

OFFER INFORMATION STATEMENT DATED 28 JUNE 2024

(Lodged with the Singapore Exchange Securities Trading Limited (the "SGX-ST") acting as agent on behalf of the Monetary Authority of Singapore (the "Authority" or "MAS") on 28 June 2024)

THIS OFFER INFORMATION STATEMENT IS IMPORTANT. BEFORE MAKING ANY INVESTMENT IN THE PLACEMENT SHARES (AS DEFINED HEREIN) BEING OFFERED, YOU SHOULD CONSIDER THE INFORMATION PROVIDED IN THIS DOCUMENT CAREFULLY, AND CONSIDER WHETHER YOU UNDERSTAND WHAT IS DESCRIBED IN THIS OFFER INFORMATION STATEMENT. YOU SHOULD ALSO CONSIDER WHETHER AN INVESTMENT IN THE PLACEMENT SHARES BEING OFFERED IS SUITABLE FOR YOU, TAKING INTO ACCOUNT YOUR INVESTMENT OBJECTIVES AND RISK APPETITE. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL, TAX OR OTHER PROFESSIONAL ADVISER(S) IMMEDIATELY. YOU ARE RESPONSIBLE FOR YOUR OWN INVESTMENT CHOICES.

Capitalised terms used below which are not otherwise defined herein shall have the same meanings ascribed to them under the section entitled "Definitions" of this offer information statement (the "Offer Information Statement") issued by Winking Studios Limited (the "Company").

The securities offered are issued by the Company, whose shares are listed for quotation on the Catalist Board of the SGX-ST (the "Catalist"). The Company was listed on Catalist of the SGX-ST on 17 November 2023. The initial public offering of the Company was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"). **Companies listed on the Catalist may carry higher investment risk when compared with larger or more established companies listed on the Mainboard of the SGX-ST. In particular, companies may list on the Catalist without a track record of profitability and there is no assurance that there will be a liquid market in the securities traded on the Catalist. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.**

A copy of this Offer Information Statement has been lodged with the SGX-ST, acting as agent on behalf of the Authority. This Offer Information Statement has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the Catalist Rules. Neither the Authority nor the SGX-ST has examined or approved the contents of the Offer Information Statement. Neither the Authority nor the SGX-ST assumes any responsibility for the contents of this Offer Information Statement, including the correctness of any of the statements or opinions expressed or reports contained herein. Lodgement of this Offer Information Statement with the SGX-ST, acting as agent for the Authority, does not imply that the Securities and Futures Act (as defined herein), or any other legal or regulatory requirements, have been complied with. Neither the Authority nor the SGX-ST has, in any way, considered the merits of the Placement Shares being offered for investment. 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. The Sponsor has given its written consent to the inclusion herein of its name in the form and context in which it appears in this Offer Information Statement.

An application will be made to the SGX-ST for the dealing in, listing of and quotation for up to 108,000,000 new ordinary shares in the capital of the Company on the Catalist. As at the date of this Offer Information Statement, the Company has yet to receive the listing and quotation notice from SGX-ST for the dealing in, listing of and quotation for the Placement Shares. An appropriate announcement on the outcome of the application will be made once the listing and quotation notice is issued by the SGX-ST. Any listing and quotation notice which may be issued by SGX-ST for the listing and quotation of the Placement Shares is not to be taken as an indication of the merits of the Company, its subsidiaries, the Proposed Placement and the Placement Shares. Subject to approval being granted by the SGX-ST for the listing and quotation of the Placement Shares on the Catalist, the Placement Shares will be admitted to the Catalist and the official listing of, and quotation for, the Placement Shares will commence after all conditions which may be imposed by the SGX-ST are satisfied, the certificates relating thereto have been issued and the notification letters from The Central Depository (Pte) Limited ("CDP") have been despatched.

Acceptance of applications will be conditional upon the issue of the Placement Shares and the listing and quotation of the Placement Shares on the Catalist. Monies paid in respect of any application accepted will be returned if the Placement Shares are not issued or if the listing and quotation of the Placement Shares does not proceed.

Notification under Section 309B of the Securities and Futures Act – The Placement Shares are classified as "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in the MAS' Notice on the Sale of Investment Products (Notice No.: SFA 04-N12) and the MAS' Notice on Recommendations on Investment Products (Notice No.: FAA-N16)).

This Offer Information Statement and its accompanying documents have been prepared solely in relation to the Proposed Placement (as defined herein) and shall not be relied upon by any other person or for any other purpose.

After the expiry of six (6) months from the date of lodgement of this Offer Information Statement, no person shall make an offer of securities, or allot, allocate, issue or sell any Placement Shares, on the basis of this Offer Information Statement, and no officer or equivalent person or promoter of the Company will authorise or permit the offer of any securities or the allotment, allocation, issue or sale of any Placement Shares, on the basis of this Offer Information Statement.

YOUR ATTENTION IS DRAWN TO THE SECTION ENTITLED "RISK FACTORS" OF THIS OFFER INFORMATION STATEMENT WHICH YOU SHOULD REVIEW CAREFULLY.

The logo for Winking Studios Limited, featuring the word "WINKING" in a stylized, rounded, pink font with a decorative swirl at the end of the letter "G".

