89	

Winking Studios further believes that the Group's business partners and clients should align with Winking Studios' business ethics and anti-corruption code and thus for FY2023, for Nanjing, Winking Studios has communicated the Group's anti-corruption policies and procedures to 55 of 188 business partners (29.26%).

In addition, for FY2023, in Singapore, Taiwan, Shanghai and Nanjing, there has been no public cases or confirmed incidents of corruption of any nature brought against the Company or its employees, whereby for instance, employees were dismissed or disciplined, or when contracts with business partners were terminated or not renewed for corruption-related violations. Furthermore, there has been zero significant instances of non-compliance with laws and regulations for which either fines or non-monetary sanctions were incurred. Moreover, Winking Studios does not condone discrimination of any nature, and in FY2023, there have been no incidents of discrimination of any related nature.

To safeguard rights and interests of stakeholders, promote communication and most importantly, uphold corporate governance, Winking Studios formulated a whistleblowing reporting mechanism for anonymous reporting to not only handle any incidents of corporate governance violations, fraud, corruption, or criminal matters by company personnel, but also receive suggestions to strengthen corporate governance. This encourages transparency, accountability, and ethical behaviour, while mitigating risk associated with misconduct or wrongdoing.

Tax

Winking Studios embraces the role as a responsible corporate citizen committed to contributing to public coffers through its judicious tax practices.

Winking Studios' CFO is responsible for reviewing, formulating, and implementing the Company's tax strategy annually, ensuring firm alignment with the Company's strategy as well as overseeing its effectiveness of tax governance and compliance.

From FY2023 onwards, the Group will engage accounting firms to issue its Tax Provision Review Memorandum. Winking Studios ensures that the tax approach is aligned with business and sustainable development goals through prudent tax planning, allowing more resources to be re-allocated to meaningful causes. Furthermore, leveraging tax policies related to innovation and research & development, Winking Studios can increase investments towards technology, products, and services, thus promoting innovation and sustainable development. Winking Studios also ensure strict compliance and governance, reducing or eliminating potential tax risks, therefore maintain a reputable corporate brand and stability of sustainable development.

To further mitigate any tax risks, and ensure compliance with tax governance and control framework, an external audit mechanism for regular tax compliance audits is in place, while also conforming to tax compliance inspections as conducted by the relevant tax authorities.

Winking Studios has developed a multi-tier approach towards stakeholder engagement and management of their concerns related to tax. Winking Studios established proactive, transparent cooperation with tax authorities through maintaining open and timely compliance communication first and foremost, ensuring that the Group is aware and adheres to all applicable tax regulations and laws. Further collaborations address potential tax issues and established a two-communication mechanism to obtain relevant information timely. Moreover, Winking Studios maintains and embraces transparency in tax filings through proactive disclosures of significant information, thus facilitating trust in tax compliance.

Secondly, to establish public advocacy on tax, Winking Studios not only actively engage in stakeholder consultations to ensure relevant viewpoints are considered in the formulation of tax policies, but also advocate for legal tax policies supporting sustainable development and business growth. Furthermore, Winking Studios has developed connections and network with government industry organisations for information sharing and collaboration on overall industry tax policies.

Lastly, to ensure concerns are catered to, the Group's process involves thorough stakeholder engagement, which covers identification of relevant stakeholders, followed by establishing regular communications to understand views and concerns on the Group's tax practices. Winking Studios further gained a comprehensive understanding of perspectives through engaging independent third parties for external stakeholders' views. This vital information is integrated into the decision-making process to ensure tax practices have gained understanding and support from all involved parties.

In all, by adhering scrupulously to tax norms and championing transparency in tax disclosures while integrating ESG principles, Winking Studios endeavour to foster stakeholder trust and epitomise the pinnacle of responsible tax stewardship.

Information Security & Data Privacy

Safeguarding the sanctity of information and preservation all stakeholders' privacy rights stand as paramount imperatives at Winking Studios. Winking Studios places utmost emphasis in the protection of sensitive information of employees, business partners, clients, and vendors, on top of trade secrets for the Group's competitive advantage.

Winking Studios was awarded the ISO 27001 certification by BSI British standards institution. To maintain, enforce and protect information security and data access and privacy, anti-virus software and firewall are installed on all company devices and undergo automatic updates. Vulnerability testing is performed periodically, ensuring that the Group proactively identifies weaknesses and security flaws within all systems, networks, applications, and infrastructure to assess Winking Studios' overall cybersecurity posture, mitigate potential risks, and strengthen information technology defences against cyber threats and attacks.

An incident reporting protocol is also established internally, to ensure that employees are aware on the necessary steps should there be any cyber-related incidents, and to manage any potential data leakage. Employees also undergo cyber security training to foster awareness and knowledge on cyber threats, data breaches, and the crucial importance of data protection and privacy.
In FY2023, there have been zero significant instances of non-compliance with laws and regulations in relation to data privacy, of which either fines or non-monetary sanctions were incurred, in Singapore, Taiwan, Shanghai and Nanjing.

By steadfastly ensuring information security and data privacy while incorporating ESG philosophies, Winking Studios strives to engender stakeholder confidence, bolster organisational resilience, and mitigate risk and ESG impacts associated with cyber threats and data breaches.

Economic Performance

Winking Studios is resolutely committed to spearheading sustainable economic growth and engendering value creation across the diverse stakeholder ecosystems. Winking Studios unfurls a comprehensive narrative of the Group's financial prowess, through articulating key financial metrics such as revenue benchmarks, operational expenditures, and profitability. Winking Studios accentuates the tangible contributions to local economies and communities, through rigorous job creation initiatives, prudent tax contributions and displaying the Group's unwavering dedication towards environmental sustainability, social equity, and transparent governance.

		FY2023 (USD)
Economic Value Generated		25,698,470
Economic Value Distributed	**Operating Costs**	7,263,210
	Employee Wages & Benefits	17,987,981
	Capital Providers	–
	Government	831,283
	Communities	4,623
Economic Value Distributed/Retained		-384,004

By championing financial transparency and accountability while integrating ESG principles and framework, Winking Studios endeavours to invigorate stakeholder confidence and exemplify the vanguard of value creation.

Our Targets

Material Topics	Short-Term Targets (1 – 2 years)	Medium-Term Targets (2030)	Long-Term Targets (2050)
Market Presence	• Maintain fair, equal entry-level wages without gender discrimination. • Maintain proportion of senior management hired from local population		
Business Ethics (including Anti-corruption)	• Maintain zero confirmed incidents of corruption. • Maintain zero public cases regarding corruption brought against Group or its employees. • Maintain zero significant instances of non-compliance with laws and regulations of which either fines or non-monetary sanctions were incurred. • Maintain zero incidents of discrimination		

Our Targets

Material Topics	Short-Term Targets (1 – 2 years)	Medium-Term Targets (2030)	Long-Term Targets (2050)
Business Ethics (including Anti-corruption)	• Extend business ethics and anti-corruption communication and/or training to at least 30% of employees across all regions. • Consider exploring business ethics and anti-corruption communication to business partners in TaipeiTaiwan and Shanghai	• Extend business ethics and anti-corruption communication and/or training to 50% of employees and business partners across all regions. • Continue business ethics and anti-corruption communication to at least 30% of business partners across all regions	• Extend business ethics and anti-corruption communication and/or training to 100% of employees and business partners across all regions. • Continue business ethics and anti-corruption communication to all business partners across all regions
Tax	• Continue engaging with tax authorities and policymakers to advocate for fair, equitable tax policies		
Information Security & Data Privacy	• Maintain zero significant instances of incidents that are cyber-related of any nature. • Continue monitoring and ensuring strict compliance with relevant data privacy laws and regulations		
Economic Performance	• Increase revenue by 5% through product innovation, market expansion and strategic partnerships • Improve operational efficiency and cost-effectiveness by reducing expenses by 5% • Increase ESG impact through raising contributions to local communities by 5%	• Increase revenue by 10% through product innovation, market expansion and strategic partnerships • Improve operational efficiency and cost-effectiveness by reducing expenses by 5% • Increase ESG impact through raising contributions to local communities by 10%	• Increase revenue by 20% through product innovation, market expansion and strategic partnerships • Improve operational efficiency and cost-effectiveness by reducing expenses by 10% • Increase ESG impact through raising contributions to local communities by 15%

GRI CONTENT INDEX

Winking Studios Limited has reported the information cited in this GRI content index for the period of 1 January 2023 to 31 December 2023 with reference to the GRI Standards.

GRI Standard	Disclosure Number & Title	Section Reference
GRI 1: Foundation 2021		
General Disclosures		
GRI 2: General Disclosures 2021	2-1 Organisational details	Annual Report: Corporate Profile
	2-2 Entities included in the organisation's sustainability reporting	Sustainability Report: About this report
	2-3 Reporting period, frequency and contact point	Sustainability Report: About this report
	2-4 Restatements of information	Sustainability Report: There was no restatement of information in this report.
	2-5 External assurance	Winking has not sought external assurance for this reporting period and may consider it in the future.
	2-6 Activities, value chain and other business relationships	Annual Report: Corporate Governance
	2-7 Employees	Sustainability Report: Social
	2-8 Workers who are not employees	There was a total of 46 workers who are not employees, including 1 people in Singapore, 41 people in Taiwan, and 2 people each in Shanghai and Nanjing office. They performed work duties as outsourcing/IT contractors and interns.
	2-9 Governance structure and composition	Annual Report: Corporate Governance Sustainability Report: Sustainability Governance
	2-10 Nomination and selection of the highest governance body	Annual Report: Corporate Governance
	2-11 Chair of the highest governance body	Annual Report: Corporate Governance
	2-12 Role of the highest governance body in overseeing the management of impacts	Annual Report: Corporate Governance
	2-13 Delegation of responsibility for managing impacts	Annual Report: Corporate Governance Sustainability Report: Sustainability Governance
	2-14 Role of the highest governance body in sustainability reporting	Annual Report: Corporate Governance
	2-15 Conflicts of interest	Annual Report: Corporate Governance
	2-16 Communication of critical concerns	Annual Report: Corporate Governance
	2-17 Collective knowledge of the highest governance body	Annual Report: Corporate Governance
	2-18 Evaluation of the performance of the highest governance body	Annual Report: Corporate Governance
	2-19 Remuneration policies	Annual Report: Corporate Governance
	2-20 Process to determine remuneration	Annual Report: Corporate Governance
	2-21 Annual total compensation ratio	This covers confidential information and was not disclosed due to confidentiality reasons.

GRI Standard	Disclosure Number & Title	Section Reference
General Disclosures		
GRI 2: General Disclosures 2021	2-22 Statement on sustainable development strategy	Annual Report: Corporate Governance Statement Sustainability Report: Sustainability Governance
	2-23 Policy commitments	Annual Report: Corporate Governance Sustainability Report: Governance – Business Ethics
	2-24 Embedding policy commitments	Annual Report: Corporate Governance Sustainability Report: Governance – Business Ethics
	2-25 Processes to remediate negative impacts	Annual Report: Corporate Governance
	2-26 Mechanisms for seeking advice and raising concerns	Annual Report: Corporate Governance
	2-27 Compliance with laws and regulations	Annual Report: Corporate Governance Sustainability Report: Governance – Business Ethics
	2-28 Membership associations	• Taiwan Computer Association • Taiwan Game Industry Promotion Alliance
	2-29 Approach to stakeholder engagement	Sustainability Report: Stakeholder Engagement
	2-30 Collective bargaining agreements	15.96% (117 employees) of total employees were covered by collective bargaining agreement.
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Sustainability Report: Materiality Assessment
	3-2 List of material topics	
	3-3 Management of material topics	
Economic Performance		
GRI 3: Material Topics 2021	3-3Management of material topics	Sustainability Report: Economic Performance
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	
	201-2 Financial implications and other risks and opportunities due to climate change	
Water & Effluents		
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report: Materiality Assessment
GRI 303: Water and Effluents	305-5 Water consumption	Sustainability Report: Water & Effluents
Greenhouse Gas Emissions		
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report: Materiality Assessment
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Sustainability Report: Greenhouse Gas Emissions (Scope 1 and 2)
	305-2 Energy indirect (Scope 2) GHG emissions	
	305-4 GHG emissions intensity	
	305-5 Reduction of GHG emissions	

GRI Standard	Disclosure Number & Title	Section Reference
Waste Management		
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report: Materiality Assessment
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	Sustainability Report: Waste Management
	306-3 Wate generated	
Employment Practices		
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report: Materiality Assessment
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Sustainability Report: Employment Practices
	401-2 Benefits provided to full-time employeesthat are not provided to temporary orpart-time employees	
	401-3 Parental leave	
Occupational Health & Safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report: Materiality Assessment
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Sustainability Report: Occupational Health & Safety
	403-5 Worker training on occupational health and safety	
	403-6 Promotion of worker health	
	403-6 Promotion of worker health	
	403-10 Work-related ill health	
Training & Education		
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report: Materiality Assessment
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Sustainability Report: Training & Development
	404-2 Programs for upgrading employee skills and transition assistance programs	
	404-3 Percentage of employees receiving regular performance and career development reviews	
Diversity & Equal Opportunities		
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report: Materiality Assessment
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Sustainability Report: Diversity & Equal Opportunities

GRI Standard	Disclosure Number & Title	Section Reference
Contribution to Society – Local Communities		
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report: Materiality Assessment
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Sustainability Report: Contribution to Society - Local Communities
Market Presence		
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report: Materiality Assessment
GRI 202: Market Presence 2016	202-1 Ratios of standard entry wage by gender compared to local minimum wage	Sustainability Report: Market Presence
	202-2 Proportion of senior management hired from the local community	
Business Ethics (including Anti-corruption)		
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report: Materiality Assessment
GRI 2: General Disclosures 2021	2-27 Compliance with laws and regulations	Sustainability Report: Business Ethics (including Anti-corruption)
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedure	
	205-3 Confirmed incidents of corruption and actions taken	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	
Tax		
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report: Materiality Assessment
GRI 207 Tax 2019	207-1 Approach to tax	Sustainability Report: • Tax • Appendix
	207-2 Tax governance, control, and risk management	
	207-3 Stakeholder engagement and management of concerns related to tax	
Information Security & Data Privacy		
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report: Materiality Assessment
GRI 2: General Disclosures 2021	2-27 Compliance with laws and regulations	Sustainability Report: Information Security & Data Privacy

TCFD DISCLOSURE

Governance		Section Reference
TCFD 1(a)	Describe the board's oversight of climate-related risks and opportunities.	Sustainability Governance
TCFD 1(b)	Describe management's role in assessing and managing climate-related risks and opportunities.	
Strategy		**Section Reference**
TCFD 2(a)	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	Group Strategy
TCFD 2(b)	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	
TCFD 2(c)	Describe the resilience of the organisation's strategy, taking into considerationdifferent climate-related scenarios, including a 2°C or lower scenario.	
Risk Management		**Section Reference**
TCFD 3(a)	Describe the organisation's processes for identifying and assessing climate-related risks.	Risk Management
TCFD 3(b)	Describe the organisation's processes for managing climate-related risks.	
TCFD 3(c)	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	
Metrics and Targets		**Section Reference**
TCFD 4(a)	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Metrics and Targets – Greenhouse Gas Emissions (Scope 1 and 2)
TCFD 4(b)	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions, and the related risks.	
TCFD 4(c)	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	

CORPORATE
GOVERNANCE REPORT

INTRODUCTION

The Board of Directors (the "**Board**") of Winking Studios Limited (the "**Company**", and together with its subsidiaries, the "**Group**") are committed to uphold good corporate governance. This commitment and continuous support of the Code of Corporate Governance 2018 (the "**Code**") can be seen from the Directors' and Management's effort to observe high standards of transparency, accountability and integrity in managing the Group's business in order to create value for its stakeholders and safeguard the Group's assets in accordance with the requirements of the Code.

The Company has complied with the principles and recommendations of the Code, the accompanying Practice Guidance and other applicable laws, rules and regulations, including the Listing Manual Section B: Rules of the Catalist of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") ("**Catalist Rules**") and the Board is pleased to report compliance of the Company with the Code except where otherwise stated and explained.

For the financial year ended 31 December 2023 ("**FY2023**"), the Group has conformed to the Principles of the Code and strives to comply with the Provisions set out in the Code and where it has deviated from the Provisions set out in the Code, appropriate explanations are provided and the Company will continue to assess its needs and implement appropriate measures accordingly.

BOARD MATTERS

The Board's Conduct of Affairs

Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

The Company is headed by an effective Board, comprising individuals with diversified backgrounds and who collectively brings with them a wide range of experience, to lead and manage the Group. The Board is responsible for the overall management and success of the Group to protect shareholders' interests and enhance long-term shareholders' value.

Apart from its statutory responsibilities, the principal functions of the Board are, inter alia, to:

(i) provide entrepreneurial leadership, set strategic objectives, and ensure that the necessary financial and human resources are in place for the Group to meet its objectives;

(ii) establish a framework of prudent and effective controls which enables risk to be assessed and managed, including safeguarding of shareholders' interests and the Company's assets;

(iii) review performance of Management, the Company's financial performance, risk management processes and systems, human resource requirements and corporate governance practices;

(iv) identify the key stakeholder groups and recognise that their perceptions affect the Company's reputation;

(v) set the Group's values and standards (including ethical standards), and ensure that obligations to the shareholders and other stakeholders are understood and met; and

(vi) consider sustainability issues, e.g. environmental and social factors, as part of its strategic formulation.

All Directors objectively discharge their duties and responsibilities at all times as fiduciaries in the best interests of the Company. The Board puts in place a code of conduct and ethics, set desired organisational culture and ensures proper accountability within the Group. Where a Director faces a conflict of interest, he would recuse himself from discussions and decisions involving and relating to the issues of conflict.

To assist in the execution of its responsibilities, the Board has established Board Committees, namely Audit Committee ("**AC**"), Nominating Committee ("**NC**") and Remuneration Committee ("**RC**"). These Board Committees function with clearly defined terms of references (which set out their compositions, authorities and duties) and operating procedures, which are reviewed by the Board on a regular basis to enhance the effectiveness of these Board Committees. The roles and responsibilities of these Board Committees are provided for in the latter sections of this Corporate Governance Report.

The Board meets on a regular basis as and when necessary, to address any specific significant matters that may arise.

The Company will conduct comprehensive and tailored induction orientation programme for incoming Directors to familiarise them with the Group's business and governance practices. The Company will also arrange for any newly appointed Directors with no prior experience of serving as a Director in a SGX-ST listed company to attend appropriate courses, conferences or seminars, such as the mandatory First-time Director training organised by approved institutions such as the Singapore Institute of Directors within one (1) year of appointment in accordance to Rule 406(3)(a) of the Catalist Rules in areas such as accounting, legal and industry-specific knowledge. The cost of such training will be borne by the Company.

A newly appointed Director will be furnished with a formal letter of appointment and upon his/her appointment be given opportunities to receive appropriate briefing or material to ensure that he/she is aware of the roles and responsibilities of a Director of a public listed company in Singapore and training to familiarise himself/herself with the Group's business and governance practices.

The Directors are provided with information relating to corporate conduct and governance including continuing disclosure requirements as required by the Catalist Rules, disclosure of interests in securities, restrictions on disclosure of confidential or price sensitive information, etc. The Board has received updates from the Management and professionals such as the Auditors and Company Secretary no changes in accounting standards, Catalist Rules, regulatory requirements, corporate governance guidelines and best practices on a regular basis.

All Directors are also encouraged to receive regular training such as professional development on new laws, regulations and changing commercial risks from time to time which are relevant to the Group, so as to enable them to contribute effectively to the Board or Board Committees. The training courses related to the aforesaid will be arranged and funded by the Company.

CORPORATE
GOVERNANCE REPORT

All the Directors of the Company have no prior experience as directors of the public listed companies in Singapore when they were appointed to the Board. The Company was listed on the Catalist Board of the SGX-ST on 20 November 2023. The details of training programmes that the Directors will be attending within 12 months of their respective appointments as prescribed by the SGX-ST pursuant to Practice Note 4D of the Catalist Rules are as follows:

No.	Singapore Institute of Directors Listed Entity Director Programme	Date of Attendance				
		Johnny Jan	Kao Shu-Kuo	Lim Heng Choon	Chang Yi-Hao	Yang Wu Te
1.	LED1-Listed Entity Director Essentials	To be attended	To be attended	To be attended	To be attended	To be attended
2.	LED2-Board Dynamics	To be attended	To be attended	To be attended	To be attended	To be attended
3.	LED3-Board Performance	To be attended	To be attended	To be attended	To be attended	To be attended
4.	LED4-Stakeholder Engagement	To be attended	To be attended	To be attended	To be attended	To be attended
5.	LED5-Audit Committee Essentials	To be attended	To be attended	To be attended	To be attended	To be attended
6.	LED6-Board Risk Committee	To be attended	To be attended	To be attended	To be attended	To be attended
7.	LED7-Nominating Committee Essentials	To be attended	To be attended	To be attended	To be attended	To be attended
8.	LED8-Remuneration Committee Essentials	To be attended	To be attended	To be attended	To be attended	To be attended
9.	LED9-Environment, Social & Governance Essentials (Core)	To be attended	To be attended	To be attended	To be attended	To be attended

Pursuant to the Amended and Restated Memorandum and Articles of Association of the Company, the Directors of the Company may participate in any meeting of the Board or any Board Committees, which may be held by means of telephone, electronic or other communication facilities, allowing all persons participating in the meeting to communicate with each other simultaneously and instantaneously.

CORPORATE GOVERNANCE REPORT

Following the listing of the Company on the Catalist Board of the SGX-ST on 20 November 2023, the number of Board and Board Committees meetings held during FY2023 and the attendance of each Director where relevant is as follows:

Type of meetings	Board	AC	RC	NC
No. of meetings	1	1	1	0
Attendance				
Johnny Jan	1	n.a.*	n.a.*	0
Kao Shu-Kuo	1	n.a.*	n.a.*	0
Lim Heng Choon	1	1 (Chairman)	1	0
Chang Yi-Hao	1	1	1 (Chairman)	0
Yang Wu Te	1	1	1	0

* n.a: not applicable

Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of the Company.

The Board has identified the following areas for which the Board has direct responsibility for decision making within the Group:

- Approval of the Group’s major investments/divestment and funding decisions;
- Approval of the Group’s interim and full-year financial result announcements for release to the SGX-ST;
- Approval of any agreement which is not in the ordinary course of business;
- Approval of any major borrowings or corporate guarantees in relation to borrowings;
- Entering into any profit-sharing arrangement;
- Entering into any foreign exchange hedging transactions;
- Appointment or removal of any executive officers and legal representative;
- Incorporation or dissolution of any subsidiary;
- Issuance of shares or declaration of dividends and other returns to Shareholders;
- Approval of the annual report and audited financial statements;
- Convening of general meetings;

- Approval of corporate strategies;
- Approval of material acquisitions and disposal of assets;
- Approval of transactions involving interested person;
- Appointment of new Directors; and
- Approval of announcements or press releases concerning the Group for release to the SGX-ST.

The Management provides the Board with complete, adequate and timely information prior to meetings to enable the Directors to make timely decisions, effectively discharge its duties and make a balanced and informed assessment of the performance, position and prospects of the Company.

The Board has separate and independent access to the executive officers of the Group at all times. Request for information is dealt with promptly by the Management. In addition, the Board is kept informed of all material events and transactions as and when they occur to enable the Board to function effectively and to fulfil its responsibilities. The information made available to the Directors include interim and full-year financial results, progress reports of the Group's operations, corporate development, regulatory updates, business developments and audit reports. The Management also consults Board members regularly whenever necessary and appropriate. The Board is issued with Board papers in a timely manner prior to Board meetings to enable Directors to consider the issues and to obtain additional information or explanation from the Management, if necessary.

The calendar of Board and Board Committees meetings are planned in advance. Draft agendas for meetings of the Board and Board Committees are also circulated in advance to the respective Chairman of the Board and Board Committees, in order for them to comment on the items on the agenda and/or review the usefulness and relevance of the items in the proposed agendas.

The Directors also have separate and independent access to the Company Secretary. The role of the Company Secretary and her representatives are to administer, attend and prepare minutes of Board and Board Committees' meetings, assist the Chairman of the various meetings in ensuring that meeting procedures are followed and that the Company's Amended and Restated Memorandum and Articles of Association of the Company, Catalist Rules and other relevant rules and regulations applicable to the Company are complied with. The Company Secretary and her representatives attend all Board and Board Committees' meetings. The decision in relation to the appointment and removal of the Company Secretary is decided by the Board as a whole.

The Board in fulfilling its responsibilities could as a group or as individuals, when deemed fit, direct the Company to appoint independent professional advisers or seek professional advice and the costs will be borne by the Company.

Board Composition and Guidance

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

The current Board consists of five (5) members comprising the Executive Chairman, who is also the Chief Executive Officer ("**CEO**") of the Company, one (1) Non-Executive Director and three (3) Non-Executive and Independent Directors:

Name of Director	Designation	AC	NC	RC
Johnny Jan	Executive Chairman and CEO	–	–	–
Kao Shu-Kuo	Non-Executive Director	–	–	–
Lim Heng Choon	Lead Independent and Non-Executive Director	Chairman	Member	Member
Chang Yi-Hao	Independent and Non-Executive Director	Member	Member	Chairman
Yang Wu Te	Independent and Non-Executive Director	Member	Chairman	Member

The Board considers an "Independent Director" as one who is independent in conduct, character and judgement, and has no relationship with the Company, its related corporation, its substantial shareholders of not less than 5% of the total votes attached to all voting shares (excluding treasury shares) in the Company, or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement to the best interests of the Company.

On an annual basis, each Independent Director is required to complete a 'Confirmation of Independence' form to confirm his independence. The form was drawn up based on the definitions and guidelines set forth in the Code and the NC Guide issued by the Singapore Institute of Directors. The Directors are required to disclose to the Board any such relationship as and when it arises and the Board will state the reasons if it determines that a director is independent notwithstanding the existence of relationships or circumstances which may appear otherwise.

The NC has reviewed the forms completed by each Independent Director and is satisfied that all the Independent Directors of the Company are independent in accordance with Provision 2.1 of the Code and Rule 406(3)(d) of the Catalist Rules. In this respect, the Company complies with Provisions 2.2 and 2.3 of the Code where Non-Executive and Independent Directors make up a majority of the Board where the Chairman of the Board is not independent. To facilitate a more effective review of Management, the Non-Executive and Independent Directors are led by the Lead Independent Director and communicate on an adhoc basis without the presence of the Management and Executive Director to discuss the performance of the Management and any matters of concern, including situations where the non-independent Chairman is conflicted.

The Board regularly examines its size and after taking into account the scope and nature of the Group's operations, the diversified background and experience of the Directors that provide core competencies in areas such as finance or accounting, legal, business or management experience, industry knowledge, strategic planning experience and customer based experience or knowledge. The Board is satisfied that it is of an appropriate size to facilitate effective decision-making.

Notwithstanding that the Company has not adopted a formal board diversity policy, the Company recognises and embraces the importance and benefits of having a diverse Board to enhance the quality of its performance. The NC notes the recommendation of the Code and considers all aspects of diversity, including of skills, experience, gender, knowledge and other relevant factors. Hence, the NC is of the view that the Board currently comprises Directors who have the appropriate balance and diversity of skills, expertise and experience, knowledge of the industry the Group operates in and collectively possess the necessary core competencies for effective functioning and informed decision-making. The NC is looking into setting up of a formal board diversity policy in the financial year. The target is for the Board to have at least one female director by May, 2032. In addition, the Board is seeking candidates with skills and experience in various environmental, social and governance ("**ESG**"). The NC and the Board plan to seek such candidates from various sources including through the Company's extensive networks. Target timeline for such Board composition enhancement is by May, 2026. The profile of each current Director including their academic and professional qualifications and other appointments is presented on pages 16 to 19 of this Annual Report.

Although all the Directors have an equal responsibility for the Group's operations, the role of the Non-Executive and Independent Directors is particularly important in ensuring that the strategies proposed by Management are constructively challenged, taking into account the long-term interests of shareholders. The Non-Executive and Independent Directors participate actively during Board meetings and would constructively challenge and help to develop proposals on short-term and long-term business strategies and review the performance of the Management in meeting agreed goals and objectives and monitor the reporting of performance.

To-date, none of the Independent Directors have served on the Board beyond nine years from the date of his appointment.

Executive Chairman and Chief Executive Officer

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

The Executive Chairman and the CEO of the Company is Mr Johnny Jan.

Mr Johnny Jan has over 25 years of experience in the art outsourcing and game development industries and has been instrumental in leading the direction of the Group. As the Executive Chairman of the Company, Mr Johnny Jan ensures that Board meetings are held half yearly during the financial year and as and when necessary, sets Board meeting agenda, promotes a culture of openness and debate at the Board level and ensures that adequate time is available for discussion of all agenda items, in particular strategic issues. He ensures that Board members are provided with complete, adequate and timely information on a regular basis to enable them to be fully cognizant of the affairs of the Group as well as effective communication with shareholders. He encourages constructive relations and effective contribution within the Board and between the Board and the Management. He also takes a leading role in ensuring that the Company strives to achieve and maintain high standards of corporate governance and an appropriate balance of power, increased accountability, and presence of independent decision making.

As the CEO of the Company, Mr Johnny Jan is responsible for the effective management and supervision of daily business operations of the Group in accordance with the strategies, policies, budget and business plans as approved by the Board. The major decisions are made in consultation with the Board, a majority of which comprises Non-Executive and Independent Directors. The Board is of the opinion that the process of decision-making by the Board has been independent and has been based on collective decision without any individual or small group of individuals dominating the Board's decision-making.

The Non-Executive and Independent Directors are encouraged to meet periodically without the presence of the Executive Director and/or the Management and led by the Lead Independent Director. The Lead Independent Director will provide feedback to the Chairman of the Board after such meetings, where appropriate. The Non-Executive and Independent Directors had met at least once a year, without the presence of Management so as to facilitate a more effective evaluation of the Management.

In line with Provision 3.3 of the Code, Mr Lim Heng Choon is appointed as the Lead Independent Director to provide leadership in situations where the Executive Chairman is conflicted and especially when the Executive Chairman is not independent. This is to promote high standards of corporate governance and effective communication between the shareholders and the Company. Mr Lim Heng Choon is available to shareholders who may have concerns with regards to the Group and for which contacts through the normal channels of communication with the Executive Chairman or Management has failed to resolve issues or for which such contact is inappropriate or inadequate.

Board Membership

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of Directors, taking into account the need for progressive renewal of the Board.

The Company has established a NC to make recommendations to the Board on all board appointments and re-appointments. The NC comprises the following three (3) Directors, all of whom are Non-Executive and Independent Directors:

Mr Yang Wu Te (Chairman)

Mr Lim Heng Choon (Member)

Mr Chang Yi-Hao (Member)

The Company is in compliance with Provision 4.2 of the Code, where Mr Yang Wu Te, the Independent Director of the Company, is also the Chairman of the NC.

The NC is governed by the NC's Terms of Reference which describes the duties and functions of the NC. The main objective of the NC is to build a strong and independent Board and ensure a formal and transparent process for the appointment and reappointment of directors, taking into account the need for progressive renewal of the Board.

The roles and functions of the NC are:

1) making recommendations to the Board on relevant matters relating to: (i) the review of board succession plans for directors, in particular, the appointment and/or replacement of the Executive Chairman, the CEO and executive officers; (ii) the process and criteria for evaluation of the performance of the Board, the Board committees and the individual Directors; (iii) the review of training and professional development programs for the Board and the individual Directors; and (iv) the appointment and re-appointment of the Directors (including alternate Directors, if applicable), including the criteria used to identify and evaluate potential new directors and channels used in searching for appropriate candidates;

2) reviewing and determining annually, and as and when circumstances require, if a Director is independent, in accordance with the Code and any other salient factors;

3) reviewing the composition of the Board annually to ensure that the Board and the Board committees are of an appropriate size, comprise Directors who as a group provide an appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate, and are of an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company and provide core competencies such as accounting or finance, business or management experience, industry knowledge, strategic planning experience and customer-based experience and knowledge;

4) setting the objectives for achieving board diversity and reviewing the Company's progress towards achieving these objectives;

5) ensuring that Non-Executive Independent Directors disclose their relationships with the Company, related corporations, substantial shareholders or officers, if any, which may affect their independence and review such disclosures from the Directors and highlight these to the Board as required;

6) ensuring that newly appointed Directors are aware of their duties and obligations, as well as deciding whether a Director is able to and has been adequately carrying out his/her duties as a Director. Where a Director holds a significant number of listed company directorships and principal commitments which involve significant time commitment, to provide a reasoned assessment of the ability of the Director to diligently discharge his/her duties, taking into consideration the Director's number of listed company board representation and other principal commitments; and

7) reviewing and approving the new employment of employees of the Group who are relatives of any of the Directors, Chief Executive Officer or Substantial Shareholders and their proposed terms of their employment.

In accordance with Rule 720(4) of the Catalist Rules, all directors must submit themselves for re-nomination and reappointment at least once every three (3) years. A retiring Director shall be eligible for re-election by the shareholders of the Company at the Annual General Meeting ("AGM"), and prior to nominating a retiring Director for re-election, the NC will evaluate the Director's contribution and performance taking into consideration factors such as attendance, preparedness, participation and any other factors as may be determined by the NC. The Company at the meeting at which a Director retires under any provision of the Company's Amended and Restated Memorandum and Articles of Association may by ordinary resolution fill the office being vacated by electing thereto the retiring Director or some other person eligible for appointment. In default the retiring Director shall be deemed to have been re-elected except in any of the following cases: (a) where at such meeting it is expressly resolved not to fill such office or a resolution for the re-election of such Director is put to the meeting and the resolution not passed; or (b) where such Director has given notice in writing to the Company that he is unwilling to be re-elected.

The NC has affirmed that Mr. Yang Wu Te, Mr. Lim Hong Choon and Mr. Chang Yi-Hao are independent. Each of them has abstained from the NC/Board's determination of his independence. There is no director who is deemed independent by the Board, despite, the existence of a relationship as stated in the Code.

The details of the Board who will retire by rotation at the forthcoming AGM scheduled to be held on 30 April 2024 are disclosed in the “Additional Information on Directors seeking re-election” on pages 76 to 79 of this Corporate Governance Report. The NC has recommended and the Board has approved to table for shareholders’ approval the re-election of Mr Johnny Jan, Mr Chang Yi-Hao, Mr Kao Shu-Kuo, Mr Lim Heng Choon and Mr Yang Wu Te as Directors of the Company at the forthcoming AGM.

Despite some of the Directors having other board representations, the NC is satisfied that these Directors are able to and have adequately carried out their duties as Directors of the Company by attending the Board and Board Committees and to attend to the decision-making within the Group as and when necessary. In this respect, the Board is of the view that it is not necessary to adopt internal guidelines to address the competing time commitments that are faced when Directors serve on multiple boards or to determine the maximum number of listed company board representations which any Director may hold.

Currently, no Alternate Director is appointed on the Board.

In the search and nomination process for new Directors, the NC identifies the key attributes that an incoming Director should have, which is based on a matrix of the attributes of the existing Board and the requirements of the Group. After the Board endorsed the key attributes, the NC taps on the resources of the Directors’ personal contacts and recommendations of potential candidates and proceed with the shortlisting process. The NC will consider each candidate based on the key attributes determined after taking into consideration the qualification and experience of such candidate, his/her ability to increase the effectiveness of the Board and to add value to the Group’s business in line with its strategic objectives. The NC will recommend the suitable candidate to the Board for approval. If the candidates identified from this process are not suitable, executive recruitment agencies may be appointed to assist in the search process.