WINKING STUDIOS LIMITED
(Company Registration No. 159882)
(Incorporated in the Cayman Islands on 15 December 2005)

Placement Agent to the Company in respect of the Proposed Placement

The logo for PrimePartners Corporate Finance Pte. Ltd., featuring the word "PRIME" in a blue, sans-serif font with a red "n" as a superscript, and the word "Partners" in a smaller, blue, sans-serif font below it.

PrimePartners Corporate Finance Pte. Ltd.
(Company Registration No.: 200207389D)
(Incorporated in the Republic of Singapore)

THE PROPOSED PLACEMENT OF UP TO 108,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT AN ISSUE PRICE OF S\$0.25 FOR EACH PLACEMENT SHARE

IMPORTANT NOTES

Capitalised terms used below which are not otherwise defined herein shall have the same meanings as ascribed to them under the section entitled "Definitions" of this Offer Information Statement.

The existing Shares are listed and quoted on the Catalist.

Persons wishing to subscribe for the Placement Shares offered under this Offer Information Statement should, before deciding whether to so subscribe for the Placement Shares, carefully read this Offer Information Statement in its entirety in order to make an informed assessment of the affairs of the Company and the Group, including but not limited to, the assets and liabilities, profits and losses, financial position, risk factors, performance and prospects of the Company and the Group, and the rights and liabilities attaching to the Placement Shares and/or the Shares. They should make their own independent enquiries and investigations of any bases and assumptions upon which financial projections, if any, are made or based, and carefully consider this Offer Information Statement in light of their personal circumstances (including financial and taxation affairs). It is recommended that such persons seek professional advice from their stockbroker, bank manager, legal adviser, accountant or other professional adviser(s) before deciding whether to acquire the Placement Shares, or purchase any Shares or invest in the Company.

No person has been authorised to give any information or to make any representations, other than those contained in this Offer Information Statement in connection with the Proposed Placement and allotment and issuance of the Placement Shares and, if given or made, such information or representations must not be relied upon as having been authorised by the Company.

Save as expressly stated in this Offer Information Statement, nothing contained herein is, or may be relied upon as, a promise or representation as to the future performance or policies of the Company and/or the Group. Neither the delivery of this Offer Information Statement nor the issue of the Placement Shares shall, under any circumstances, constitute a continuing representation, or give rise to any implication, that there has been no change in the affairs of the Company or of the Group or any of the information contained herein since the date hereof. Where such changes occur after the date hereof and are material, or are required to be disclosed by law and/or the SGX-ST, the Company may make an announcement of the same via SGXNET and, if required, lodge a supplementary or replacement Offer Information Statement with the SGX-ST acting as agent on behalf of the Authority. All prospective investors should take note of any such announcement and, upon the release of such announcement and/or lodgement of such supplementary or replacement document, as the case may be, shall be deemed to have notice of such changes.

Neither the Company, nor the Sponsor, nor the Placement Agent and/or their respective officers is making any representation or warranty to any person in this Offer Information Statement regarding the legality of an investment in the Placement Shares and/or the Shares, by such person under any investment or any other laws or regulations. No information in this Offer Information Statement should be considered to be business, financial, legal or tax advice. Each prospective investor should consult his own professional or other adviser(s) for business, financial, legal or tax advice regarding an investment in the Placement Shares and/or the Shares.

The Company, the Sponsor, the Placement Agent and/or their respective officers make no representation, warranty or recommendation whatsoever as to the merits of the Placement Shares, the Shares, the Company, the Group or any other matter related thereto or in connection therewith. Nothing in this Offer Information Statement shall be construed as a recommendation to accept and/or purchase the Placement Shares and/or the Shares. Prospective subscribers of the Placement Shares should rely on their own investigation of the financial condition and affairs of, and appraisal and determination of the merits of investing in, the Company and the Group and shall be deemed to have done so.

This Offer Information Statement has been prepared solely for the purpose of the acceptance of the Placement Shares under the Proposed Placement and may not be relied upon by any person or for any

IMPORTANT NOTES

other purpose.

This Offer Information Statement may not be used for the purpose of, and does not constitute an offer, invitation or solicitation to anyone in any jurisdiction or under any circumstances in which such offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation.

The distribution of this Offer Information Statement may be prohibited or restricted by law (either absolutely or subject to various securities requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. Any person having possession of this Offer Information Statement and/or its accompanying documents are advised to inform themselves of and observe such prohibitions and restrictions at their own expense and without liability to the Company or the Sponsor and Placement Agent.