CORPORATE **GOVERNANCE REPORT**

Key information regarding the Directors is set out below:

Name of Director	Date of First Appointment	Date of Last Re-election	Present Directorships or Chairmanships in Other Listed Companies and Principal Commitment	Past Directorships or Chairmanships in Other Listed Companies and Principal Commitment over the preceding five (5) years
Mr Johnny Jan	17 May 2023	–	• Winking Art Pte. Ltd. • Winking Art Limited • Winking Entertainment Corporation • Winking Skywalker Entertainment Limited • Shanghai Winking Entertainment Ltd • Shanghai Wishing Entertainment Ltd	• Jiangsu Nuanyi Information Technology Co., Ltd. • Winking 23 Ching Corp • Yahyel Future Entertainment Inc • Winking Entertainment Investment Limited • Nanjing Winking Entertainment Ltd • Winking Entertainment (HK) Limited
Mr Kao Shu-Kuo	17 May 2023	–	• Acer Gadget Inc. • Acer Gaming Inc.	• GadgeTek Inc. • AcerGerontechnology Inc. • StarVR France SAS
Mr Chang Yi-Hao	17 May 2023	–	• Big Data Co., Ltd. • Treasure Sage Sabah Sdn Bhd • Rainbow Path Global Ltd • Treasure Sage Ltd • Insight Digital World Co., Ltd. • Howard Digital Marketing Co., Ltd.	–
Mr Yang Wu Te	17 May 2023	–	–	–
Mr Lim Heng Choon	17 May 2023	–	• Centific Global Solutions, Inc • edgeTech Venture Ltd • Esports Business Network Sdn Bhd • Global Vision Holdings • Hyperion Connect Ltd • International Liquid Packaging Solutions Pte Ltd • KDH Design Inc • KDH Design Co Ltd • Liho Besuto Sdn Bhd • Awesome Realty Sdn Bhd • Ritamix Global Limited Pte Ltd	• Go Game Malaysia Sdn Bhd • IG-Interactive Pte Ltd • IG-Interactive Sdn Bhd

Additional Information on Directors Seeking Re-election

Pursuant to Rule 720(5) of the Catalist Rules, the information as set out in Appendix 7F to the Catalist Rules relating the Directors who are being eligible for re-election at the forthcoming AGM, is set out below:

Name of Director	Mr Johnny Jan	Mr Kao Shu-Kuo	Mr Lim Heng Choon	Mr Chang, Yi-Hao	Mr Yang Wu Te
Date of appointment	17 May 2023	17 May 2023	17 May 2023	17 May 2023	17 May 2023
Date of last re-appointment	N.A.	N.A.	N.A.	N.A.	N.A.
Age	48	54	54	49	66
Country of principal residence	Republic of China (“**Taiwan**”)	Republic of China (“**Taiwan**”)	Malaysia	Republic of China (“**Taiwan**”)	Singapore
The Board’s comments on the NC’s recommendation for re-election	The Board has accepted the NC’s recommendation, who has reviewed and considered Mr. Johnny Jan’s performance as the Executive Chairman and Chief Executive Officer of the Company.	The Board has accepted the NC’s recommendation, who has reviewed and considered Mr. Kao Shu-Kuo performance as the Non-Executive Director of the Company.	The Board has accepted the NC’s recommendation, who has reviewed and considered Mr Lim Heng Choon’s performance as an Lead Independent Director of the Company.	The Board has accepted the NC’s recommendation, who has reviewed and considered Mr Chang, Yi-Hao’s performance as an Independent and Non-Executive Director of the Company.	The Board has accepted the NC’s recommendation, who has reviewed and considered Mr Yang Wu Te’s performance as an Independent and Non-Executive Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Executive. Responsible for overseeing the strategic planning and growth of the Group.	Non-Executive	Non-Executive	Non-Executive	Non-Executive
Job title	Executive Chairman and Chief Executive Officer	Non-Executive Director	Lead Independent and Non-Executive Director, Chairman of the Audit Committee, and Member of the Remuneration Committee and Nominating Committee.	Independent and Non-Executive Director, Chairman of the Remuneration Committee, and Member of the Audit Committee and Nominating Committee.	Independent and Non-Executive Director, Chairman of the Nominating Committee, and Member of the Audit Committee and Remuneration Committee.
Professional qualifications	Bachelor’s Degree – Business Administration	Masters of Business Administration	Master in Business Administration, Major in Finance & Strategy	Master of Business Administration	Business and Industrial Administration
Working experience and occupation(s) during the past 10 years	• January 2004 to Present – Shanghai Winking Entertainment Ltd People’s Republic of China – Executive Chairman and CEO • October 2022 to Present – Winking Art Pte. Ltd.; Singapore – Chief Executive Officer and Executive Chairman	• June 1995 to Present – COO of Acer Inc. - President of IT Products Business, Acer Inc.	• June 2022 to Present – Centific Global Solutions, Inc. – Chief Financial Officer and Executive Director • November 2018 to Present – Hyperion Connect Pte. Ltd. Singapore – Founder and Managing Director	• January 2024 to Present – Insight Digital World Co., Ltd. – Executive Chairman and Chief Executive Officer • September 2018 to Present – Howard Digital Marketing Co., Ltd. – Executive Chairman and Chief Executive Officer • August 2012 to March 2017 – Kunlun Tech Co Ltd – President, Kunlun Gaming	• May 2013 to Dec 2020 – Bank Julius Baer & Co. Ltd. Singapore Branch N-Executive Director • Sep 1999 to May 2013 – Merrill Lynch International Bank Limited Singapore Branch – First Vice President

Name of Director	Mr Johnny Jan	Mr Kao Shu-Kuo	Mr Lim Heng Choon	Mr Chang, Yi-Hao	Mr Yang Wu Te
Shareholding interest in the listed issuer and its subsidiaries	21,26,929 shares (direct interest) 2,304,731 shares (deemed interest)	300,000 shares (direct interest)	Nil	Nil	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	Nil	Nil	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil	Nil	Nil	Nil
Undertaking (in the format set out in Appendix 7H) under Catalist Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes	Yes	Yes
Other Principal Commitments Including Directorships	Present principal Commitment • Winking Art Pte. Ltd. • Shanghai Winking Entertainment Ltd. • Winking Entertainment Corporation • Winking Skywalker Entertainment Limited. • Shanghai Wishing Entertainment Ltd. • Winking Art Limited. Past Principal Commitment (for the past 5 years) • Nanjing Winking Entertainment Ltd.	Present principal Commitment • Winking Studios Limited • Acer Global Merchandise Philippines Inc. • Acer Gadget Inc. • Altos Computing Inc. • Acer Gaming Inc. Past Principal Commitment (for the past 5 years) • GadgeTek Inc.	Present principal Commitment • Centific Global Solutions, Inc. • Hyperion Connect Pte. Ltd. Singapore Past Principal Commitment (for the past 5 years) • June 2011 to June 2022 International Liquid Packaging Solution Pte Ltd, Founder and Chief Financial officer	Nil	Nil

Mr Johnny Jan, Mr Kao Shu-Kuo, Mr Lim Heng Choon, Mr Chang Yi-Hao and Mr Yang Wu Te had responded negative to items (a) to (k) listed in Appendix 7F of the Catalist Rules, as follows:

	Mr Johnny Jan	Mr Kao Shu-Kuo	Mr Lim Heng Choon	Mr Chang, Yi-Hao	Mr Yang Wu Te
a. Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No	No	No
b. Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No	No	No
c. Whether there is any unsatisfied judgment against him?	No	No	No	No	No
d. Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No	No	No
e. Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No	No	No
f. Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No	No	No

	Mr Johnny Jan	Mr Kao Shu-Kuo	Mr Lim Heng Choon	Mr Chang, Yi-Hao	Mr Yang Wu Te
g. Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No	No	No
h. Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No	No	No
i. Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No	No	No
j. Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:	No	No	No	No	No
1) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	No	No	No
2) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No	No	No
3) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No	No	No
4) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity of business trust	No	No	No	No	No
k. Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No	No	No

Board Performance

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole and that of each of its board committees and individual directors.

The Board plans to implement a formal annual process for assessment of the effectiveness of the Board as a whole, each Board Committee and individual Director. As the NC was in the view that the Company was only listed on 20 November 2023 and the Directors were appointed on 17 May 2023, it was not meaningful to assess the effectiveness of the Board and contribution by each Director for FY2023. The NC is in the process of formulating the performance criteria.

As part of the assessment process, Director will be requested to complete an evaluation form to assess the effectiveness of the Board as a whole and his own contribution to the effectiveness of the Board, while each Board Committee member is requested to complete an evaluation form to assess the effectiveness of the respective Board Committees. The assessment of the Board's performance focused on a set of performance criteria for the Board evaluation which includes the Board structure, strategy and performance, governance on Board risk management & internal controls, information to the Board, Board procedures, top management and Directors' standard of conduct, etc.

The assessment criteria for each Board Committee focuses on the nature of the respective roles and responsibilities of the AC, NC and RC.

The annual assessment of individual Directors considers, among others, each Director's attendance as well as generation of constructive debate/participation for meetings of the Board and Board Committees, contribution, initiative, responsiveness of Director, knowledge of senior management and Company's business, and the Directors' self-assessment. Selected performance criteria will not change from year to year unless they are deemed necessary and the Board is able to justify the changes.

The findings of the above will be analysed and discussed with a view to implementing certain recommendations to further enhance the effectiveness of the Board and Board Committees. As the Company was listed on 20 November 2023, the NC will consider the performance of each individual Director, the Board Committees and the Board for the financial year ending 31 December 2024. For avoidance of doubt, each member of the NC will abstain from voting on any resolution in respect of the assessment of his performance or renomination as Director.

The Board has not engaged any external consultant to conduct an assessment of the performance of the Board, each Board Committee and each individual Director. Where relevant and when the need arises, the NC will consider such an engagement at the Company's expense.

REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 6: ***There should be a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and Executive Officers. No director is involved in deciding his or her own remuneration.***

The RC comprises the following three (3) Directors, all of whom including the Chairman of the RC, are Non-Executive and Independent Directors:

Mr Chang Yi-Hao (Chairman)

Mr Lim Heng Choon (Member)

Mr Yang Wu Te (Member)

The RC is governed by the RC's Terms of Reference which describes the duties and powers of the RC.

The main objective of the RC is to establish a formal and transparent procedure for developing policies on director and executive remuneration and attract, motivate and retain a pool of talented directors and executives through attractive and competitive remuneration packages.

The roles and functions of the RC are:

1) reviewing and recommending to the Board, in consultation with the Chairman of the Board, for endorsement, a comprehensive remuneration policy framework and guidelines for remuneration of the Directors and other persons having authority and responsibility for planning, directing and controlling the activities of the Company ("**Executive Officers**");

2) reviewing and recommending to the Board, for endorsement, the specific remuneration packages for each of the Directors and Executive Officers;

3) considering all aspects of remuneration (including but not limited to directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, benefits-in-kind and termination payments), including termination terms, to ensure they are fair and reasonable;

4) ensuring that the level and structure of remuneration of the Board and Executive Officers are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives;

5) ensuring that a significant and appropriate proportion of the Executive Directors' and Executive Officers' remuneration is structured so as to link rewards to corporate and individual performance, and that performance related remuneration is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the Company;

6) ensuring that the remuneration of the Non-Executive Directors is appropriate to their level of contribution, taking into account factors such as effort, time spent and responsibilities;

7) reviewing the remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation and the statements in the annual report with a view to achieving clear disclosure of the same;

8) reviewing and approving the design of all share option plans, employee share option schemes and/or other equity based plans and benefits-in-kind;

9) in the case of service contracts and employment contracts, reviewing the Company's obligations arising in the event of termination of the Executive Directors' or Executive Officers' contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous, with a view to being fair and avoiding the reward of poor performance;

10) approving performance targets for assessing the performance of each of the Executive Officer and recommend such targets as well as employee specific remuneration packages for each of such Executive Officer, for endorsement by the Board; and

11) conducting an annual review of and approving the remuneration of employees of the Group who are relatives of any of the Directors, Chief Executive Officer or Substantial Shareholders (including bonuses, increments and/or promotions) and to ensure that their remuneration packages are in line with the staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities.

The RC also periodically considers and reviews remuneration packages in order to maintain their attractiveness, to retain and motivate the Directors to provide good stewardship of the Company and Executive Officers to successfully manage the Company, and to align the level and structure of remuneration with the long-term interests and risk policies of the Company.

If a member of the RC has an interest in a matter being reviewed or considered by the RC, the respective directors will abstain from voting on the matter and will not be involved in the discussion in deciding their own remuneration.

The RC has full authority to engage any external independent professional advice on matters relating to remuneration as and when the need arise. The expense of such service shall be borne by the Company. No external remuneration consultant was engaged in FY2023.

Level and Mix of Remuneration

Principle 7: The level and structure of remuneration of the Board and Executive Officers are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

The RC noted that there should be appropriate and meaningful measures for the purpose of assessing the performance of Executive Directors and Executive Officers. In setting remuneration packages for Executive Directors and Executive Officers, the performance related elements of remuneration form a portion of the total remuneration package to link rewards to corporate and individual performance. This is to align the Executive Directors' interests with those of shareholders of the Company and to promote the long-term success of the Group and the Company. The RC will also take into consideration the risk policies of the Company, as well as the pay and employment conditions within the industry and in comparable companies.

The Non-Executive and Independent Directors are paid Directors' fees taking into account factors including but not limited to contribution, effort and time spent, and the responsibilities of the Non-Executive and Independent Directors. Non-Executive and Independent Directors are not over-compensated to the extent that their independence may be compromised. The Directors' fees payable to the Non-Executive and Independent Directors of the Company each year are subject to the approval of the Company's shareholders at the AGM.

The Executive Director currently only comprises Executive Chairman and CEO Mr Johnny Jan who is paid in accordance with his Service Agreement with the Company. The remuneration packages of the Executive Directors and the Executive Officers comprise primarily a basic salary component and a variable component which is the bonuses and other benefits.

The service agreement with the Executive Director, namely Mr Johnny Jan ("**Service Agreement**") took effect from 20 November 2023, being the listing date and shall continue for a period of three (3) years ("**Initial Term**") and shall thereafter continue from year to year (unless otherwise terminated by either party giving not less than six (6) months' prior written notice to the other). The Service Agreement are subject to review by the RC as and when required. The RC may recommend the Company to consider the use of contractual provisions to allow the Company to reclaim incentive components of remuneration from Executive Director and Executive Officers in exceptional circumstances of misstatement of financial results or misconduct resulting in financial loss to the Company.

The RC also terminates the Service Agreements of the Executive Director, if, he amongst others, is disqualified to act as Executive Director under any applicable laws or regulations, is guilty of dishonesty, gross misconduct or willful neglect of duty, commits any continued material breach of the terms of his Service Agreement, is guilty of conduct likely to bring himself or any member of the Group into disrepute, becomes bankrupt or is convicted of any criminal offence. The RC may additionally terminate the Service Agreement if the Executive Director fails to perform his obligations under the Service Agreement.

The Service Agreement also provide that the Executive Director shall not without the prior written consent of the Company during the continuance of his employment be engaged or interested either directly or indirectly in any capacity in any trad, business, occupation or activities which may hinder or otherwise interfere with the performance of his duties or which may conflict with the interests and business of the Group.

In addition, the Company has also entered into employment agreements with Executive Officers Mr. Oliver Yen and Ms. Tina Li . Each of Mr. Johnny Jan, Mr. Oliver Yen, and Ms. Tina Li is entitled to a basic monthly salary and an annual fixed bonus ("**Fixed Bonus**") as well as an annual incentive bonus ("**Incentive Bonus**") of a sum calculated based on the consolidated profits after tax ("**PAT**") of the Group based on the audited financial statements for the relevant financial year, before deducting such Incentive Bonus and after deducting PAT attributable to non-controlling interests and excluding extraordinary items which are not in the ordinary course of business, if any, provided always that if their employment is for less than a full financial year of the Group, the Fixed Bonus and Incentive Bonus for that financial year shall be apportioned in respect of the actual number of days of employment on the basis of a 365-day financial year.

Disclosure of Remuneration

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

The details of the remuneration (in percentage terms) of each Directors, and the CEO of the Group for FY2023, are disclosed below.

Board	Remuneration Band[1]	Salary	Bonus/ Commissions	Benefits in Kind	Directors' Fees[2]	Total
Mr Johnny Jan	D	43.8%	56.2%	–	–	100%
Mr Kao Shu-Kuo	–	–	–	–	–	100%
Mr Chang Yi-Hao	A	–	–	–	100%	100%
Mr Lim Heng Choon	A	–	–	–	100%	100%
Mr Yang Wu Te	A	–	–	–	100%	100%

The Group has only two (2) Executive Officers who are not Director or the CEO during FY2023. The details of the remuneration (in percentage terms) of Executive Officers of the Group (who are not Director or the CEO) for FY2023 are as follows:

Board	Remuneration Band[1]	Salary	Bonus/ Commissions	Benefits in Kind	Directors' Fees[2]	Total
Ms Tina Li	B	67.77%	32.23%	–	–	100%
Mr Oliver Yen	A	74.92%	25.08%	–	–	100%

1 Remuneration bands:
"A" refers to remuneration of up to S$250,000 per annum.
"B" refers to remuneration from S$250,001 to S$500,000 per annum.
"C" refers to remuneration from S$500,001 to S$750,000 per annum.
"D" refers to remuneration from S$750,001 to S$1,000,000 per annum.

2 Directors' fees were pro-rated for FY2023.

After careful consideration and taking into account the highly competitive business environment, commercially sensitive and confidential nature of the remuneration policies of the Company, the Board is of the view that notwithstanding the deviation from Provision 8.1 of the Code, the Company is transparent on its remuneration policies, which has been disclosed not only as part of compliance with Principle 8 but also in respect of Principle 7 of the Code. In particular, the Company has elaborated on the remuneration policy governing the remuneration of the Executive Directors and the factors taken into account for the remuneration of the Independent Directors. The Company has also disclosed the remuneration paid to each Director and Executive Officer using remuneration bands, as well as the breakdown of the components of their remuneration, for transparency. Accordingly, the Board is of the view that the non-disclosure of the exact quantum of the remuneration of each Director and Executive Officer will not be prejudicial to the interest of shareholders and complies with the intent of Provision 8.1 of the Code.

None of the Directors and the top two (2) Executive Officers (who are not Directors or CEO) had received any termination, retirement and post-employment benefits for FY2023. There is no employee who is an immediate family member of a Director, CEO or substantial shareholder whose remuneration exceeds S$100,000 for FY2023. The RC has reviewed and approved the remuneration packages of the Executive Directors and Executive Officers, having regard to their contributions as well as the financial performance and commercial needs of the Group and has ensured that the Executive Directors and Executive Officers are adequate but not excessively remunerated. The RC will consider and deliberate on the performance conditions to which the Executive Director’s and Executive Officer’s entitlement to short term and long-term incentive schemes are subject and make the necessary disclosures, if any.

During 2023, the Company paid basic salaries and allowances to Executive Director, being the Executive Chairman and Chief Executive Officer and Executive Officers.

In conjunction with the listing on the Catalist Board of the SGX-ST, the Company has adopted an employee performance share plan known as the Winking Studios Performance Share Plan. The objectives of the Winking Studios Performance Share Plan are as follows:

(a) to retain key employees and executive directors of our Group whose contributions are essential to the long-term growth and profitability of our Group;

(b) to instill loyalty to, and a stronger identification by the Participants with the long-term goals of, our Company;

(c) to attract potential employees with relevant skills to contribute to our Group and to create value for our Shareholders; and

(d) to align the interests of the Participants with the interests of our Shareholders. The Winking Studios Performance Share Plan complies with the relevant rules as set out in Chapter 8 of the Catalist Rules. As at the date of this annual report, the Company had not granted share awards to any participants under Winking Studios Performance Share Plan.

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

The Board regularly reviews and improves its business and operational activities to identify areas of significant business risks as well as determine the Company's levels of risk tolerance and risk policies as well as overseeing the Management in the design, implementation and monitoring of the risk management and internal control systems to control, manage and mitigate these risks. The Management reviews the risk management and internal control systems and highlights all significant matters to the AC and Board from time to time.

The Board acknowledges that it is responsible to ensure that the Company maintains an adequate system of risk management and internal controls to safeguard the assets of the Group. In addition, it is essential to maintain adequate accounting records, develop and maintain an effective control environment within the Group. The Board recognises that all internal control systems contain inherent limitations and no system of internal controls could provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities.

Nevertheless, the Board strives to identify key risk areas in every aspect of the Group and improve internal controls to mitigate such risks in order to achieve the overall business objective of the Group and enhance long term shareholders' value. The Board, with the concurrence of the AC, is of the opinion that the Group's internal controls (including financial, operational, compliance and information technology risks) and risk management systems are adequate and effective for FY2023.

Winking had established the internal audit function before listing on the SGX-ST. The Group conducts and reviews the adequacy and effectiveness of the Group's internal controls on a regular basis in light of the size and complexity of the Group's operations. The Group regularly or irregularly reports to the audit committee and the board of directors.

In preparation for listing, the Company engaged Baker Tilly Consultancy (Singapore) Pte. Ltd. as the internal auditors and held discussions on internal controls. Following the listing, the Company was in the process of sourcing for a suitable internal auditor to conduct and review the adequacy and effectiveness of the Group's internal controls on a regular basis in light of the size and complexity of the Group's operations.

The AC and the Board also review the effectiveness of the actions taken by the Management on the recommendations made by the internal auditors in preparation for the listing. The AC, with the participation of the Board, has reviewed the adequacy and effectiveness of the Group's internal controls that address financial, operational, compliance and information technology risks and risk management systems for the type and volume of business that the Group currently operates.

The Board would ensure that there is an on-going process for identifying, evaluating and managing significant risks covering financial aspects, compliance risks and other operational areas of the Group.

For FY2023, the Board has received assurances from the CEO and the CFO of the Group that (a) the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and (b) the Group's risk management and internal control systems are adequate and sufficiently effective.

The AC have reviewed the report issued by the internal auditor and their recommendations, the various management controls put in place, the Board, with concurrence from the AC, are satisfied with the Group's internal controls and are of the opinion that the internal controls maintained by the Group in addressing critical and significant risks relating to financial, operational, compliance and information technology risks and risk management systems are adequate and effective as at 31 December 2023 for the type and volume of business that the Group currently operates. The Board will continue to enhance and improve the existing internal controls framework to identify and mitigate these risks. The AC will also commission an annual internal audit to satisfy itself that the Group's internal controls are robust and effective to address any significant internal control weaknesses that may arise.

The Board recognises that the risk management and internal control systems established by the Group provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives.

The Board and the AC of the Company held the view that the review of the Group's risk management and internal controls systems could be subsumed under AC.

Audit Committee

Principle 10: The Board has an Audit Committee ("AC") which discharges its duties objectively.

The AC comprises the following three (3) Directors, all of whom are Non-Executive and Independent Directors:

Mr. Lim Heng Choon (Chairman)

Mr. Chang Yi-Hao (Member)

Mr. Yang Wu Te (Member)

None of the AC members is a former partner or director of the Company's existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.

The Board ensures that the members of the AC are appropriately qualified to discharge their responsibilities. The Chairman of the AC, Mr Lim Heng Choon and members of the AC, Mr Chang Yi-Hao and Mr Yang Wu Te possess the requisite industrial, accounting and financial management expertise and experience.

The AC is governed by the AC's Terms of Reference which describes the duties and powers of the AC.

The main objective of the AC shall be to assist the Board in discharging its statutory and other responsibilities relating to (i) the quality of the audit of the Company's internal audit function and of its external auditors; (ii) the integrity of the financial information presented by management to shareholders, regulators and the general public; and (iii) the adequacy of the Company's financial, compliance, administrative and operating controls, as well as internal accounting controls.

The role and functions are:

1) assisting the Board in discharging its statutory responsibilities on financing and accounting matters;

2) reviewing the assurance from the CEO and CFO on the financial records and financial statements of the Company;

3) reviewing significant financial reporting issues and judgements so as to ensure the integrity of the financial statements, which includes reviewing and discussing with the external auditors any issues and concerns arising from the audits, any suspected fraud, irregularity or infringement of any relevant laws, rules and regulations, which has or is likely to have a material impact on the Group's financial performance or financial position and the Management's response to such issues;

4) reviewing any formal announcements relating to the financial performance and ensuring that the outcome of the review the Group's key financial risk areas are disclosed in the annual reports, and if the findings are material, to be announced via SGXNet in accordance with the Catalist Rules;

5) reviewing the adequacy, effectiveness, independence, scope and results of the external audit and its cost effectiveness, and the independence and objectivity of the external auditors;

6) reviewing the external auditors' audit plan and audit report, and the external auditors' evaluation of the system of internal financial controls, as well as reviewing the Company's implementation of any recommendations to address any control weaknesses highlighted by the external auditors;

7) reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on, and in particular, ensuring the Company publicly discloses and clearly communicates to the employees the existence of a whistle-blowing policy and procedures for raising such concerns;

8) reviewing the key financial risk areas, the risk management structure and any oversight of the risk management process and activities to mitigate and manage risk at acceptable levels determined by the Board;

9) reviewing at least annually the adequacy and effectiveness of the risk management and internal controls systems, including financial, operational, compliance and information technology controls, and, where necessary and appropriate, provide a statement on the Board's comment on the adequacy and effectiveness of the Company's internal controls;

10) reviewing any interested person transactions and monitoring the procedures established to regulate interested person transactions, including ensuring compliance with the Company's internal control system and the relevant provisions of the Catalist Rules, as well as all conflicts of interests to ensure that proper measures to mitigate such conflicts of interests have been put in place (please refer to the sections entitled "Interested Person Transactions – Guidelines and Review Procedures for Ongoing and Future Interested Person Transactions" and "Interested Person Transactions – Potential Conflicts of Interest" of this Offer Document for further details);

11) reviewing transactions undertaken by the Group which fall within the scope of Chapter 10 of the Catalist Rules;

12) to be the primary reporting line of the internal audit function and ensuring that the internal audit function has direct and unrestricted access to the Chairman of the Board and the Audit Committee;

13) ensuring that the internal audit function is adequately resourced and has appropriate standing within the Company;

14) reviewing the scope and results of the internal audit procedures, and at least annually, the adequacy, effectiveness, independence, scope and results of the internal audit function;

15) ensuring the internal audit function is independent, effective and adequately resourced, is staffed with persons with the relevant qualifications and experience, and deciding on the appointment, termination and remuneration of the head of the internal audit function;

16) meeting with the external auditors and internal auditors, in each case without the presence of the Management, at least annually;

17) reviewing the assistance, coordination and co-operation given to the Group's Management to the internal and external auditors;

18) reviewing the nature, extent and costs of non-audit services performed by the external auditors, to ensure their independence and objectivity;

19) appraising and reporting to the Board on the audits undertaken by the external auditors and internal auditors, and the adequacy of disclosure of information;

20) where necessary, commissioning an independent audit on internal controls and risk management systems for the assurance of the AC, or where it is not satisfied with the systems of internal controls and risk management;

21) making recommendations to the Board on: (i) the proposals to shareholders on the appointment, re-appointment and removal of the external auditors; and (ii) the remuneration and terms of engagement of the external auditors;

22) undertaking such other reviews and projects as may be requested by the Board, and reporting to the Board its findings from time to time on matters arising and requiring the attention of the AC;

23) monitoring the measures undertaken by the Group to mitigate and to the extent possible remediate non-compliance by the Group, including non-compliances in respect of land use issues, and having oversight of and reviewing such measures to monitor and to the extent possible prevent further recurrence of non-compliances;

24) reviewing changes in accounting policies and practices, major risk areas and significant adjustments arising from audits, compliance statutory and regulatory requirements including the accounting standards and the Catalist Rules, and concerns and issues arising from audits including any matters which the external auditors may wish to discuss in the absence of the Management;

25) reviewing and approving all hedging policies implemented by the Group (if any) and conducting periodic review of foreign exchange transactions and hedging policies and procedures;

26) reviewing and establishing procedures for receipt, retention and treatment of complaints received by the Group, including among others, criminal offences involving the Group or the employees, and/or questionable accounting, auditing, business, safety or other matters that impact negatively on the Group, and ensuring that arrangements are in place for the independent investigations of such matter and for appropriate follow-up; and

27) undertaking generally such other functions and duties as may be required by law or the Catalist Rules, and by amendments made thereto from time to time.

In preparation for listing, the Company engaged Baker Tilly Consultancy (Singapore) Pte. Ltd. as the internal auditors and held discussions on internal controls. Following the listing, the Company was in the process of sourcing for a suitable internal auditor to conduct and review the adequacy and effectiveness of the Group's internal controls on a regular basis in light of the size and complexity of the Group's operations. The Board, with the concurrence of the AC, is of the opinion that the Group's internal controls (including financial, operational, compliance and information technology risks) and risk management systems were adequate and effective for FY2023.

The Independent and Non-Executive Directors have met regularly without the Management present.

Apart from the duties listed above, the AC will ensure that arrangements are in place for employees to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The AC will commission and review the findings of internal investigations into such matters or matters where there is any suspected fraud or irregularity, or failure of internal controls, or infringement of any law, rule or regulation which has or is likely to have a material impact on the Group's operating results and financial position. The AC will also ensure that the appropriate follow-up actions are taken. In the event that a member of the AC is interested in any matter being considered by the AC, he will abstain from reviewing and deliberating on that particular transaction or voting on that particular resolution.

The AC has full access to and cooperation of the Management and external auditors, and full discretion to invite any Director or Executive Officers to attend the meetings and has been given reasonable resources to enable it to discharge its functions properly.

The Company has paid or is payable on the following aggregate amount of fees to PricewaterhouseCoopers LLP and its network firm, collectively the external auditors, for services rendered in for the financial year ended 31 December 2023:

Services	Amount (SGD$)
Audit service	277,673
Audit-related services (IPO Fee)	527,253
Total	804,926

The AC had reviewed all audit and non-audit fees paid to PricewaterhouseCoopers LLP, the scope of services, the qualification, the independence and the objectivity of the external auditors. PricewaterhouseCoopers LLP has confirmed that they are public accounting firm registered with the Accounting and Corporate Regulatory Authority and provided a confirmation on their independence to the AC.

The AC is satisfied that PricewaterhouseCoopers LLP is able to meet the audit requirements and statutory obligation of the Company. In view of their requisite qualification and independence status, the AC is satisfied that Rule 712 of the Catalist Rules is complied with.

The Company has complied with Rule 715 of the Catalist Rules as PricewaterhouseCoopers LLP was engaged as the external auditors for the Company and its subsidiaries in Singapore for FY2023.

AC had met with the external auditors without the presence of Management to review the adequacy of the audit arrangements, with emphasis on the scope and quality of the audit and the independence and objectivity of the auditors. The Group has in place a Whistle-Blowing Policy to enable persons employed by the Group to report any suspicion or possible improprieties in matters of financial reporting, non-compliance with regulations, policies and fraud, etc, to the members of AC in writing for resolution, without any prejudicial implications for these employees. The AC will, depending on the nature of the concern, initiate inquiries to determine whether an investigation is appropriate and the form that it should take.

The Whistle-Blowing Policy also serves to ensure that any issues or complaints raised will be dealt with swiftly and effectively. The AC has been vested with the power and authority to receive, investigate and enforce appropriate action whenever any such non-compliance matter is brought to the AC's attention. The Group has designated an independent function to investigate whistle-blowing reports made in good faith and ensures that the identity of the whistle-blower is kept confidential and the Group is committed to ensure protection of the whistle-blower against detrimental or unfair treatment.

In FY2023, there were no reports received through the whistle-blowing mechanism.

The AC has reviewed all Interested Person Transactions during FY2023 and is of the opinion that Chapter 9 of the Catalist Rules has been complied with.

To keep abreast of the changes in accounting standards and issues which have a direct impact on financial statements, advice is sought from the external auditors when they attend the AC meetings half-yearly, where applicable.

CORPORATE
GOVERNANCE REPORT

SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

Principle 11: ***The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.***

Engagement with Shareholders

Principle 12: ***The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.***

MANAGING STAKEHOLDERS RELATIONSHIPS

Engagement with Shareholders

Principle 13: ***The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.***

In line with the continuous disclosure obligations of the Company pursuant to the Catalist Rules, the Company is committed to engage in regular and effective communication with its shareholders and ensures that all shareholders should be equally informed of all major developments of the Group which would likely materially affect the price or value of the Company's shares to facilitate the shareholders to exercise their ownership rights.

The Company does not practise selective disclosure as all material and price-sensitive information is released through SGXNet.

The Group believes that a high standard of transparent corporate disclosure is crucial to raising the level of corporate governance. The information is disseminated to shareholders of the Company on a timely basis through:

- announcements and/or press release released through SGXNet;
- annual reports and circulars prepared and issued to all shareholders of the Company; and
- the official corporate website of the Company (www.winkingworks.com).

To keep shareholders and stakeholders of the Company updated on the latest announcements, press releases and stock details of the Company, the shareholders and potential investors or stakeholders have 24-hour access to the Company's website. In addition, the Company currently does not have an investor relations policy. The shareholders and potential investors or stakeholders may subscribe for automated email alerts services from the Company's website to receive email alerts on the latest announcements and press releases disclosed via SGXNet. Enquiries may also be posed to the Company's investor relations by email.

When the opportunities arise, the Company will consider holding analyst briefings or investor roadshows to meet institutional and retail investors as well as to solicit and understand the view of shareholders and stakeholders.

All shareholders of the Company are given the opportunity to participate, voice their views or opinions and ask Directors or the Management questions regarding the Company and the Group in general meeting of the Company. The Board of the Company, including the Chairpersons of AC, RC and NC will be present at general meetings to address any questions or concerns of shareholders at general meetings. The external auditors will also be invited to attend the AGM to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report.

The Company prepares minutes of general meetings that include substantial and relevant comments or queries from shareholders relating to the agenda of the meeting, and responses from the Board and Management. The Company will publish the minutes of the forthcoming AGM via SGXNet within one (1) month from the AGM in accordance with Catalist Rules. Such minutes are also available to shareholders on its corporate website as soon as practicable.

There are separate resolutions at the general meetings to address each distinct issue. Each item of special business included in the notice of the general meetings will be accompanied by full explanation of the effects of a proposed resolution. The Company's Amended and Restated Memorandum and Articles of Association allow a shareholder or a depositor to appoint not more than two (2) proxies to attend and vote in absentia at general meetings through proxy forms deposited at least 72 hours before the general meeting. However, as the authentication of shareholder identity information and other related security issues still remain a concern, the Company has decided, for the time being, not to implement voting in absentia by mail, email or fax. Where the member is the Central Depository (Pte) Limited (or its nominee as notified in writing to the Company), it can appoint more than 2 proxies. Proxies need not be a shareholder of the Company.

The Board will put all resolutions to vote by poll and make an announcement of the detailed results showing the numbers of votes cast for and against each resolution and the respective percentages. Shareholders will be briefed on the rules, including poll voting procedures that govern general meetings of shareholders.

The Company does not have a fixed policy on payment of dividends. The issue of payment of dividend is deliberated by the Board annually having regard to various factors, including but not limited to the Group's actual and projected financial performance; projected levels of capital expenditure and other investment plans; working capital requirements and general financial conditions; and the level of the Group's cash and retained earnings. Taking into account the above factors, the Board has recommended a dividend of SGD0.005 per ordinary share to be paid in cash.

The Company's strategy and key areas of focus in relation to the management of stakeholder relationships during the year are set out in the Company's Sustainability Report.

The Company will update the shareholders on its corporate development through SGXNet announcements and its annual report. All materials presented in general meetings will be uploaded on SGXNet.

For enquiries, Shareholders and all other parties can contact the Company at ir@winkingworks.com.

MATERIAL CONTRACTS

There were no material contracts entered into by the Group involving the interests of any Director or controlling shareholder, which are either still subsisting at the end of the financial year or if not subsisting, entered into since the end of the previous financial year.

INTERESTED PERSON TRANSACTIONS

There were no interested person transactions equal to or exceeding S$100,000 in aggregate between the Company or its subsidiaries with any of its interested persons (as defined in Chapter 9 of the Catalist Rules) other than the following interested person transaction entered into during FY2023:

Name of interested party	Nature of relationship	Aggregate value of all interested person transaction during the financial period under review (excluding transactions conducted under shareholders' mandate pursuant to Rule 920 of the Catalist Rules)	Aggregate value of all interested person transaction conducted under shareholders' mandate pursuant to Rule 920 of the Catalist Rules
Acer America Corporation	Associate of ultimate holding corporation	Not applicable	USD107,000

DEALING IN SECURITIES

The Company has complied with Rule 1204(19) of the Catalist Rules in relation to the best practices on dealings in the securities:

(a) The Company had devised and adopted its own internal compliance code to provide guidance to its officers with regards to dealings by the Company and its officers in its securities;

(b) Officers of the Company did not deal in the Company's securities on short-term considerations; and

(c) The Company and its officers did not deal in the Company's shares (i) during the periods commencing one (1) month before the announcement of the Company's financial results for its half yearly and full year financial statements, ending on the date of the announcement of the relevant results, and (ii) if they are in possession of unpublished price-sensitive information of the Group.

In addition, the Directors and Management are expected to observe the insider trading laws at all times even when dealing in securities within permitted trading period.

USE OF PROCEEDS

The Company raised total net proceeds from the initial public offering of S$8,000,000 (the "**IPO Proceeds**"). As at the date of this report, the Company utilised the IPO Proceeds as follows:

	Allocation of IPO Proceeds (as disclosed in the Offer Document) S$'000	Amount utilized as at the date of this annual report S$'000	Balance as at the date of this annual report S$'000
Expansion of our operations globally, including establishing subsidiaries and offices and enhancing existing office and supporting infrastructure	1,000	0	1,000
Acquisitions, joint ventures and/or strategic alliances	2,240	0	2,240
Exploration of the use of AI capabilities in our art outsourcing segment	1,200	65	1,135
General working capital purposes	636	43	593
Total	**5,076**	**108**	**4,968**

The Group has the balance of S$4,968,000 of the unutilised IPO Proceeds allocated to increase the number of the dealerships, showrooms and service centres in cities where the Group has existing operations.

NON-SPONSOR FEES

The Company was listed on the Catalist Board of the SGX-ST on 20 November 2023, and PrimePartners Corporate Finance Pte. Ltd. ("**PPCF**") was the Full Sponsor and Issue Manager of the Company in respect of the listing. Pursuant to the listing, Full Sponsor and Issue Manager fees of approximately S$1.04 million (excluding GST) were paid in FY2023. Save as disclosed above, with reference to Rule 1204(21) of the Catalist Rules, no non-sponsor fees were paid to the Company's Sponsor, PPCF, for FY2023.


GOVERNANCE

FINANCIAL **CONTENTS**

DIRECTORS' STATEMENTS

for the financial year ended 31 December 2023

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 December 2023 and the balance sheet of the Company as at 31 December 2023.

In the opinion of the directors,

(a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 107 to 153 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2023 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and

(b) at the date of this statement, there are reasonable grounds to believe that the Group and the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are as follows:

Johnny Jan
Kao Shu-Kuo
Lim Heng Choon
Chang Yi-Hao
Yang Wu Te

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' interests in shares or debentures

(a) According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in name of director	
	At 31.12.2023	**At 01.01.2023**
Winking Studios Limited		
(No. of ordinary shares)		
Johnny Jan	21,268,929	1,548,233
Kao Shu-Kuo	300,000	–

(b) According to the register of directors' shareholdings, the directors holding office at the end of the financial year had no interests in the options to subscribe for ordinary shares of the Company or its related corporations.