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DEFINITIONS

In this Offer Information Statement, the following definitions apply throughout unless the context otherwise requires or is otherwise stated:

Companies within the Group

- "Company" : Winking Studios Limited
- "Group" : The Company and its subsidiaries

Other Corporations and Agencies

- "Acer" : Acer Incorporated (宏碁股份有限公司)
- "Acer Digital" : Acer Digital Service Co.
- "Acer Gaming" : Acer Gaming Inc. (宏碁遊戲股份有限公司)
- "Acer Group" : Acer and its subsidiaries
- "Acer Placees" : Acer, Acer Gaming and Acer SoftCapital
- "Acer SoftCapital" : Acer SoftCapital Incorporated (宏碁跨世紀投資股份有限公司)
- "Authority" or "MAS" : Monetary Authority of Singapore
- "CDP" : The Central Depository (Pte) Limited
- "CSRC" : China Securities Regulatory Commission (中国证券监督管理委员会)
- "DIR" : Department of Investment Review, Ministry of Economic Affairs of Taiwan (which was previously known as the Investment Commission, Ministry of Economic Affairs of Taiwan or MOEAIC prior to 26 September 2023)
- "MOFCOM" : Ministry of Commerce of the PRC (中华人民共和国商务部)
- "OPCCL" : On Point Creative Co., Ltd. (創點數位概念股份有限公司)
- "SAFE" : State Administration of Foreign Exchange of the PRC (国家外汇管理局)
- "SAMR" : State Administration for Market Regulation of the PRC (国家市场监督管理总局)
- "SGX-ST" : Singapore Exchange Securities Trading Limited

DEFINITIONS

"Share Registrar"	:	Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.)
"SIC"	:	The Securities Industry Council of Singapore
"Sponsor", "Placement Agent" or "PPCF"	:	PrimePartners Corporate Finance Pte. Ltd.
"Taiwan Winking"	:	Winking Entertainment Corporation (唯晶科技股份有限公司)

General

"2D"	:	Two-dimensional
"3D"	:	Three-dimensional
"Acer Placement"	:	Has the meaning ascribed thereto under the section entitled "Take-Over Limits" of this Offer Information Statement
"Acer Placement Shares"	:	Has the meaning ascribed thereto under the section entitled "Take-Over Limits" of this Offer Information Statement
"Acer Subscription Shares"	:	Has the meaning ascribed thereto under the section entitled "Take-Over Limits" of this Offer Information Statement
"AI"	:	Artificial intelligence
"Articles of Association"	:	The articles of association of the Company
"Art Outsourcing Segment"	:	The business segment of the Group which involves the creation of digital art assets as part of its provision of art outsourcing services
"Associate"	:	(a) in relation to any Director, Substantial Shareholder or Controlling Shareholder (being an individual) means: <ul style="list-style-type: none">(i) his immediate family;(ii) the trustees of any trust of which he or his immediate family is a beneficiary, or in the case of a discretionary trust, is a discretionary object; and(iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30.0% or more; and

DEFINITIONS

	(b)	in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30.0% or more
"Audit Committee"	:	The audit committee of the Company as at the date of this Offer Information Statement, unless otherwise stated
"Board"	:	The board of Directors of the Company as at the date of this Offer Information Statement
"Catalist Rules"	:	Section B of the SGX-ST Listing Manual, as may be amended, modified or supplemented from time to time
"Cayman Islands Companies Act"	:	The Companies Act (As Revised) of the Cayman Islands, as amended, modified or supplemented from time to time
"CEO"	:	Chief Executive Officer
"CFO"	:	Chief Financial Officer
"Circular"	:	The Circular dated 15 April 2024 released by the Company to Shareholders in respect of, <i>inter alia</i> , the Proposed Placement and the Acer Placement
"Code"	:	The Singapore Code on Take-overs and Mergers, as may be amended, supplemented or modified from time to time
"Completion"	:	Completion of the Proposed Placement
"Completion Date"	:	The date of Completion, falling 60 business days after 30 April 2024 (being the date of the EGM) or such other date as the Company and the Placement Agent may agree
"Controlling Shareholder"	:	A person who: (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in the company. The SGX-ST may determine that a person who satisfies this paragraph is not a controlling shareholder; or (b) in fact exercises control over a company
"Cornerstone Tranche"	:	Has the meaning ascribed to it in Part 4 (Key Information) of this Offer Information Statement

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"Cross-Strait Act"	:	Has the meaning ascribed to it in Part 5 (Operating and Financial Review and Prospects) of this Offer Information Statement
"Directors"	:	The directors of the Company as at the date of this Offer Information Statement
"EBITDA"	:	Earnings before interest, taxes, depreciation and amortisation
"EGM"	:	The extraordinary general meeting of the Company held on 30 April 2024 to approve, <i>inter alia</i> , the Proposed Placement
"EIT Law"	:	Has the meaning ascribed to it in Part 5 (Operating and Financial Review and Prospects) of this Offer Information Statement
"Enlarged Issued Share Capital"	:	The enlarged issued and paid-up share capital of the Company immediately after the completion of the Proposed Placement
"EPS"	:	Earnings per Share
"Executive Officers"	:	The executive officers of the Group as at the date of lodgement of this Offer Information Statement
"Existing Issued Share Capital"	:	279,698,275 Shares representing the entire issued and paid-up share capital of the Company, as at the Latest Practicable Date
"Foreign Investment Statute"	:	Has the meaning ascribed to it in Part 5 (Operating and Financial Review and Prospects) of this Offer Information Statement
"Game Development Segment"	:	The business segment of the Group where the Group provides game development services (other than the creation of digital art assets), including programming, development, design and script writing of games
"Global Publishing Segment"	:	The business segment where the Group releases game products developed in-house as well as third-party game developers on global game platforms, including PlayStation, Switch and Steam
"Group CFO"	:	Group Chief Financial Officer
"Hong Kong"	:	Hong Kong, Special Administrative Region of the PRC
"Irrevocable Subscription Agreements"	:	Has the meaning ascribed thereto under the section entitled "Take-Over Limits" of this Offer Information Statement
"IT"	:	Information technology