(c) Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Audit Committee

The members of the Audit Committee at the end of the financial year were as follows:

Lim Heng Choon (Chairman)
Chang Yi-Hao
Yang Wu Te

All members of the Audit Committee were non-executive directors.

The Audit Committee carried out its functions and reviewed:

- the scope and the results of internal audit procedures with the internal auditor;
- the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;
- the assistance given by the Company's management to the independent auditor;

Audit Committee (Continued)

- the independence and objectivity of the independent auditor;

- the balance sheet of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2023 before their submission to the Board of Directors; and

- interested person transaction as defined under Chapter 9 of the Catalist Rules to ensure that they are on normal commercial terms and not prejudicial to the interest of the Company or its shareholders.

The Audit Committee confirmed that it has undertaken a review of all non-audit services provided by the independent auditor to the Group and is satisfied that the nature and extent of such services would not affect the independence of the independent auditor.

The Audit Committee has full access to and has the co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director or executive office to attend its meetings. The independent auditor has unrestricted access to the Audit Committee.

The Audit Committee has recommended to the Board that the independent auditor, PricewaterhouseCoopers LLP, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

Independent auditor

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept reappointment.

On behalf of the directors

Johnny Jan
Executive Director

Lim Heng Choon
Lead Independent Director and
Non-Executive Director

15 April 2024

INDEPENDENT
AUDITOR'S REPORT

to the members of Winking Studios Limited

Report on the Audit of the Financial Statements

Our Opinion

In our opinion, the accompanying consolidated financial statements of Winking Studios Limited ("the Company") and its subsidiaries ("the Group") and the balance sheet of the Company present fairly, in all material aspects, the consolidated financial position of the Group and the financial position of the Company as at 31 December 2023, and the consolidated financial performance, consolidated changes in equity and consolidated cash flows for the financial year then ended in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)s").

What we have audited

The financial statements of the Company and the Group comprise:

- the consolidated statement of comprehensive income of the Group for the financial year ended 31 December 2023;
- the balance sheets of the Company and the Group as at 31 December 2023;
- the consolidated statement of changes in equity of the Group for the financial year then ended;
- the consolidated statement of cash flows of the Group for the financial year then ended; and
- the notes to the financial statements, including material accounting policy information.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 December 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
Recognition of service revenue The Group recognises service revenue over time by reference to the price specified in the contract and the measure of progress towards complete satisfaction of the performance obligation. The measure of progress is determined based on the actual labour hours acknowledged by customers relative to the total contractual expected labour hours agreed with customers. Management has relied on past experience of completed projects to determine the total contractual expected labour hours to be agreed with the customers. We focused on the recognition of service revenue because of the use of significant effort to determine the extent of satisfaction of the performance obligation due to the voluminous number of contracts.	Our audit procedures included the following: • Evaluate the appropriateness of the Group's revenue recognition policies in accordance with SFRS(I) 15; • Obtain understanding of revenue recognition processes and evaluate the design and test the effectiveness of the relevant internal controls over revenue recognition of service revenue; • Obtain and review, on a sample basis, sales contract to assess the performance obligation; • Test the price and actual labour hours acknowledged by customers for selected projects, on a sample basis; and • Recompute the measure of progress and the revenue recognised for the year. Based on the above procedures performed, we did not note material exceptions to management's assessment of the recognition of service revenue to be taken up as at 31 December 2023. We also found the disclosure on the method used by management in recognising service revenue in Note 3 to be appropriate.

Other Information

Management is responsible for the other information. The other information comprises all the sections of the annual report but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of financial statements in accordance with SFRS(I)s and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

The engagement partner on the audit resulting in this independent auditor's report is Alex Toh Wee Keong.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 15 April 2024

CONSOLIDATED STATEMENT OF **COMPREHENSIVE INCOME**

for the financial year ended 31 December 2023

	Note	2023 USD'000	2022 USD'000
Revenue from contracts with customers	4	29,281	24,498
Cost of sales	7	(19,947)	(18,050)
Gross profit		9,334	6,448
Other income	5	124	146
Other gains/(losses) – net	6	13	(120)
Distribution and marketing	7	(1,548)	(1,013)
Administrative expenses	7	(6,368)	(4,603)
Expected credit losses	24	(111)	(32)
Interest income		68	9
Finance expenses	9	(89)	(60)
		(7,911)	(5,673)
Profit before income tax		1,423	775
Income tax credit	10(a)	357	262
Profit for the year		1,780	1,037
Other comprehensive loss:			
Items that may be reclassified subsequently to profit or loss:			
Currency translation losses arising from consolidation		(76)	(909)
Total comprehensive income for the year		1,704	128
Profit for the year attributable to:			
– Equity holders of the Company		1,780	1,037
Total comprehensive income attributable to:			
– Equity holders of the Company		1,704	128
Earnings per share for profit attributable to equity holders of the Company			
(Expressed in dollar per share)			
– Basic and diluted earnings per share	11	0.007	0.005

The accompanying notes form an integral part of these financial statements.

BALANCE **SHEETS**

as at 31 December 2023

	Note	Group 2023 USD'000	Group 2022 USD'000	Company 2023 USD'000	Company 2022 USD'000
ASSETS					
Current assets					
Cash at bank	12	16,423	6,057	5,549	55
Trade and other receivables	13	3,876	3,704	399	13
Contract assets	4	3,469	2,975	–	–
		23,768	12,736	5,948	68
Non-current assets					
Property, plant and equipment	14	2,255	2,307	–	–
Right-of-use assets	15	2,545	2,804	–	–
Intangible assets	16	203	243	–	–
Investment in subsidiaries	17	–	–	12,588	9,981
Other non-current assets	18	249	366	–	–
Deferred income tax assets	20	1,483	1,028	–	–
Total non-current assets		6,735	6,748	12,588	9,981
Total assets		30,503	19,484	18,536	10,049
LIABILITIES					
Current liabilities					
Trade and other payables	19	5,402	4,504	455	275
Contract liabilities	4	44	137	–	–
Current income tax liabilities	10(b)	63	24	–	–
Lease liabilities	15	930	896	–	–
		6,439	5,561	455	275
Non-current liabilities					
Lease liabilities	15	1,687	1,901	–	–
Deferred income tax liabilities	20	930	892	–	–
		2,617	2,793	–	–
Total liabilities		9,056	8,354	455	275
NET ASSETS		21,447	11,130	18,081	9,774
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	21	8,615	5,226	8,615	5,226
Other reserves		4,609	(2,166)	8,818	1,967
Retained profits		8,223	8,070	648	2,581
Total equity		21,447	11,130	18,081	9,774

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF **CHANGES IN EQUITY**

for the financial year ended 31 December 2023

	Note	Attributable to owners of the Group					
				Other reserves			
		Share capital USD'000	Capital reserves USD'000	Other reserves USD'000	Currency translation reserve USD'000	Retained profits USD'000	Total USD'000
2023							
Beginning of financial year		5,226	1,967	(3,071)	(1,062)	8,070	11,130
Profit for the year		–	–	–	–	1,780	1,780
Other comprehensive loss for the year		–	–	–	(76)	–	(76)
Total comprehensive income for the year		–	–	–	(76)	1,780	1,704
Transactions with owners, recognised directly in equity							
Issuance of new shares pursuant to IPO		1,193	4,773	–	–	–	5,966
Share issue expenses		–	(377)	–	–	–	(377)
Cash capital increase		569	2,455	–	–	–	3,024
Stock buyback		(7,422)	–	–	–	–	(7,422)
Issuance of new shares		7,422	–	–	–	–	7,422
Capitalisation of retained profits		1,627	–	–	–	(1,627)	–
		3,389	6,851	–	–	(1,627)	8,613
End of financial year		8,615	8,818	(3,071)	(1,138)	8,223	21,447
2022							
Beginning of financial year		5,226	1,967	(3,096)	(153)	7,058	11,002
Profit for the year		–	–	–	–	1,037	1,037
Other comprehensive loss for the year		–	–	–	(909)	–	(909)
Total comprehensive income for the year		–	–	–	(909)	1,037	128
Transactions with owners, recognised directly in equity							
Profit appropriations to statutory reserves		–	–	25	–	(25)	–
		–	–	25	–	(25)	–
End of financial year		5,226	1,967	(3,071)	(1,062)	8,070	11,130

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF **CASH FLOWS**

for the financial year ended 31 December 2023

	Note	2023 USD'000	2022 USD'000
Cash flows from operating activities			
Profit before income tax		1,423	775
Adjustments for:			
– Depreciation of property, plant and equipment	7	611	415
– Depreciation of right-of-use assets	7	1,110	974
– Amortisation of intangible assets	7	74	66
– Expected credit losses	24	111	32
– Interest income		(68)	(9)
– Finance expenses	9	89	60
– Loss on disposal of property, plant and equipment	6	9	64
– Gains on lease modification	6	–	(151)
– Exchange losses		73	73
		3,432	2,299
Changes in working capital:			
– Contract assets		(546)	(576)
– Trade and other receivables		(350)	(448)
– Contract liabilities		(90)	141
– Trade and other payables		976	569
Cash generated from operations		3,422	1,985
Interest received		68	9
Income tax paid	10(b)	(21)	(15)
Net cash generated from operating activities		3,469	1,979
Cash flows from investing activities			
Additions to property, plant and equipment	14	(630)	(1,601)
Proceeds from disposal of property, plant and equipment		17	11
Decrease in prepayments for equipment		98	–
Additions to intangible assets		(38)	(86)
Increase in refundable deposits		–	(70)
Decrease in refundable deposits		12	–
Net cash used in investing activities		(541)	(1,746)
Cash flows from financing activities			
Proceeds from share issuance, net of share issue expenses	21	8,613	–
Principal payments of lease liabilities		(1,031)	(790)
Interest paid		(89)	(60)
Net cash generated from/(used in) financing activities		7,493	(850)
Net changes in cash and cash equivalents		10,421	(617)
Cash and cash equivalents			
Beginning of financial year		6,057	7,278
Effects of exchange rate changes on cash and cash equivalents		(55)	(604)
End of financial year	12	16,423	6,057

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF **CASH FLOWS**

for the financial year ended 31 December 2023

Reconciliation of liabilities arising from financing activities

			Non-cash changes				
	Beginning of financial year USD'000	Principal and interest payments USD'000	Addition USD'000	Interest expense on lease liabilities USD'000	Lease modification USD'000	Foreign exchange movement USD'000	End of financial year USD'000
Lease liabilities							
2023	2,797	(1,120)	855	89	–	(4)	2,617
2022	2,176	(850)	1,779	60	(151)	(217)	2,797

The accompanying notes form an integral part of these financial statements.

NOTES
TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

1. GENERAL INFORMATION

Winking Studios Limited (the "Company") was incorporated in the Cayman Islands on 15 December 2005 pursuant to the Cayman Islands Companies Act as an exempted company with limited liability, under the name "Winking Entertainment Ltd". The Company was listed on the Catalist of Singapore Exchange Securities Trading Limited (the "SGX-ST") on 20 November 2023.

The address of the Company's registered office is P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands.

The Company is an investment holding company. The Company, together with its subsidiaries (as listed in Note 17) (collectively referred herein as, the "Group"), are principally engaged in the operation of Art Outsourcing and Game Development studios in the People's Republic of China (the "PRC").

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of preparation

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)s") under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I)s requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The area involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2023

On 1 January 2023, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) ("INT SFRS(I)") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in the substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

The following new standards, amendments and interpretations to existing SFRS(I)s have been published and are not mandatory for 31 December 2023 reporting periods and have not been early adopted by the Group.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.1 Basis of preparation (Continued)

Interpretations and amendments to published standards effective in 2023 (Continued)

Description	Effective for annual period beginning on or after
Amendments to SFRS(I) 1-1: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to SFRS(I) 1-1: Non-current Liabilities with Covenants	1 January 2024
Amendments to SFRS(I) 1-7 and SFRS(I) 7: Supplier Finance Arrangements	1 January 2024
Amendments to SFRS(I) 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to SFRS(I) 10 and SFRS(I) 1-28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

Management anticipates that the adoption of the above new or amended accounting standards and interpretations are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

2.2 Revenue recognition

Revenue is recognised when or as the control of the service is transferred to the customer. Depending on the terms of the contract and laws that apply to the contract, control of the services may be transferred over time.

(a) Revenue from service and Others

(i) Revenue from service

The Group's revenue from providing art outsourcing, technical support and game development and other related services is recognised when the individual performance obligation is fulfilled over time. Service revenue is based on the price specified in the contract. The stage of completion is determined based on the actual labour hours acknowledged by customers relative to the total contractual expected labour hours agreed with customers.

The customer pays at the time specified in the payment schedule. If the services rendered exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 Revenue recognition (Continued)

(a) Revenue from service and Others (Continued)

(ii) Others

- The Group entered into contracts with customers to grant a licence of intellectual property to the customer. The Group recognises revenue when the performance obligation has been satisfied.

- The Group is engaged in sales of video games and sales of peripheral products of the games. Sales are recognised when control of the products has transferred, that is, the customer has control of the product and obtained most residual benefit, and there is no unfulfilled obligation that could affect the customer acceptance of the products.

(b) Interest income

Interest income from financial assets at amortised cost is recognised using the effective interest rate method.

2.3 Employee compensation

Employee benefits are recognised as an expense unless the cost qualifies to be capitalised as an asset.

- *Defined contribution plans*

  Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.4 Leases

When the Group is the lessee:

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

(a) Right-of-use assets

The Group recognises a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentives received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

These right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

(b) Lease liabilities

The initial measurement of a lease liability is measured at the present value of the lease payments discounted using the interest rate implicit in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

Lease payments include fixed payment (including in-substance fixed payments), less any lease incentives receivables.

Lease liabilities are measured at amortised cost using the effective interest method. Lease liabilities shall be remeasured when:

(i) There is a change in future lease payments arising from changes in an index or rate;

(ii) There is a change in the Group's assessment of whether it will exercise an extension option; or

(iii) There is modification in the scope or the consideration of the lease that was not part of the original term.

Lease liabilities are remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.4 Leases (Continued)

(c) *Short-term and low value leases*

The Group has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

2.5 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.5 Income taxes (Continued)

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2.6 Government grant

Grants from the government are recognised as a receivable at their fair value when there is a reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

2.7 Property, plant and equipment

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.7 Property, plant and equipment (Continued)

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Estimated useful life
Computers and electronic equipment	3 – 5 years
Leasehold improvements	1.5 – 5 years
Motor vehicles	5 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date.

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within "other gains/(losses) – net". Any amount in revaluation reserve relating to that item is transferred to retained profits directly.

2.8 Intangible assets

Acquired computer software licences

Acquired computer software licences are initially capitalised at cost which includes the purchase prices (net of any discounts and rebates) and other directly attributable costs of preparing the asset for its intended use. Costs associated with maintaining the computer software are expensed off when incurred.

Computer software licences are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over their estimated useful lives of 3 to 5 years.

The amortisation period and amortisation method of intangible assets other than goodwill are reviewed at least at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

2.9 Investments in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.10 Impairment of non-financial assets

Intangible assets, property, plant with equipment, right-of-use assets and investments in subsidiaries are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

For an asset other than goodwill, management assesses at the end of the reporting period whether there is any indication that an impairment recognised in prior periods may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is estimated and may result in a reversal of impairment loss. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

2.11 Financial assets

(a) Classification and measurement

The Group classifies its financial assets at amortised cost.

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

<u>At initial recognition</u>

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.11 Financial assets (Continued)

(a) *Classification and measurement* (Continued)

At subsequent measurement

Debt instruments mainly comprise of cash and cash equivalents, trade and other receivables, contract assets and other non-current assets-refundable deposits.

There is one measurement category into which the Group classified its debt instruments:

Amortised cost: Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

(b) *Impairment*

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 24 details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables and contract assets, the Group applies the simplified approach permitted by the SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(c) *Recognition and derecognition*

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss.

On disposal of an equity investment, the difference between the carrying amount and sales proceed is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and sales proceed amount would be recognised in other comprehensive income and transferred to retained profits along with the amount previously recognised in other comprehensive income relating to that asset.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.12 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are presented as current borrowings on the balance sheet. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

2.13 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business, if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

2.14 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

2.15 Currency translation

(a) *Functional and presentation currency*

Items included in the consolidated financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (“functional currency”). The consolidated financial statements are presented in United States Dollar (“USD”), and the functional currency of the Company is USD.

(b) *Transactions and balances*

Transactions in a currency other than the functional currency (“foreign currency”) are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss. Monetary items include primarily financial assets (other than equity instruments), contract assets and financial liabilities.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

All other foreign exchange gains and losses impacting profit or loss are presented in the income statement within “other gains/(losses)”.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.15 Currency translation (Continued)

(c) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities are translated at the closing exchange rates at the reporting date; and

(ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions).

(iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal with loss of control of the foreign operation.

2.16 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Directors of the Company.

2.17 Group accounting

(a) Subsidiaries

(i) Consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on which control ceases.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.17 Group accounting (Continued)

(a) *Subsidiaries* (Continued)

(i) Consolidation (Continued)

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity, and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

(ii) Acquisitions

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired is recorded as goodwill.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.17 Group accounting (Continued)

(a) *Subsidiaries* (Continued)

(iii) Disposals

When a change in the Group's ownership interest in a subsidiary result in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific SFRS(I).

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

(b) *Transactions with non-controlling interests*

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Estimates of contract assets and service revenue

The Group recognises contract assets and service revenue when the individual performance obligation is fulfilled over time. Service revenue is based on the price specified in the contract. The stage of completion is determined based on the actual labour hours acknowledged by customers relative to the total contractual expected labour hours agreed with customers.

Management has to estimate the total labour hours to complete the service, which are contractually agreed with customers and used to determine the Group's recognition of art outsourcing revenue.

Management has relied on past experience of completed projects to determine the total contractual expected labour hours to be agreed with the customers.

Please refer to Note 4 for more details about the transactions.

4. REVENUE

The Group derives revenue from the transfer of services over time. Disaggregation of the Group's revenue is set out below.