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"Latest Practicable Date"	:	14 June 2024, being the latest practicable date prior to the lodgement of this Offer Information Statement with the SGX-ST, acting as agent on behalf of the Authority
"Listing"	:	Has the meaning ascribed to it in the Offer Document
"Market Day"	:	A day on which the SGX-ST is open for trading in securities
"Measures"	:	Has the meaning ascribed to it in Part 5 (Operating and Financial Review and Prospects) of this Offer Information Statement
"Memorandum"	:	Memorandum of association of the Company, as amended from time to time
"Mr. Chang Yi-Hao"	:	Chang, Yi-Hao (張益豪)
"Mr. Johnny Jan"	:	Jan, Cheng-Han (詹承翰)
"Mr. Kao Shu-Kuo"	:	Kao, Shu-Kuo (高樹國)
"Mr. Lim Heng Choon"	:	Lim Heng Choon
"Mr. Oliver Yen"	:	Yen, Chun-Te (嚴俊德)
"Mr. Yang Wu Te"	:	Yang Wu Te
"Ms. Tina Li"	:	Li, Ziting (李子婷)
"NAV"	:	Net asset value
"Negative List (2021 Version)"	:	Has the meaning ascribed to it in Part 5 (Operating and Financial Review and Prospects) of this Offer Information Statement
"Negative List for Inbound Investment by Foreign Investors"	:	Has the meaning ascribed to it in Part 5 (Operating and Financial Review and Prospects) of this Offer Information Statement
"NTA"	:	Net tangible assets
"Offer Document"	:	The offer document of the Company dated 8 November 2023 in relation to the listing and quotation of the Shares on the Official List of Catalist
"Offer Information Statement"	:	This offer information statement issued by the Company in respect of the Proposed Placement, and all other accompanying documents issued by the Company, including, where the context admits, any supplementary or replacement document which may be issued by the Company and lodged with the SGX-ST acting as agent on behalf of the Authority in connection with the Proposed Placement

DEFINITIONS

- "Other Services Segment"** : The business segment of the Group where the Group sells the video games developed in-house and peripheral gaming products
- "PC"** : Personal computer
- "Placement Agreement"** : The placement agreement entered into between the Company and the Placement Agent on 9 April 2024, in relation to the Proposed Placement
- "Placement Proceeds Net"** : The estimated net proceeds of S\$26.5 million from the Proposed Placement, after deducting estimated expenses of approximately S\$0.5 million
- "Proposed Pixelline Acquisition"** : Has the meaning ascribed to it in Part 4 (Key Information) of this Offer Information Statement
- "Proposed Placement"** : The proposed placement of up to 108,000,000 Placement Shares at the Placement Price for each Placement Share
- "Placement Price"** : The issue price of the Placement Shares, being S\$0.25 for each Placement Share
- "Placement Shares"** : Up to 108,000,000 new ordinary shares in the capital of the Company to be issued and allotted in connection with the Proposed Placement
- "Previous Placement"** : Has the meaning ascribed to it in Part 4 (Key Information) of this Offer Information Statement
- "PRC" or "China"** : The People's Republic of China
- "record date"** : In relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which Shareholders must be registered with the Company or with CDP, as the case may be, in order to participate in such dividends, rights, allotments or other distributions
- "Register of Members"** : The register of members of the Company maintained in accordance with the Cayman Islands Companies Act and where applicable, any branch register of members of the Company to be maintained at such place as the Board shall determine from time to time
- "SAFE Circular 7"** : Has the meaning ascribed to it in Part 5 (Operating and Financial Review and Prospects) of this Offer Information Statement
- "SAT Circular No. 82"** : Has the meaning ascribed to it in Part 5 (Operating and Financial Review and Prospects) of this Offer Information Statement

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" Securities Account "	:	A securities account maintained by a Depositor with CDP, but does not include a securities sub-account maintained with a Depository Agent
" Securities and Futures Act "	:	The Securities and Futures Act 2001 of Singapore, as amended, supplemented or modified from time to time
" SFRS(I) "	:	Singapore Financial Reporting Standards (International)
" SGXNET "	:	A system network used by listed companies to send information and announcements to the SGX-ST or any other system network(s) as may be prescribed by the SGX-ST
" Shareholders "	:	Registered holders of Shares in the Register of Members of the Company or, where CDP is the registered holder, the term " Shareholders " shall, in relation to such Shares and where the context so admits, mean the Depositors whose Securities Accounts are credited with such Shares
" Shares "	:	Ordinary shares having a par value of S\$0.04 each in the share capital of the Company
" Singapore Companies Act "	:	The Companies Act 1967 of Singapore, as amended, supplemented or modified from time to time
" STA "	:	Has the meaning ascribed to it in Part 5 (Operating and Financial Review and Prospects) of this Offer Information Statement
" STA Circular 7 "	:	Has the meaning ascribed to it in Part 5 (Operating and Financial Review and Prospects) of this Offer Information Statement
" Subscription Letter "	:	The subscription letter entered into between the Placement Agent and Acer on 9 April 2024, in respect of the Acer Placement
" Substantial Shareholder "	:	A person who has an interest or interests in one (1) or more voting Shares (excluding treasury shares) in the Company, and the total votes attached to that Share, or those Shares, is not less than 5% of the total votes attached to all the voting Shares (excluding treasury shares) in the Company
" Third Jurisdiction Entity "	:	Has the meaning ascribed to it in Part 5 (Operating and Financial Review and Prospects) of this Offer Information Statement

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"Transaction Value"	:	Has the meaning ascribed to it under the section entitled "Summary of the Principal Terms of the Proposed Placement" of this Offer Information Statement
"Winking Studios Performance Share Plan"	:	The share award plan of the Company

Currencies, Units and Others

"Canadian dollars"	:	The lawful currency of Canada
"Euros"	:	The lawful currency of the European Union
"FY"	:	The financial year ended or ending 31 December
"HKD"	:	Hong Kong Dollars, the lawful currency of Hong Kong
"Japanese Yen" or "JPY"	:	The lawful currency of Japan
"NTD"	:	New Taiwan Dollars, the lawful currency of Taiwan
"Renminbi" or "RMB"	:	Renminbi, the lawful currency of the PRC
"S\$" or "SGD", and "Singapore cents"	:	Singapore Dollars and cents, respectively, being the lawful currency of the Republic of Singapore
"US\$" and "US cents"	:	United States Dollars and cents, being the lawful currency of the United States of America for the time being
"%" or "per cent."	:	Per centum or percentage

The expressions "**associated company**", "**associated entity**", "**related corporation**", "**related entity**", "**Entity At Risk**", "**subsidiary**", "**subsidiary entity**", "**substantial interest-holder**" and "**Substantial Shareholder**" shall have the meanings ascribed to them respectively in the Securities and Futures Act, the Singapore Companies Act and/or the Catalist Rules, as the case may be.

The terms "**Depositor**", "**Depository Agent**" and "**Depository Register**" shall have the meanings ascribed to them, respectively, in Section 81SF of the Securities and Futures Act.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall, where applicable, include corporations.

The headings in this Offer Information Statement are inserted for convenience only and shall be ignored in construing this Offer Information Statement.

The words "**written**" and "**in writing**" include any means of visible reproduction.

Any reference to a time of day or date in this Offer Information Statement shall be a reference to a time of day or date, as the case may be, in Singapore, unless otherwise stated. Any reference to a date

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and/or time in this Offer Information Statement in relation to the Proposed Placement (including but not limited to the Completion Date) shall include such other date(s) and/or time(s) as may be announced from time to time by or on behalf of the Company.

Any reference in this Offer Information Statement to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Cayman Islands Companies Act, the Singapore Companies Act, the Securities and Futures Act, the Catalist Rules, the Code or any amendment or modification thereof and used in this Offer Information Statement shall, where applicable, have the meaning assigned to it under the Cayman Islands Companies Act, the Singapore Companies Act, the Securities and Futures Act, the Catalist Rules, the Code or such amendment or modification thereof, as the case may be, unless otherwise provided.

Any reference to any agreement or document shall include such agreement or document as amended, modified, varied, novated, supplemented or replaced from time to time.

Certain Chinese names and characters, such as those of entities, properties, cities, governmental and regulatory authorities, laws and regulations and notices, have been translated into English or from English names and characters, solely for your convenience, and such translations should not be construed as representations that the English names actually represent Chinese names and characters or that the Chinese names actually represent the English names and characters.

Any discrepancies in the figures included in this Offer Information Statement between the amounts listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Offer Information Statement may not be an arithmetic aggregation of the figures that precede them.

Where any word or expression is defined in this Offer Information Statement, such definition shall extend to the grammatical variations of such word or expression.

Any reference to announcements of or by the Company in this Offer Information Statement includes announcements of or by the Company posted on the website of the SGX-ST at <http://www.sgx.com>.

SUMMARY OF THE PRINCIPAL TERMS OF THE PROPOSED PLACEMENT

The following is a summary of the principal terms and conditions of the Proposed Placement and is derived from, and should be read in conjunction with, the full text of this Offer Information Statement, and is qualified in its entirety by reference to information appearing elsewhere in this Offer Information Statement.

(1) Principal Terms of the Proposed Placement

The principal terms of the Proposed Placement are summarised below.

Number of Placement Shares : Up to 108,000,000 Placement Shares.

Placement Price : S\$0.25 payable for each Placement Share.

The Placement Price of S\$0.25 for each Placement Share represents a discount of approximately 1.0% to the volume weighted average price of S\$0.2524 for trades done on the SGX-ST on 9 April 2024, being the full Market Day on which the Placement Agreement was signed.

Status of the Placement Shares : The Placement Shares, when issued and delivered, will be free from all pre-emption rights, charges, liens and other encumbrances and with all rights and benefits attaching thereto and shall rank *pari passu* in all respects with the Shares in issue as at the date of issue of the Placement Shares, save for any rights, benefits and entitlements the record date for which is before the date of issue of the Placement Shares. For the purposes of this section, "**record date**" means the date fixed by the Company for the purposes of determining entitlements to dividends, rights, allotments or other distributions of holders of Shares.