	Group	
	2023 USD'000	2022 USD'000
Service revenue	29,120	24,248
Other	161	250
Total	29,281	24,498

All art outsourcing contracts are for periods of one year or less. As permitted under SFRS(I) 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

Contract assets and liabilities

The Group has recognised the following revenue-related contract assets and liabilities:

	Group		
	31 December		1 January
	2023 USD'000	2022 USD'000	2022 USD'000
Contract assets	3,469	2,975	2,644
Contract liabilities	44	137	–

Revenue recognised that was included in the contract liability balance at the beginning of the year:

	Group	
	2023 USD'000	2022 USD'000
Service revenue	137	–

5. OTHER INCOME

	Group	
	2023 USD'000	2022 USD'000
Government grant income	51	113
Others	73	33
	124	146

6. OTHER GAINS/(LOSSES) - NET

	Group 2023 USD'000	Group 2022 USD'000
Foreign exchange gains/(losses)	22	(144)
Gains on lease modification	–	151
Losses on disposal of property, plant and equipment	(9)	(64)
Losses on liquidation of subsidiary	–	(48)
Others	–	(15)
	13	(120)

7. EXPENSES BY NATURE

	Group 2023 USD'000	Group 2022 USD'000
Employee compensation (Note 8)	17,692	16,055
Subcontract Expense	3,410	3,637
Depreciation of property, plant and equipment (Note 14)	611	415
Depreciation of right-of-use assets (Note 15)	1,110	974
Amortisation charges on intangible assets (Note 16)	74	66
Professional fees	2,475	361
Welfare expenses	463	361
Travel expenses	206	80
Other expenses	1,822	1,717
Total cost of sales, distribution and marketing costs and administrative expenses	27,863	23,666

8. EMPLOYEE COMPENSATION

	Group 2023 USD'000	Group 2022 USD'000
Wages and salaries	14,631	13,240
Employer's contribution to defined contribution plans	1,609	1,379
Other social security contribution	992	1,017
Other personnel expenses	460	419
	17,692	16,055

8. EMPLOYEE COMPENSATION (CONTINUED)

The Group's PRC subsidiaries have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the PRC are based on certain percentage of employees' monthly salaries and wages.

The Group's Taiwan subsidiaries have established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with Republic of China nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

For the financial years ended 31 December 2022 and 2023, the pension costs under defined contribution pension plans of the Group amounted to USD1,379,170 and USD1,609,273 respectively.

9. FINANCE EXPENSES

	Group	
	2023	**2022**
	USD'000	**USD'000**
Interest expense on lease liabilities (Note 15)	89	60

10. INCOME TAXES

(a) Income tax credit

	Group	
	2023	**2022**
	USD'000	**USD'000**
Current income tax	51	28
Underprovision of current income taxes	9	–
Total current income tax	60	28
Deferred income tax credit (Note 20)	(417)	(290)
	(357)	(262)

10. INCOME TAXES (CONTINUED)

(a) Income tax credit (Continued)

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the standard rate of income tax as follows:

	Group	
	2023 USD'000	2022 USD'000
Profit before income tax	1,423	775
Tax calculated at the applicable tax rate	302	221
Effect of:		
– expenses not deductible for tax purposes	23	14
– income not subject to tax	(57)	(89)
– expenses relating to technical improvements deduction	(16)	(294)
– temporary differences not recognised as deferred tax assets	(9)	8
– taxable loss not recognised as deferred tax assets	–	172
– under-provision of income taxes in prior financial year	9	–
– utilisation of previously unrecognised tax losses	(609)	(349)
– other	–	55
Tax credit	(357)	(262)

Note: The basis for computing the applicable tax rate are the rates applicable in the respective countries where the Group entities operate.

(b) Movement in current income tax liabilities

	Group		Company	
	2023 USD'000	2022 USD'000	2023 USD'000	2022 USD'000
Beginning of financial year	24	11	–	–
Currency translation differences	–	–	–	–
Income tax paid	(21)	(15)	–	–
Tax expense	60	28	–	–
End of financial year	63	24	–	–

10. INCOME TAXES (CONTINUED)

(c) Tax incentive

Certain subsidiaries of the Group qualified for a preferential tax policy implemented by the PRC government as follows:

The subsidiaries of the Group, Shanghai Winking Entertainment Limited, Shanghai Wishing Entertainment Ltd. and Nanjing Winking Entertainment Limited, were entitled to the reduction or exemption of enterprise income tax under the 'Announcement of the Preferential Income Tax Policies for Micro and Small Enterprises and Individual Industrial and Commercial Households' promulgated by the Ministry of Finance and the State Taxation Administration of the People's Republic of China. The subsidiaries were also entitled to a higher deduction of 175% to 200% for the expenses relating to technical improvements that have been incurred by an enterprise during the research and development activity.

11. EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share is calculated by dividing net profit for the financial year attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding at the end of the financial year.

	Group	
	2023	2022
Net profit attributable to equity holders of the Company (USD'000)	1,780	1,037
Weighted average number of ordinary shares ('000)	243,381	221,068
Basic earnings per share (in USD)	0.007	0.005

For the financial years ended 31 December 2022 and 2023, the aforementioned weighted average number of ordinary shares outstanding had been retrospectively adjusted to account for (i) the number of ordinary shares from the conversion of US dollar ordinary shares into NTD ordinary shares, (ii) from the capitalisation of capital reserve, (iii) from the issuance of scrip dividends by capitalisation of the Company's retained profits on 17 May 2023, and (iv) the number of ordinary shares from the conversion of NTD ordinary shares to Singapore Dollar ("SGD") ordinary shares on 1 November 2023. Please refer to Note 21 for details.

(b) Diluted earnings per share

For the financial years ended 31 December 2022 and 2023, diluted earnings per share is the same as basic earnings per share as there were no potential dilutive ordinary shares.

12. CASH AND CASH EQUIVALENTS

	Group		Company	
	2023 USD'000	2022 USD'000	2023 USD'000	2022 USD'000
Cash at bank and on hand	14,343	6,057	5,549	55
Short term bank deposits	2,080	–	–	–
	16,423	6,057	5,549	55

13. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2023 USD'000	2022 USD'000	2023 USD'000	2022 USD'000
Trade receivables:				
– Receivables	3,499	3,372	–	–
Less: Loss allowance	(69)	(59)	–	–
	3,430	3,313	–	–
Other receivables	173	193	13	–
Other receivables – subsidiaries	–	–	386	13
Prepayments:				
– Offset against business tax payable	–	2	–	–
– Other prepayments	273	196	–	–
	446	391	399	13
Total	3,876	3,704	399	13

As at 31 December 2022 and 2023, trade receivables were all from contracts with customers. Also, as of 1 January 2022, the trade receivables from contracts with customers amounted to USD3,229,000.

The Group has no trade receivables pledged to others.

The Group did not hold any collateral for trade receivables.

14. PROPERTY, PLANT AND EQUIPMENT

	Computers and electronic equipment USD'000	Leasehold improvements USD'000	Motor vehicles USD'000	Asset under construction USD'000	Total USD'000
Group					
2023					
Cost					
Beginning of financial year	2,325	628	45	269	3,267
Additions	417	19	–	194	630
Disposals	(102)	(12)	–	–	(114)
Reclassification	–	318	–	(318)	–
Currency translation differences	(32)	(18)	(1)	(7)	(58)
End of financial year	2,608	935	44	138	3,725
Accumulated depreciation					
Beginning of financial year	(750)	(165)	(45)	–	(960)
Depreciation charge	(461)	(150)	–	–	(611)
Disposals	77	11	–	–	88
Currency translation differences	11	1	1	–	13
End of financial year	(1,123)	(303)	(44)	–	(1,470)
Net book value					
Beginning of financial year	1,575	463	–	269	2,307
End of financial year	1,485	632	–	138	2,255

	Computers and electronic equipment USD'000	Leasehold improvements USD'000	Motor vehicles USD'000	Asset under construction USD'000	Total USD'000
Group					
2022					
Cost					
Beginning of financial year	1,828	788	50	–	2,666
Additions	992	333	–	276	1,601
Disposals	(312)	(428)	–	–	(740)
Currency translation differences	(183)	(65)	(5)	(7)	(260)
End of financial year	2,325	628	45	269	3,267
Accumulated depreciation					
Beginning of financial year	(709)	(558)	(50)	–	(1,317)
Depreciation charge	(348)	(67)	–	–	(415)
Disposals	242	423	–	–	665
Currency translation differences	65	37	5	–	107
End of financial year	(750)	(165)	(45)	–	(960)
Net book value					
Beginning of financial year	1,119	230	–	–	1,349
End of financial year	1,575	463	–	269	2,307

As at 31 December 2022 and 2023, there is no property, plant and equipment for the Company.

15. LEASES - THE GROUP AS A LESSEE

(a) Nature of the Group's leasing activities

Leasehold building

The Group leases office premises. Rental contracts are typically contracted for periods of 1 to 5 year(s). Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants.

(b) Amounts recognised in the consolidated statements of financial position

The consolidated statements of financial position show the following amounts relating to leases:

	Group		Company	
	2023 USD'000	**2022 USD'000**	**2023 USD'000**	**2022 USD'000**
Right-of-use assets				
– Buildings	2,545	2,804	–	–
Lease liabilities				
Current	930	896	–	–
Non-current	1,687	1,901	–	–
	2,617	2,797	–	–

The carrying amount of right-of-use assets and the depreciation charge are as follows:

	Group	
	2023 USD'000	**2022 USD'000**
Beginning of financial year	2,804	2,218
Addition	855	1,778
Depreciation charge	(1,110)	(974)
Currency translation differences	(4)	(218)
End of financial year	2,545	2,804

Interest expense

	Group	
	2023 USD'000	**2022 USD'000**
Interest expense on lease liabilities (Note 9)	89	60

15. LEASES - THE GROUP AS A LESSEE (CONTINUED)

(b) Amounts recognised in the consolidated statements of financial position (Continued)

Lease expense not capitalised in lease liabilities

	Group	
	2023 USD'000	2022 USD'000
Lease expense – short-term leases	10	54
Lease expense – low-value leases	6	18
Total	16	72

For the financial years ended 31 December 2022 and 2023, the Group's total cash outflow for all leases were USD922,000 and USD1,136,000 respectively.

For the financial year ended 31 December 2022, the Company has applied the practical expedient to "Covid-19-related rent concessions", and recognised the gain from changes in lease payments arising from the rent concessions amounting to USD151,000 by increasing other gains.

16. INTANGIBLE ASSETS

	Computer software licences USD'000	Patent right USD'000	Trademark USD'000	Total USD'000
Group				
2023				
Cost				
Beginning of financial year	1,296	31	56	1,383
Additions	38	–	–	38
Disposal	–	(29)	–	(29)
Currency translation differences	90	–	(1)	89
End of financial year	1,424	2	55	1,481
Accumulated amortisation				
Beginning of financial year	(1,053)	(31)	(56)	(1,140)
Amortisation charge	(74)	–	–	(74)
Disposal	–	29	–	29
Currency translation differences	(94)	–	1	(93)
End of financial year	(1,221)	(2)	(55)	(1,278)
Net book value				
Beginning of financial year	243	–	–	243
End of financial year	203	–	–	203

16. INTANGIBLE ASSETS (CONTINUED)

	Computer software licences USD'000	Patent right USD'000	Trademark USD'000	Total USD'000
Group				
2022				
Cost				
Beginning of financial year	1,355	31	60	1,446
Additions	86	–	–	86
Currency translation differences	(145)	–	(4)	(149)
End of financial year	1,296	31	56	1,383
Accumulated amortisation				
Beginning of financial year	(1,110)	(31)	(60)	(1,201)
Amortisation charge	(66)	–	–	(66)
Currency translation differences	123	–	4	127
End of financial year	(1,053)	(31)	(56)	(1,140)
Net book value				
Beginning of financial year	245	–	–	245
End of financial year	243	–	–	243

As at 31 December 2022 and 2023, there is no intangible assets for the Company.

Amortisation expense included in the statement of comprehensive income is analysed as follows:

	Group	
	2023 USD'000	2022 USD'000
Cost of sales	7	2
Administrative expenses	67	64
	74	66

17. INVESTMENTS IN SUBSIDIARIES

The investments in subsidiaries represent unquoted equity shares at cost.

	Company	
	2023 USD'000	2022 USD'000
Equity investments at cost	12,588	9,981

The subsidiaries held by the Company are as follows:

Name of subsidiaries	Country of incorporation	Principal activities	Effective interest held by the Group		Cost of investment		Notes
			2023 %	2022 %	2023 USD'000	2022 USD'000	
Directly held							
Shanghai Winking Entertainment Limited	People's Republic of China	Investment holding, Art outsourcing and Game development headquarter	100	100	6,822	6,822	(iii)
Winking Entertainment (HK) Ltd.	Hongkong	Game development, management and sales	100	100	2,500	2,500	(ii)
Winking Art Pte. Ltd.	Singapore	Art outsourcing	100	100	1,026	376	(ii)
Winking Entertainment Corporation	Taiwan	Intellectual property licensing	100	100	2,240	283	(i)
Winking Skywalker Entertainment Ltd.	Hongkong	Intellectual property licensing	100	100	*	*	(ii)
					12,588	9,981	

* Cost of investment is at USD1.

17. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiaries	Country of incorporation	Principal activities	Effective interest held by the Group 2023 %	2023 %	Notes
Indirectly held					
Nanjing Winking Entertainment Limited	People's Republic of China	Art outsourcing	100	100	(iii)
Shanghai Wishing Entertainment Ltd.	People's Republic of China	Group administration, PRC's Intellectual property licensing	100	100	(iii)
Winking Entertainment Investment Ltd.	Hongkong	Original intellectual licensing development, Intellectual property licensing	100	100	(ii)
Winking Art Limited	Hongkong	Art outsourcing	100	100	(ii)

Notes:

(i) Audited by PricewaterhouseCoopers Taiwan for local statutory purposes.

(ii) These subsidiaries are audited by other accounting firms for local statutory purposes.

(iii) Under the PRC laws, these subsidiaries are not required to appoint an auditor. The Company had appointed PricewaterhouseCoopers LLP, Singapore to perform audit/review work in respect of the Group (comprising the Company and subsidiaries) for consolidation purpose in accordance with the SFRS(I).

18. OTHER NON-CURRENT ASSETS

	Group		Company	
	2023 USD'000	2022 USD'000	2023 USD'000	2022 USD'000
Prepayments for equipment	15	119	–	–
Refundable deposits	234	247	–	–
	249	366	–	–

19. TRADE AND OTHER PAYABLES

	Group		Company	
	2023 USD'000	**2022 USD'000**	**2023 USD'000**	**2022 USD'000**
Current				
Trade payables to:				
– non-related parties	1,459	1,209	–	–
Other payables:				
– salaries and bonuses payable	2,857	2,434	–	–
– social insurance and provident fund payable	136	146	–	–
– service charge payable	393	273	381	259
– other payables to ultimate holding corporation	2	–	–	–
– other payables to subsidiaries	–	–	59	–
– others	555	442	15	16
	3,943	3,295	455	275
Total	5,402	4,504	455	275

20. DEFERRED INCOME TAXES

The movement in deferred income tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) is as follows:

	2023			
	Beginning of financial year USD'000	**Recognised in profit or loss USD'000**	**Currency translation differences USD'000**	**Total USD'000**
Deferred income tax assets				
Accrued expenses	108	48	(2)	154
Tax losses	710	378	(13)	1,075
Lease liabilities	210	48	(4)	254
	1,028	474	(19)	1,483
Deferred income tax liabilities				
Service revenue	(682)	(6)	13	(675)
Right-of-use assets	(210)	(49)	4	(255)
	(892)	(55)	17	(930)
	136	419	(2)	553

20. DEFERRED INCOME TAXES (CONTINUED)

	2022			
	Beginning of financial year USD'000	Recognised in profit or loss USD'000	Currency translation differences USD'000	Total USD'000
Deferred income tax assets				
Accrued expenses	114	5	(11)	108
Tax losses	359	393	(42)	710
Lease liabilities	361	(131)	(20)	210
	834	267	(73)	1,028
Deferred income tax liabilities				
Service revenue	(630)	(108)	56	(682)
Right-of-use assets	(361)	131	20	(210)
	(991)	23	76	(892)
	(157)	290	3	136

With effect from 1 January 2018, the PRC tax regulation allows a company, which had qualified as a technology-based small-and-medium-sized enterprise ("TSME"), to carry forward the unutilised tax losses (including those losses relating to 5 years prior to it qualifying as a TSME) for a period of up to 10 years.

The Group has unrecognised tax losses of USD9,690,000 and USD7,626,000 as at 31 December 2022 and 2023, respectively, which can be carried forward and used to offset against future taxable income subject to those companies meeting certain statutory requirements. Tax losses amounting to USD7,626,000 will expire between 1 January 2024 to 31 December 2032.

21. SHARE CAPITAL

	Issued share capital	
	No. of ordinary shares share	Amount USD'000
2023		
Beginning of financial year	15,701,932	5,226
Cash capital increase	1,744,659	569
Declaration and issuance of scrip dividend	5,000,000	1,627
Repurchase and cancellation of outstanding USD ordinary shares	(22,446,591)	(7,422)
Shares issued	239,698,275	7,422
Issuance of shares upon listing	40,000,000	1,193
End of financial year	279,698,275	8,615
2022		
Beginning/End of financial year	15,701,932	5,226

The rights and obligations of all the ordinary shares issued are the same.

21. SHARE CAPITAL (CONTINUED)

All issued ordinary shares fully paid-up with par value of SGD0.04 per share.

On 10 January 2023, the Company issued 1,744,659 ordinary shares with par value NT$10 per share to various of investors for a cash consideration of USD3,022,980 constituting share capital of USD568,392 and capital reserves of USD2,454,588.

On 17 May 2023, the Company declared and issued scrip dividends where it issued 5,000,000 ordinary shares of a par value of NTD10 per share by capitalising its retained profits of USD1,626,550.

On 1 November 2023, the Company repurchased and cancelled its previously issued 22,446,591 ordinary shares with par value of NTD10 per share from the existing shareholders for a consideration of USD7,422,000. The consideration was fulfilled via issuance of 239,698,275 ordinary shares with par value of SGD0.04 per share.

On 20 November 2023, pursuant to Company's initial public offering, the Company issued 40,000,000 ordinary shares by way of a placement and cornerstone tranche, with par value SGD0.04 per share at SGD0.20 for each placement share and each cornerstone share. The placement and cornerstone tranche were fully subscribed and the proceeds resulted in an increase in total equity of USD5,996,400 constituting share capital of USD1,193,280 and capital reserves of USD4,773,120.

22. OTHER RESERVE

Pursuant to the Company's Articles of Incorporation, capital reserve arising from paid-in capital in excess of par value on issuance of common stocks and capital contributions can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership.

Please refer to the consolidated statement of changes in equity for the details of changes in the Group's other reserve.

23. DIVIDENDS

	Group	
	2023 USD'000	2022 USD'000
Proposed but not recognised as a liability as at 31 December		
– Exempt dividend for 2023 of SGD0.5 cents (2022: nil cents) per share	1,059	–

At the Annual General Meeting on 30 April 2024, a Special dividend of SGD0.5 cents per share amounting to a total of US$1,059,000 will be recommended.

These financial statements do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained profits in the financial year ending 31 December 2023.

24. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the Group's financial performance.

Risk management is carried out by a central treasury department (Group treasury) under policies approved by the management. Group treasury is mainly responsible for identifying, evaluating and hedging financial risks. Group Treasury measures actual exposures against the limits set and prepare regular report to the Board of Directors.

(a) Market risk

(i) Currency risk

The Group operates internationally and is exposed to currency risk arising from the transactions of the Company and its subsidiaries in various currency, primarily the USD, the Chinese Renminbi ("RMB") and the New Taiwan Dollar ("NTD") other than their respective functional currencies.