Restricted Placees : Save for the Acer Placees, it is not intended that the Placement Shares will be placed to any person who is a Director or Substantial Shareholder or any other person in the categories set out in Rule 812(1) of the Catalist Rules, unless specific Shareholders' approval has been obtained, and the relevant restricted parties (who are also Shareholders) must abstain from voting on the resolution approving the Proposed Placement.

The Proposed Placement will not result in a transfer of controlling interest of the Company and there are no share borrowing arrangements entered into for the Proposed Placement.

Listing of the Placement Shares : An application will be made to the SGX-ST for the dealing in, listing of and quotation for up to 108,000,000 new ordinary shares in the capital of the Company on the Catalist.

As at the date of this Offer Information Statement, the Company has yet to receive the listing and quotation notice from SGX-ST for the dealing in, listing of and quotation for the Placement Shares. An appropriate announcement on the outcome of the application will be made once the listing

SUMMARY OF THE PRINCIPAL TERMS OF THE PROPOSED PLACEMENT

and quotation notice is issued by the SGX-ST.

Any listing and quotation notice which may be issued by SGX-ST for the listing and quotation of the Placement Shares is not to be taken as an indication of the merits of the Company, its subsidiaries, the Proposed Placement and the Placement Shares.

Subject to approval being granted by the SGX-ST for the listing and quotation of the Placement Shares on the Catalist, the Placement Shares will be admitted to the Catalist and the official listing of, and quotation for, the Placement Shares will commence after all conditions which may be imposed by the SGX-ST are satisfied, the certificates relating thereto have been issued and the notification letters from CDP have been despatched.

Trading of the Placement Shares : Upon the listing of and quotation for the Placement Shares on the Catalist, the Placement Shares will be traded on the Catalist under the book-entry (scripless) settlement system. For the purposes of trading on the Catalist, each board lot of Shares will comprise 100 Shares.

Placement Commission : In consideration of the agreement of the Placement Agent to procure end-places on a best efforts basis for the Placement Shares, the Company shall pay to the Placement Agent, a placement commission equal to 3.5% of the aggregate amount of the value payable, receivable, invested, transferred, assumed or contributed pursuant to the Proposed Placement (such aggregate amount being the "**Transaction Value**") (excluding prevailing goods and services tax) in respect of places procured or introduced by the Placement Agent. In respect of investors introduced by the Company to the Placement Agent, the Company agrees to pay a placement commission to the Placement Agent of 0.2% of the Transaction Value (excluding the prevailing goods and services tax), subject to the first 10 investors. Thereafter, the Placement Agent will be entitled to an additional S\$1,500 fee (excluding the prevailing goods and services tax) for each additional investor introduced by the Company to the Placement Agent.

(2) Listing of and Quotation for the Placement Shares

The listing of the Placement Shares will commence after all the securities certificates have been issued and the notification letters from CDP have been despatched. Upon listing and quotation on the Catalist, the Placement Shares will be traded under the book-entry (scripless) settlement system. All dealings in, and transactions (including transfers) of, the Placement Shares effected through the Catalist and/or CDP shall be made in accordance with CDP's "Terms and Conditions for Operation of Securities Accounts with CDP" and the "Terms and Conditions for CDP to act as Depository for the Placement Shares", as the same may be amended from time to time. Copies of the above are available from CDP.

INDICATIVE TIMETABLE OF KEY EVENTS

The Company has appointed PrimePartners Corporate Finance Pte. Ltd. as the Placement Agent pursuant to the Placement Agreement to procure placees for up to 108,000,000 Placement Shares.

The Proposed Placement will commence from the time and date that this Offer Information Statement is lodged with the SGX-ST, acting as agent on behalf of the Authority, and will remain open until the Completion Date (being the date falling 60 business days after 30 April 2024 or such other date as the Company and the Placement Agent may agree).

Completion of the Proposed Placement pursuant to the Placement Agreement is conditional upon, *inter alia*, the following conditions:

- (i) the listing and quotation notice for the listing and quotation of the Placement Shares on the Catalist of the SGX-ST being obtained from the SGX-ST and not having been revoked or amended and, where such approval is subject to conditions, to the extent that any conditions for the listing and quotation of the Placement Shares on the Catalist of the SGX-ST are required to be fulfilled on or before Completion Date, they are so fulfilled;
- (ii) necessary approval from Shareholders for the resolution to approve, *inter alia*, the Proposed Placement and subscription by and placement of Placement Shares to the relevant placees as required under Rules 805, 812(1) and 906 of the Catalist Rules, being obtained at the EGM and not having lapsed or been withdrawn or revoked;
- (iii) the exemptions under Sections 272B and/or 274 and/or 275 and/or 277 of the Securities and Futures Act being applicable to the Proposed Placement under the Placement Agreement (to the extent applicable);
- (iv) the offer, allotment, issue and subscription of the Placement Shares not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of the Placement Agreement by any legislative, executive or regulatory body or authority of Singapore or any other jurisdiction, which is applicable to the Company or the Placement Agent;
- (v) the delivery to the Placement Agent on Completion Date, of a certificate, substantially in the form set out in the Placement Agreement, signed on behalf of the Company by its duly authorised officer;
- (vi) the delivery of copies of such resolutions, minutes of general meeting and/or documents on Completion Date evidencing that the execution of the Placement Agreement by the Company has been validly authorised by such party, and that the issue, offer and sale of the Placement Shares having been duly approved by the Directors and/or the Shareholders;
- (vii) there not having occurred, in the opinion of the Placement Agent, any event having a material adverse effect on the Group as a whole, whether or not arising from transactions in the ordinary course of business, subsequent to the date of the Placement Agreement and prior to the Completion Date; and
- (viii) the representations, warranties and undertakings in clause 3 of the Placement Agreement remaining true and correct in all material respects as at the Completion Date and the Company having performed all of its obligations thereunder to the extent required to be performed on or before the Completion Date.