Management has set up a policy to require group companies to manage their currency risk against their functional currency. The companies are required to manage their entire currency risk exposure with the Group treasury. Currency risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

The Group's currency exposure based on the information provided to key management is as follows:

	NTD $000	RMB '$000
Group		
2023		
Financial assets		
Cash and bank balances	2,288	3,727
Trade and other receivables	1,563	1,083
Receivables from holding corporations/subsidiaries	141	1,095
Total financial assets	3,992	5,905
Financial liabilities		
Trade and other payables	(882)	(3,116)
Payable from holding corporations/subsidiaries	(141)	(1,095)
Total financial liabilities	(1,023)	(4,211)
Net financial assets	2,969	1,694
Less: Net financial assets denominated in the respective entities' functional currency	(3,078)	(787)
Net currency exposure	(109)	907

24. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (Continued)

(i) Currency risk (Continued)

	NTD '$000	RMB '$000
Group		
2022		
Financial assets		
Cash and bank balances	655	3,039
Trade and other receivables	905	2,025
Receivables from holding corporations/subsidiaries	151	1,640
Total financial assets	1,711	6,704
Financial liabilities		
Trade and other payables	(838)	(3,145)
Payable from holding corporations/subsidiaries	(151)	(1,640)
Total financial liabilities	(989)	(4,785)
Net financial assets	722	1,919
(Less): Net financial assets denominated in the respective entities' functional currency	(597)	(1,803)
Net currency exposure	125	116

Currency risk arises within entities in the Group when transactions are denominated in foreign currencies such as NTD and RMB. If the NTD and RMB strengthened/weakened against the USD by 1% (2022: 1%) and 1% (2022: 1%) respectively with all other variables profit after tax, the effects arising from the net financial asset would decrease/increase the total return by USD7,980 (2022: USD2,410) respectively.

There was no significant currency risk on the transactions of the Company.

(ii) Equity price risk

There was no significant equity price risk on the transactions of the Group.

(iii) Cash flow and fair value interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest-bearing assets, the Group's income is substantially independent of changes in market interest rates.

24. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group.

Credit exposure to an new counterparty is restricted by credit limits that are approved by the Head of Credit Control based on ongoing credit evaluation. The counterparty's payment pattern and credit exposure are continuously monitored at the entity level by the respective management and at the Group level by the Head of Credit Control.

As the Group does not hold collateral, the maximum exposure to credit risk to each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet.

The movements in credit loss allowance are as follows:

		Group	
	Contract assets USD'000	Trade receivables USD'000	Total USD'000
2023			
Beginning of financial year	–	59	59
Asset acquired/originated	–	111	111
Written off	–	(97)	(97)
Effect of foreign exchange	–	(4)	(4)
End of financial year	–	69	69
2022			
Beginning of financial year	–	30	30
Asset acquired/originated	–	32	32
Effect of foreign exchange	–	(3)	(3)
End of financial year	–	59	59

(i) Trade receivables and contract assets

The Group uses a loss rate methodology to measure the lifetime expected credit loss allowance for trade receivables and contract assets.

In measuring the expected credit losses, trade receivables and contract assets are grouped based on shared credit risk characteristics and days past due. The contract assets relate to unbilled work in progress, which have substantially the same risk characteristics as the trade receivables for the same type of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

24. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (Continued)

(i) Trade receivables and contract assets (Continued)

In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group considers a financial asset as default if the counterparty fails to make contractual payments within 90 days when they fall due, and writes off the financial asset when a debtor fails to make contractual payments greater than 365 days past due. Where receivables are written off, the company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

The Group's credit risk exposure in relation to trade receivables and contract assets under SFRS(I) 9 as at 31 December 2022 and 2023 are set out in the provision matrix as follows:

			Group		
	Without past due	**0 to 30 days**	**31 days to 90 days**	**> 91 days**	**Total**
2023					
Expected loss rate	0.73%	0.83%	3.14%	100%	
Total book value (USD'000)					
– Trade receivables	3,386	4	67	42	3,499
– Contract assets	3,469	–	–	–	3,469
	6,855	4	67	42	6,968
Loss allowance	24	–	3	42	69
2022					
Expected loss rate	0.61%	3.00%	1.65%	100%	
Total book value (USD'000)					
– Trade receivables	2,953	267	121	31	3,372
– Contract assets	2,975	–	–	–	2,975
	5,928	267	121	31	6,347
Loss allowance	18	8	2	31	59

(ii) Cash and bank balance

The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

24. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and the ability to close out market positions at a short notice. At the balance sheet date, assets held by the Group and the Company for managing liquidity risk included cash and checking accounts and demand deposits as disclosed in Note 12.

Management monitors rolling forecasts of the liquidity reserve (comprises undrawn borrowing facility and cash and bank balances (Note 12) of the Group on the basis of expected cash flows. This is generally carried out at local level in the operating companies of the Group in accordance with the practice and limits set by the Group. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these obligations, monitoring liquidity ratios and maintaining debt financing plans.

The table below analyses non-derivative financial liabilities of the Group into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

		Group	
	Less than 1 year USD'000	**Over 1 year USD'000**	**Total USD'000**
2023			
Non-derivative financial liabilities			
– Trade and other payables	5,402	–	5,402
– Lease liabilities (include current and non-current)	1,041	1,751	2,792
2022			
Non-derivative financial liabilities			
– Trade and other payables	4,504	–	4,504
– Lease liabilities (include current and non-current)	966	1,989	2,955

24. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (Continued)

	Company		
	Less than 1 year USD'000	Over 1 year USD'000	Total USD'000
2023			
Non-derivative financial liabilities			
– Trade and other payables	455	–	455
2022			
Non-derivative financial liabilities			
– Trade and other payables	275	–	275

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payments, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

The Group monitors capital on the basis of the debt ratio. This ratio is calculated as total liabilities divided by total assets.

	Group		Company	
	2023 USD'000	2022 USD'000	2023 USD'000	2022 USD'000
Total liabilities	9,056	8,354	455	275
Total assets	30,503	19,484	18,536	10,049
Debt ratio	30%	43%	2%	3%

(e) Fair value measurements

The Group did not hold financial and non-financial instruments measured at fair value as at 31 December 2022 and 2023.

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

24. FINANCIAL RISK MANAGEMENT (CONTINUED)

(f) Financial instruments by category

The carrying amount of the different categories of financial instruments are as follows:

	Group		Company	
	2023 USD'000	2022 USD'000	2023 USD'000	2022 USD'000
Financial assets				
Financial assets at amortised cost				
Cash and cash equivalents	16,423	6,057	5,549	55
Trade and other receivables	3,603	3,506	399	13
Other non-current assets				
– refundable deposits	234	247	–	–
	20,260	9,810	5,948	68
Financial liabilities				
Financial liabilities at amortised cost				
Trade and other payables	5,402	4,504	455	275
Lease liabilities				
– Current	930	896	–	–
– Non-current	1,687	1,901	–	–
	8,019	7,301	455	275

25. IMMEDIATE AND ULTIMATE HOLDING CORPORATIONS

The Company's immediate holding corporation is Acer Gaming Inc., incorporated in Taiwan. The ultimate holding corporation is Acer Incorporated, incorporated in Taiwan.

26. RELATED PARTY TRANSACTIONS

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

	Group	
	2023 USD'000	2022 USD'000
Sales of services to ultimate holding corporation	49	–
Administrative fees from ultimate holding corporation	8	2
Other payables to ultimate holding corporation	2	–
Distribution and marketing fees from associate of ultimate holding corporation	107	–

26. RELATED PARTY TRANSACTIONS (CONTINUED)

Other related parties comprise mainly companies which are controlled by the Group's key management personnel and their close family members.

Outstanding balances at 31 December 2023, arising from sale/purchase of goods and services, are unsecured and receivable/payable within 12 months from balance sheet date and are disclosed in Note 13 and 19 respectively.

Key management personnel compensation

	Group	
	2023 USD'000	2022 USD'000
Short-term employee benefits	992	557

27. SEGMENT INFORMATION

The chief operating decision maker ("CODM") has been identified as the Executive Director of the Company who review the Group's internal reporting in order to assess performance and allocate resources. The CODM has determined the operating segments based on these reports.

The Group is principally engaged in art outsourcing. Information reported to CODM, for the purpose of resources allocation and performance assessment, focuses on the operating results of the Group. For the financial years ended 31 December 2022 and 2023, there are three operating segments based on business type: (1) Original Equipment Manufacturer ("Art Outsourcing Segment"), (2) Original Design Manufacturer ("Game Development Segment") and (3) Global Publishing and Others.

The CODM assess performance of the operating segments based on a measure of profit/(loss) before income tax.

27. SEGMENT INFORMATION (CONTINUED)

Information about the disaggregation of the Group's revenue from external customers by the business type of sales customers and non-current assets by the business type of assets is as follows:

	Group			
	Art Outsourcing Segment USD'000	Game Development Segment USD'000	Global Publishing and Others USD'000	Total USD'000
2023				
Segment revenue				
Service revenue	24,124	4,996	–	29,120
Licencing and product revenue	–	–	161	161
	24,124	4,996	161	29,281
Profit before income tax	646	1,115	(338)	1,423
Significant non-cash items				
Depreciation of property, plant and equipment	503	104	4	611
Depreciation of right-of-use assets	915	189	6	1,110
Amortisation of intangible assets	61	13	–	74
Segment assets	23,909	4,951	160	29,020
Included in the segment assets:				
Trade and other receivables	3,193	662	21	3,876
Additions to:				
Property, plant and equipment	520	107	3	630
Right-of-use assets	704	146	5	855
Intangible assets	31	6	1	38
Segment liabilities	6,695	1,386	45	8,126

27. SEGMENT INFORMATION (CONTINUED)

Information about the disaggregation of the Group's revenue from external customers by the business type of sales customers and non-current assets by the business type of assets is as follows:

	Group			
	Art Outsourcing Segment USD'000	Game Development Segment USD'000	Global Publishing and Others USD'000	Total USD'000
2022				
Segment revenue				
Service revenue	22,021	2,227	–	24,248
Licencing and product revenue	–	–	250	250
	22,021	2,227	250	24,498
Profit before income tax	1,644	209	(1,078)	775
Significant non-cash items				
Depreciation of property, plant and equipment	319	66	30	415
Depreciation of right-of-use assets	937	34	3	974
Amortisation of intangible assets	54	11	1	66
Segment assets	16,590	1,678	188	18,456
Included in the segment assets:				
Trade receivables and other receivables	3,329	337	38	3,704
Additions:				
Property, plant and equipment	1,439	146	16	1,601
Right-of-use assets	1,598	162	19	1,779
Intangible assets	71	15	–	86
Segment liabilities	6,708	678	76	7,462

27. SEGMENT INFORMATION (CONTINUED)

Reconciliation

(a) Segment assets

The amounts reported to the Group with respect to total assets are measured in a manner consistent with that of the financial statements. All assets are allocated to reportable segments other than deferred income tax assets.

Segment assets are reconciled to total assets as follows:

	Group	
	2023 USD'000	2022 USD'000
Art Outsourcing Segment assets	23,909	16,590
Game Development Segment assets	4,951	1,678
Global Publishing and Others Segment assets	160	188
	29,020	18,456
Unallocated:		
– Deferred income tax assets	1,483	1,028
Total assets	30,503	19,484

(b) Segment liabilities

The amounts provided to the Group with respect to total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated to the reportable segments other than deferred income tax liabilities.

Segment liabilities are reconciled to total liabilities as follows:

	Group	
	2023 USD'000	2022 USD'000
Art Outsourcing Segment liabilities	6,695	6,708
Game Development Segment liabilities	1,386	678
Global Publishing and Others Segment liabilities	45	76
	8,126	7,462
Unallocated:		
– Deferred income tax liabilities	930	892
Total liabilities	9,056	8,354

27. SEGMENT INFORMATION (CONTINUED)

Revenue from external customers were classified based on the customers' locations, respectively. Geographical information is as follows:

	Group	
	2023 USD'000	**2022 USD'000**
PRC and Hong Kong	11,964	12,635
Taiwan	5,339	3,748
Korea	5,479	4,813
United States	4,908	2,372
Other	1,591	930
	29,281	24,498

Non-current assets were classified based on the assets' locations, respectively. Geographical information is as follows:

	Group	
	2023 USD'000	**2022 USD'000**
PRC and Hong Kong	2,855	3,100
Taiwan	2,355	2,614
Other	42	6
	5,252	5,720

Details of the revenue from individual customers that exceed 10% of net sale revenue in the statements of comprehensive income for the reported period are as follows:

	Group	
	2023 USD'000	**2022 USD'000**
Customer W	3,715	2,617
Customer Z	1,650	1,912
Customer T	3,446	1,724
	8,811	6,253

28. SIGNIFICANT EVENTS

(a) On 28 December 2023, the Company entered into a sale and purchase agreement (the "Sale and Purchase Agreement") with Game Hours, Inc. (the "Vendor" and together with the subsidiaries of the Vendor, the "Vendor Group"), in relation to the purchase of 100% of the issued and paid-up share capital of On Point Creative Co., Ltd (the "Target Company"), which is wholly held by the Vendor, for an aggregate purchase consideration of NTD59,900,000 (the "Proposed Acquisition").

Completion of the Proposed Acquisition is conditional upon satisfaction of conditions precedent set out in the Sale and Purchase Agreement, which include, inter alia, the following:

"The Parties having obtained all necessary consents, permits and approvals from regulatory authorities or third parties as well as internal approvals required for the completion of the Proposed Acquisition, and if any such consents, permits or approvals are subject to conditions, such conditions being acceptable to the Purchaser, and the execution of the Sale and Purchase Agreement and the Parties' performance of their obligations thereunder not being prohibited or restricted by any statute, judgement or order."

As of 1 April 2024, the Proposed Acquisition has been completed as the conditions precedent set out in the Sale and Purchase Agreement has been satisfied. The purchase consideration has been paid to Game Hours, Inc. on 1 April 2024.

(b) On 8 April 2024, the Company entered into a non-binding memorandum of understanding ("MOU") with Lee Jie Way and Beh Yit Xian (the "Vendors"), each holding directly 67% and 33% respectively of the total shares in the capital of Pixelline Production SDN. BHD. ("Pixelline"). The Company may choose to acquire all the fixed assets, moveable assets, intangible assets (including but not limited to the clientele, business intellectual property rights etc.), and the services of certain existing employees of Pixelline (the "Assets"), through its subsidiary (the "Proposed Acquisition"). The MOU is not intended to be legally binding between the parties.

The Proposed Collaboration is subject to the parties entering into definitive agreement(s) upon the completion of satisfactory due diligence by the Company. The consideration of the Proposed Acquisition will be determined and agreed upon between the Company and the Vendors in the definitive agreement(s) on a willing buyer and willing seller basis, taking into account factors such as the findings from the due diligence process, and the independent valuation to be conducted by the Company on the assets to be acquired.

The financial impact on the proposed acquisition will be accounted for in the financial statements for the financial year ending 31 December 2024.

28. SIGNIFICANT EVENTS (CONTINUED)

(c) On 8 April 2024, Winking Studios Limited (the "Company", together with its subsidiaries the "Group") announces the grant of share awards ("Awards") pursuant to the Winking Studios Performance Share Plan ("Winking PSP") to employees of the Group.

Subject to vesting conditions, a total of up to 12,580,000 shares are granted to the Executive Chairman and CEO, Mr Johnny Jan and 7,868,000 to the remaining employees. The shares will be vested in five different tranches, subject to performance target and tenure of service, with vesting period ranging from 2026 to 2030, as set out below:

Tranche	Up to % of Awards	Vesting date/End of Performance Period
Tranche 1	26.06	2026
Tranche 2	18.19	2027
Tranche 3	18.19	2028
Tranche 4	18.19	2029
Tranche 5	19.37	2030

The financial impact on the proposed acquisition will be accounted for in the financial statements for the financial year ending 31 December 2024.

29. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Winking Studios Limited on 15 April 2024.

SHAREHOLDING **STATISTICS**

as at 21 March 2024

DISTRIBUTION OF SHAREHOLDINGS BY SIZE OF SHAREHOLDINGS AS AT 21 MARCH 2024

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	0	0.00	0	0.00
100 – 1,000	4	8.51	3,000	0.00
1,001 – 10,000	8	17.02	76,700	0.03
10,001 – 1,000,000	19	40.43	2,316,234	0.83
1,000,001 and above	16	34.04	277,302,341	99.14
Total	47	100.00	279,698,275	100.00

LIST OF 20 LARGEST REGISTERED SHAREHOLDERS AS AT 21 MARCH 2024

No.	Name	No. of Shares	%
1	ACER GAMING INC.	142,537,815	50.96
2	KGI SECURITIES (SINGAPORE) PTE. LTD	37,194,032	13.30
3	FLYING WAY INTERNATIONAL CORP.	23,082,552	8.25
4	JAN CHENG-HAN	21,268,929	7.60
5	CITIBANK NOMINEES SINGAPORE PTE LTD	11,056,366	3.95
6	E.SUN VENTURE CAPITAL CO., LTD.	10,826,290	3.87
7	MOOMOO FINANCIAL SINGAPORE PTE. LTD.	10,126,700	3.62
8	SNSI INVESTMENT FUND LTD.	3,484,151	1.25
9	CHO, TAI-WEI	2,915,494	1.04
10	DBS NOMINEES PTE LTD	2,679,816	0.96
11	ASDEW ACQUISITIONS PTE LTD	2,647,900	0.95
12	UOB KAY HIAN PTE LTD	2,515,500	0.90
13	PROFEDERAL CO., LTD	2,470,132	0.88
14	LEE CHIU-HUI	2,304,731	0.82
15	YEN, CHUN-TE	1,105,396	0.40
16	CHEN, SHU-KUEI	1,086,537	0.39
17	CHEN PO-AN	499,033	0.18
18	LIN PENG WEN	400,000	0.14
19	TONG DIN EU	200,000	0.07
20	TIGER BROKERS (SINGAPORE) PTE. LTD.	148,100	0.05
	Total:	**278,549,474**	99.58

SHAREHOLDING **STATISTICS**

as at 21 March 2024

SUBSTANTIAL SHAREHOLDER

		Direct Interest		Deemed Interests	
No.	Name	No. of shares held	%	No. of shares held	%
1.	Acer Gaming Inc.	142,537,815	51.0	–	–
2.	Acer Soft Capital Incorporated	24,143,611	8.6	–	–
3.	Flying Way International Corp	23,082,552	8.3	–	–

COMPLIANCE WITH RULE 723 OF THE SGX-ST LISTING MANUAL SECTION B: RULES OF CATALIST

Based on information available and to the best knowledge of the Directors, as at 21 March 2024, approximately 22.58% of the ordinary shares of the Company are held by the public. The Company is therefore in compliance with Rule 723 of the SGX-ST Listing Manual Section B: Rules of Catalist of Singapore Exchange Securities Trading Limited.