An application will be made to the SGX-ST for the dealing in, listing of and quotation for up to 108,000,000 new ordinary shares in the capital of the Company on the Catalist. As at the date of this

INDICATIVE TIMETABLE OF KEY EVENTS

Offer Information Statement, the Company has yet to receive the listing and quotation notice from SGX-ST for the dealing in, listing of and quotation for the Placement Shares. An appropriate announcement on the outcome of the application will be made once the listing and quotation notice is issued by the SGX-ST.

Any listing and quotation notice which may be issued by SGX-ST for the listing and quotation of the Placement Shares is not to be taken as an indication of the merits of the Company, its subsidiaries, the Proposed Placement and the Placement Shares.

Subject to approval being granted by the SGX-ST for the listing and quotation of the Placement Shares on the Catalist, the Placement Shares will be admitted to the Catalist and the official listing of, and quotation for, the Placement Shares will commence after all conditions which may be imposed by the SGX-ST are satisfied, the certificates relating thereto have been issued and the notification letters from CDP have been despatched.

The above timetable is indicative only and is subject to change. As at the Latest Practicable Date, the Company does not expect the timetable to be modified. However, the Company may, in consultation with the Sponsor and the Placement Agent, and with the approval of the SGX-ST, modify the timetables subject to any limitations under any applicable law. In such an event, the Company will publicly announce any change to the above timetable through an announcement posted on the SGX-ST's website at <http://www.sgx.com>.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements contained in this Offer Information Statement, statements made in public announcements, press releases and oral statements that may be made by the Company or its Directors, officers or employees acting on its behalf, that are not statements of historical fact, constitute "forward-looking statements". Some of these statements can be identified by words that have a bias towards the future or, are forward-looking such as "anticipate", "believe", "could", "estimate", "expect", "forecast", "if", "intend", "may", "plan", "possible", "probable", "project", "should", "will" and "would" or similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the Group's expected financial position, operating results, business strategy, plans and future prospects of the Group's industry, are forward-looking statements. These forward-looking statements, including but not limited to, statements as to the Group's revenue and profitability, prospects, future plans and other matters discussed in this Offer Information Statement regarding matters that are not historical facts, are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Group's actual and/or future results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by such forward-looking statements.

Given the risks (both known and unknown), uncertainties and other factors that may cause the Group's actual future results, performance or achievements to be materially different from that expected, expressed or implied by the forward-looking statements in this Offer Information Statement, undue reliance must not be placed on these statements. The Group's actual results, performance or achievements may differ materially from those anticipated in these forward-looking statements. Neither the Company nor any other person represents or warrants that the Group's actual future results, performance or achievements will be as discussed in those forward-looking statements.

Further, the Company disclaims any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances for any reason, even if new information becomes available or other events occur in the future, subject to compliance with any applicable laws and regulations and/or rules of the SGX-ST and/or any regulatory or supervisory body or agency. Where such developments, events or circumstances occur after the lodgement of this Offer Information Statement with the SGX-ST, acting as agent on behalf of the Authority or are required to be disclosed by law and/or the SGX-ST, the Company may make an announcement of the same on the SGXNET and, if required, lodge a supplementary or replacement document with the SGX-ST, acting as agent on behalf of the Authority.

The Company is also subject to the provisions of the Catalist Rules regarding corporate disclosure.

TAKE-OVER LIMITS

The Code regulates the acquisition of ordinary shares of public companies, including the Company.

Pursuant to the Code, except with the SIC's consent, where:

- (a) any person acquires, whether by a series of transactions over a period of time or not, Shares which (taken together with Shares held or acquired by persons acting in concert with him) carry 30.0% or more of the voting rights in the Company; or
- (b) any person who, together with persons acting in concert with him, holds not less than 30.0% but not more than 50.0% of the voting rights of the Company and such person, or any person acting in concert with him, acquires in any period of six (6) months additional Shares carrying more than 1.0% of the voting rights of the Company,

such person is required to make a mandatory general offer for all the remaining Shares in the Company in accordance with the provisions of the Code. In addition to such person, each of the principal members of the group of persons acting in concert with him may, according to the circumstances of the case, have the obligation to extend an offer.

Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Code as a result of any acquisition of the Placement Shares pursuant to the Proposed Placement, should consult the SIC and/or their professional adviser(s) immediately.

The Acer Placement

On 9 April 2024, Acer entered into the Subscription Letter to indicate the commitment of itself as well as its nominees, namely (i) Acer Gaming; (ii) Acer SoftCapital; and (iii) Acer Digital, to subscribe for a minimum of 64,800,000 Placement Shares up to an aggregate of 108,000,000 Placement Shares (the "**Acer Placement Shares**"), at the Placement Price for each Placement Share (the "**Acer Placement**").