NOTICE OF
ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE ANNUAL GENERAL MEETING of Winking Studios Limited ("**Company**") will be held at Singapore Business Federation, 160 Robinson Road, #06-01 SBF Center, Singapore 068914 on Tuesday, 30 April 2024 at 10:00 a.m. to transact the following businesses:

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2023 together with the Directors' Statement and the Independent Auditor's Report thereon. **(Resolution 1)**

2. To declare a special and final dividend of S$0.005 per ordinary share one-tier tax exempt for the financial year ended 31 December 2023. **(Resolution 2)**

3. To re-elect Mr Johnny Jan (Jan, Cheng-Han), who is retiring pursuant to Article 86(1) of the Company's Amended and Restated Articles of Association. **(Resolution 3)**

   (See Explanatory Note 1)

4. To re-elect Mr Chang Yi-Hao, who is retiring pursuant to Article 86(1) of the Company's Amended and Restated Articles of Association. **(Resolution 4)**

   Mr Chang Yi-Hao will, upon re-election as a Director of the Company remain as an Independent and Non-Executive Director, Chairman of the Remuneration Committee and a member of the Nominating Committee and Audit Committee and will be considered independent for the purposes of Rule 704(7) of the Catalist Rules of the SGX-ST.

   (See Explanatory Note 1)

5. To re-elect Mr Kao Shu-Kuo, who is retiring pursuant to Article 86(1) of the Company's Amended and Restated Articles of Association. **(Resolution 5)**

   (See Explanatory Note 1)

6. To re-elect Mr Lim Heng Choon, who is retiring pursuant to Article 86(1) of the Company's Amended and Restated Articles of Association. **(Resolution 6)**

   Mr Lim Heng Choon will, upon re-election as a Director of the Company remain as the Lead Independent and Non-Executive Director, Chairman of the Audit Committee and a member of the Nominating Committee and Remuneration Committee and will be considered independent for the purposes of Rule 704(7) of the Catalist Rules of the SGX-ST.

   (See Explanatory Note 1)

7. To re-elect Mr Yang Wu Te, who is retiring pursuant to Article 86(1) of the Company's Amended and Restated Articles of Association. **(Resolution 7)**

   Mr Yang Wu Te will, upon re-election as a Director of the Company remain as an Independent and Non-Executive Director, Chairman of the Nominating Committee and a member of the Remuneration Committee and Audit Committee and will be considered independent for the purposes of Rule 704(7) of the Catalist Rules of the SGX-ST.

   (See Explanatory Note 1)

8. To approve the payment of Directors' fees of US$81,000 for the financial year ending 31 December 2024, to be paid half yearly in arrears. **(Resolution 8)**

9. To re-appoint Messrs PricewaterhouseCoopers LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 9)**

10. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following as Ordinary Resolutions with or without modifications:

11. **AUTHORITY TO ALLOT AND ISSUE SHARES** **(Resolution 10)**

   "That, pursuant to Article 12 of the existing Memorandum and Articles of Association of the Company ("**M&AA**") and Rule 806 of Section B: Rules of Catalist of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), ("**Catalist Rules**"), authority be and is hereby given to the Directors of the Company to:

   (a) (i) allot and issue shares in the capital of the Company ("**Shares**") (whether by way of rights, bonus or otherwise); and/or

   (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

(b) notwithstanding the authority conferred by this Resolution may have ceased to be in force, issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force, provided that:

(1) the aggregate number of Shares (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) to be issued pursuant to this Resolution does not exceed one hundred per cent (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a pro-rata basis to existing shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed fifty per cent (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the SGX-ST), for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Resolution is passed, after adjusting for:

(i) new Shares arising from the conversion or exercise of Instruments or any convertible securities;

(ii) new Shares arising from exercising share options or vesting of share awards, provided that the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

(iii) any subsequent bonus issue, consolidation or subdivision of Shares.

Adjustments in accordance with Rule 806(3)(a) or Rule 806(3)(b) are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of the resolution approving the mandate.

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), and all applicable legal requirements under the M&AA for the time being; and

(4) unless revoked or varied by the Company in general meeting, the authority conferred by this Resolution shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.

(See Explanatory Note 2)

12. **PROPOSED RENEWAL OF THE GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS** **(Resolution 11)**

(a) approval be and is hereby given, for the purposes of Chapter 9 of the Catalist Rules, for the Company, its subsidiaries and associated companies that are entities at risk (as that term is used in Chapter 9), or any of them, to enter into any of the mandated transactions described in the Appendix (as defined below) with the relevant mandated interested persons, provided that such transactions are made on normal commercial terms, are not prejudicial to the interests of the Company and its minority shareholders and in accordance with the review procedures for such mandated interested person transactions as set out in the appendix (the "**Appendix**") to this Notice of AGM dated 15 April 2024 (the "**Shareholders' IPT General Mandate**");

(b) the approval given under the Shareholders' IPT General Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next annual general meeting of the Company; and

(c) the directors of the Company and the Audit Committee (as defined in the Appendix) of the Company be and is hereby authorised to take such action as it deems proper in respect of such methods and procedures, and/or to modify or implement such methods and procedures as may be necessary to take into consideration any amendment to Chapter 9 of the Catalist Rules which may be prescribed by the SGX-ST from time to time.

(See Explanatory Note 3)

By Order of the Board

Loo Shi Yi
Company Secretary

Date: 15 April 2024

Explanatory Notes:

1) Detailed information on Mr Johnny Jan (Jan, Cheng-Han), Mr Chang Yi-Hao, Mr Kao Shu-Kuo, Mr Lim Heng Choon and Mr Yang Wu Te who are proposed to be re-elected as Directors of the Company can be found under sections "Board of Directors" and "Additional Information on Directors seeking re-election" in the Company's Annual Report for the financial year ended 31 December 2023.

2) Ordinary Resolution 10 proposed above, if passed, will authorise and empower the Directors from the date of this Annual General Meeting until the conclusion of the next Annual General Meeting, or the date by which the next Annual General Meeting of the Company is required by law to be held, or when revoked or varied by the Company in general meeting, whichever is earlier, to allot and issue shares in the Company. The maximum number of shares which the Directors may issue under this resolution shall not exceed the quantum as set out in the Resolution.

3) Ordinary Resolution 11 proposed above, if passed, will authorise the entities at risk to enter into the Mandated Transactions (as defined in the Appendix) with the Mandated Interested Persons (as defined in the Appendix) and will empower the directors of the Company to do all acts necessary to give effect to the Shareholders' IPT General Mandate as set out in the Appendix. This authority will continue to be in force until the conclusion of the next annual general meeting of the Company (unless revoked or varied by the Company in general meeting) or the date by which the next annual general meeting is required by law to be held, whichever is earlier. Please refer to the Appendix for details relating to the said Shareholders' IPT General Mandate.

IMPORTANT NOTES:

1. Members of the Company are invited to attend physically at the forthcoming Annual General Meeting ("**AGM**"). There will be no option for members to participate virtually. Printed copies of this Notice of AGM and the proxy form ("**Proxy Form**") will be sent by post to members. The Notice of AGM and Proxy Form will also be accessible on the Company's website at the URL https://www.winkingworks.com/en-US/ and on SGXNet at the URL https://www.sgx.com/securities/company-announcements. For Shareholders who prefer to receive a printed copy of the Appendix and/or the Annual Report, please email the request to sg.is.proxy@sg.tricorglobal.com no later than 10:00 a.m. on 22 April 2024.

2. Members (including Central Provident Fund Investment Scheme investors ("**CPFIS Investors**") and/or Supplementary Retirement Scheme investors ("**SRS Investors**")) may participate in the AGM by:

   (a) attending the AGM in person;

   (b) raising questions at the AGM or submitting questions in advance of the AGM; and/or

   (c) voting at the AGM:

      (i) themselves personally; or

      (ii) through their duly appointed proxy(ies).

   CPFIS Investors and SRS Investors who wish to appoint the Chairman of the AGM (and not third-party proxy(ies)) as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 10.00 a.m. on 18 April 2024, being seven (7) working days prior to the date of the AGM.

3. A Depositor (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore) shall not be regarded as a member of the Company entitled to attend the AGM and to speak and vote thereat unless his name appears on the Depository Register at least 72 hours before the AGM. Depositors who are individuals and who wish to attend the AGM in person need not take any further action and can attend and vote at the AGM without the lodgement of any Proxy Form.

4. Please bring along your NRIC/passport so as to enable the Company to verify your identity. Members are requested to arrive early to facilitate the registration process and are advised not to attend the AGM if they are feeling unwell. Members are strongly encouraged to exercise social responsibility to rest at home and consider appoint a proxy(ies) to attend the Meeting. We encourage members to mask up when attending the AGM.

5. A member who is not a Relevant Intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote on his/her/its behalf at the AGM. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf.

   Where such member appoints two (2) proxies, the proportion of his shareholding to be represented by each proxy shall be specified. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire number of shares entered against his name in the Depository Register and any second named proxy as an alternate to the first named.

6. A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967:

   (a) a banking corporation licensed under the Banking Act 1970, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or

(b) a person holding a capital market services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or

(c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with the subsidiary legislation.

7. A proxy need not be a member of the Company. A member can appoint the Chairman of the Meeting as his/her/its proxy but this is not mandatory.

   If a member wishes to appoint the Chairman of the AGM as proxy, such member (whether individual or corporate) must give specific instructions as to voting for, voting against, or abstentions from voting on, each resolution in the Proxy Form appointing the Chairman of the AGM as proxy. If no specific direction as to voting or abstentions from voting in respect of a resolution in the form of proxy, the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

8. The Proxy Form, duly executed, must be submitted to the Company in the following manner:

   (a) If submitted by post, be lodged at the Company's Share Registrar, Tricor Barbinder Share Registration Services, at 9 Raffles Place, #26-01 Republic Plaza, Singapore 048619; or

   (b) If submitted electronically, be submitted via email to Tricor Barbinder Share Registration Services at sg.is.proxy@sg.tricorglobal.com,

   in either case, by 10.00 a.m. on 27 April 2024, being no later than 72 hours before the time set for the AGM. The Proxy Form must be under the hand of the appointor or of his attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its seal, executed as a deed in accordance with applicable laws or under the hand of an attorney or an officer duly authorised, or in some other manner approved by the Directors. Where Proxy Form is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the Proxy Form.

9. Central Provident Fund Investment Scheme ("**CPFIS**") and/or Supplementary Retirement Scheme ("**SRS**") investors who hold shares through CPF Agent Banks/SRS Operators:

   (a) may vote at the AGM if they are appointed as proxies by their respective CPF Agent Banks/SRS Operators, and should contact their respective CPF Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies; or

   (b) may appoint the Chairman of the AGM as proxy to vote on their behalf at the AGM, in which case they should contact their CPF Agent Banks/SRS Operators to submit their votes not less than seven (7) working days before the AGM (i.e. by 10.00 a.m. on 18 April 2024).

10. Investors holding shares of the Company ("**Shares**") through Relevant Intermediaries (other than CPFIS/SRS investors) and who wish to participate in the AGM by (a) attending the AGM in person; (b) submitting questions to the Company in advance of, or at, the AGM; and/or (c) voting at the AGM, should contact the relevant intermediary through which they hold such Shares as soon as possible in order for the necessary arrangements to be made for their participation in the AGM.

11. The Proxy Form is not valid for use by investors holding Shares through Relevant Intermediaries (including CPFIS/SRS investors) and shall be ineffective for all intents and purposes if used or purported to be used by them.

12. Members and CPFIS/SRS investors may submit questions relating to the resolutions to be tabled at the AGM in advance of the AGM, and must do so in the following manner by 5.00 p.m. on 23 April 2024:

    (a) by email to sg.is.proxy@sg.tricorglobal.com; or

    (b) by post to the registered office of the Company's Share Registrar, Tricor Barbinder Share Registration Services, at 9 Raffles Place, #26-01 Republic Plaza, Singapore 048619.

    Members and CPFIS/SRS investors submitting questions are required to state: (a) their full name; and (b) their identification/registration number, and (c) the manner in which his/her/its shares in the Company are held (e.g. via CDP, CPF, SRS and/or scrip), failing which the Company shall be entitled to regard the submission as invalid and not respond to the questions submitted.

    The Company will endeavour to address all substantial and relevant questions submitted prior to the AGM by publishing the responses to such questions on the Company's corporate website and on SGXNet by 10.00 a.m. on 25 April 2024 or during the AGM.

13. For questions addressed during the AGM, the responses to such questions will be included in the minutes of the AGM which will be published on the Company's corporate website at the URL https://www.winkingworks.com/en-US/ and also on SGXNet at the URL https://www.sgx.com/securities/company-announcements within one month after the date of the AGM.

14. All documents (including the Proxy Form, this Notice of AGM dated 15 April 2024 and the Annual Report 2023) have been, or will be, published been published and may be accessed at the Company's corporate website at the URL https://www.winkingworks.com/en-US/ and is also made available on SGXNet at the URL https://www.sgx.com/securities/company-announcements. Members are advised to check SGXNet and/or the Company's website regularly for updates.

13. Any reference to a time of day is made by reference to Singapore time.

PERSONAL DATA PRIVACY

Where a member of the Company submits any question prior to or at the AGM or an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"); (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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WINKING STUDIOS LIMITED

(Company Registration No. 159882)
(Incorporated in the Cayman Islands)

IMPORTANT:

1. A Relevant Intermediary may appoint more than two proxies to attend the Annual General Meeting ("**AGM**") and vote (please see note 2(b) for the definition of "**Relevant Intermediary**").
2. This Proxy Form is not valid for use by investors holding shares in the Company through Relevant Intermediaries ("**Investors**") (including CPFIS/SRS investors) and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. Central Provident Fund Investment Scheme ("**CPFIS**") and/or Supplementary Retirement Scheme ("**SRS**") investors who hold shares through CPF Agent Banks/SRS Operators:
   (a) may vote at the AGM if they are appointed as proxies by their respective CPF Agent Banks/SRS Operators, and should contact their respective CPF Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies; or
   (b) may appoint the Chairman of the AGM as proxy to vote on their behalf at the AGM, in which case they should contact their CPF Agent Banks/SRS Operators to submit their votes not less than seven (7) working days before the AGM (i.e. by 10:00 a.m. on 18 April 2024).
4. Investors holding shares of the Company ("**Shares**") through Relevant Intermediaries (other than CPFIS/SRS investors) and who wish to participate in the AGM by (a) attending the AGM in person; (b) submitting questions to the Company in advance of, or at, the AGM; and/or (c) voting at the AGM, should contact the relevant intermediary through which they hold such Shares as soon as possible in order for the necessary arrangements to be made for their participation in the AGM.
5. By submitting this Proxy Form, a member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 15 April 2024.
6. Please read the notes overleaf which contain instructions on, inter alia, the appointment of proxies to vote on his/her/its behalf at the AGM.

ANNUAL GENERAL MEETING PROXY FORM

*I/We (Name) ____________________ (*NRIC/Passport No./Company Registration No.) ____________________

of (Address) ____

being a member of Winking Studios Limited (the "**Company**"), hereby appoint:

Name	Address	NRIC/ Passport No	Proportion of shareholdings (%)

and/or (delete as appropriate)

Name	Address	NRIC/ Passport No	Proportion of shareholdings (%)

or failing the person, or either or both of the persons, referred to above, the Chairman of the Annual General Meeting ("**AGM**"), as *my/our *proxy/proxies to attend, speak and or vote on *my/our behalf at the AGM of the Company to be held at Singapore Business Federation, 160 Robinson Road, #06-01 SBF Center, Singapore 068914 on Tuesday, 30 April 2024 at 10:00 a.m. and at any adjournment thereof.

I/We direct my/our proxy/proxies to vote for or against the Resolutions set out in the Notice of AGM as indicated hereunder. In the absence of specific instructions, the proxy/proxies will vote or abstain as he/they may think fit, as he/they will on any other matter arising at the AGM.

No.	Resolutions	For**	Against**	Abstain**
ORDINARY BUSINESS				
1.	To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2023 together with the Directors' Statement and the Independent Auditor's Report thereon.			
2.	To declare a special and final dividend of S$0.005 per ordinary share one-tier tax exempt for the financial year ended 31 December 2023.			
3.	To re-elect Mr Johnny Jan (Jan, Cheng-Han) as a Director.			
4.	To re-elect Mr Chang Yi-Hao as a Director.			
5.	To re-elect Mr Kao Shu-Kuo as a Director.			
6.	To re-elect Mr Lim Heng Choon as a Director.			
7.	To re-elect Mr Yang Wu Te as a Director.			
8.	To approve the payment of Directors' fees of US$81,000 for the financial year ending 31 December 2024, to be paid half yearly in arrears.			
9.	To re-appoint Messrs PricewaterhouseCoopers LLP as Auditors of the Company and to authorise the Directors to fix their remuneration.			
SPECIAL BUSINESS				
10.	To authorise the Directors to allot and issue shares.			
11.	To approve the proposed renewal of the general mandate for interested person transactions.			

* Please delete accordingly.

** If you wish to exercise all your votes "For" or "Against" or "Abstain", please indicate with an "X" within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this ________ day of ____________________ 2024

Total Number of Ordinary Shares Held	

____
Signature/Common Seal of Member

IMPORTANT NOTES

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the Proxy Form shall be deemed to relate to all the shares held by you.

2. (a) A member who is not a Relevant Intermediary is entitled to appoint not more than two (2) proxies to attend and vote at the AGM. Where such member appoint two (2) proxies, he/she should specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be presented by each proxy in the Proxy Form.

   (b) A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the Proxy Form. A proxy need not to be a member of the Company.

   "**Relevant Intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore.

3. The Proxy Form must be under the hand of the appointor or of his attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its seal, executed as a deed in accordance with the Companies Act 1967 or under the hand of an attorney or an officer duly authorised, or in some other manner approved by the Directors. Where the Proxy Form is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the Proxy Form.

4. The Proxy Form, duly executed, must be submitted to the Company in the following manner:

   (a) If submitted by post, be lodged at the Company's Share Registrar, Tricor Barbinder Share Registration Services, at 9 Raffles Place, #26-01 Republic Plaza, Singapore 048619; or

   (b) If submitted electronically, be submitted via email to Tricor Barbinder Share Registration Services at sg.is.proxy@sg.tricorglobal.com,

   in either case, by 10:00 a.m. on 27 April 2024, being no later than 72 hours before the time set for the AGM. A member who wishes to submit a Proxy Form must complete and sign the Proxy Form, before submitting it by post to the address provided above, or before sending it by email to the email address provided above.

5. Completion and return of the Proxy Form by a member will not prevent him/her from attending, speaking and voting at the AGM if he/she so wishes. The appointment of the proxy(ies) for the AGM will be deemed to be revoked if the member attends the AGM in person and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the Proxy Form to the AGM.

6. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with applicable laws.

GENERAL

The Company shall be entitled to reject the Proxy Form if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Proxy Form. In addition, in the case of Ordinary Shares entered in the Depository Register, the Company may reject any Proxy Form lodged if the member, being the appointor, is not shown to have Ordinary Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 15 April 2024.

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WINKING

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www.winkingworks.com