The minimum number of Acer Placement Shares represents approximately 60.0% of the Placement Shares and approximately 23.2% of the Existing Issued Share Capital of the Company as at the date of this Offer Information Statement and will represent approximately 16.7% of the Enlarged Issued Share Capital of the Company of 387,698,275 Shares (assuming that the maximum number of 108,000,000 Placement Shares have been placed out).

The maximum number of Acer Placement Shares represents approximately 100.0% of the Placement Shares and approximately 38.6% of the Existing Issued Share Capital of the Company as at the date of this Offer Information Statement and will represent approximately 27.9% of the Enlarged Issued Share Capital of the Company of 387,698,275 Shares (assuming that the maximum number of 108,000,000 Placement Shares have been placed out).

Subsequent to the Subscription Letter, Acer has nominated two of its subsidiaries and/or associated companies, namely, (i) Acer Gaming; and (ii) Acer SoftCapital (collectively, the "**Acer Placees**") to subscribe for the Acer Placement pursuant to an irrevocable subscription agreement (collectively, the "**Irrevocable Subscription Agreements**") to subscribe for the Placement Shares (collectively, the "**Acer Subscription Shares**").

The details of the Acer Placees as at the Latest Practicable Date are as follows:

Name of the Acer Placee	Background of the Acer Placee and the rationale for their respective subscriptions
Acer	Acer is an indirect controlling shareholder of the Company. Acer has a deemed interest in 166,681,436 Shares, representing approximately 59.6% of the Existing Issued Share Capital of the Company.
Acer Gaming	Acer Gaming is a direct controlling shareholder of the Company. Acer Gaming has a direct interest in 142,537,815 Shares, representing approximately 51.0% of the Existing Issued Share Capital of the Company.
Acer SoftCapital	Acer SoftCapital is a wholly owned direct subsidiary of Acer. Acer SoftCapital has a direct interest in 24,143,621 Shares, representing approximately 8.6% of the Existing Issued Share Capital of the Company.

The Acer Placees form part of the Acer Group. The Acer Group had expressed an interest, through the Acer Placees, to invest in the Company through the Acer Placement for their own respective strategic investment purposes.

The Acer Subscription Shares will not result in a change of control of the type under Rule 1015 of the Catalist Rules, as the Acer Group has been the controlling shareholder of the Company since listing and holds 166,681,436 Shares (representing 59.6% of the Existing Issued Share Capital of the Company) as at the Latest Practicable Date.

Further, assuming that the shareholdings of the Controlling Shareholders of the Company are as set out in the Register of Members as at the Latest Practicable Date, the Directors are not aware of any Controlling Shareholders who would become obliged to make a mandatory take-over offer for the Company under Rule 14 of the Code as a result of an intended acquisition of Placement Shares.

OFFERING, SELLING AND TRANSFER RESTRICTIONS

GENERAL

No action has been taken or will be taken to permit a public offering of the Placement Shares to occur in any jurisdiction, or the possession, circulation, or distribution of this Offer Information Statement, its accompanying documents or any other material relating to the Company, the Placement Shares in any jurisdiction where action for such purpose is required, except that this Offer Information Statement has been lodged with the SGX-ST acting as agent on behalf of the Authority.

Accordingly, the Placement Shares may not be offered or sold, directly or indirectly, and none of this Offer Information Statement, its accompanying documents or any offering materials or advertisements in connection with the Placement Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. Investors are advised to consult their legal counsel prior to making any offer, sale, resale, pledge or other transfer of the Placement Shares.

This Offer Information Statement and its accompanying documents are being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

FOR INVESTORS IN TAIWAN

The securities of the Company have not been and will not be registered with the Financial Supervisory Commission of Taiwan pursuant to relevant securities rules and may not be offered, issued or sold within Taiwan through a public offering or in circumstances which constitutes an offer within the meaning of the Securities and Exchange Act of Taiwan that requires a registration or approval of the Financial Supervisory Commission of Taiwan. No person or entity in Taiwan has been authorised to offer, sell, give advice regarding or otherwise intermediate the offering, issuance and sale of the shares in Taiwan.

**SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS)
(SECURITIES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018**

PART 2: IDENTITY OF DIRECTORS, ADVISERS AND AGENTS

Directors

- 1. Provide the names and addresses of each of the directors or equivalent persons of the relevant entity.**

Names of Directors	Designation	Address
Mr. Johnny Jan	Executive Chairman and CEO	c/o 1F, No. 158, Ruihu Street, Neihu District, Taipei City 114067, Taiwan
Mr. Kao Shu-Kuo	Non-Executive Director	c/o 1F, No. 158, Ruihu Street, Neihu District, Taipei City 114067, Taiwan
Mr. Lim Heng Choon	Lead Independent and Non-Executive Director	c/o 6 Raffles Quay #14-06, Singapore 048580
Mr. Chang Yi-Hao	Independent and Non-Executive Director	c/o 1F, No. 158, Ruihu Street, Neihu District, Taipei City 114067, Taiwan
Mr. Yang Wu Te	Independent and Non-Executive Director	c/o 6 Raffles Quay #14-06, Singapore 048580

Advisers

- 2. Provide the names and addresses of –**
- (a) the issue manager to the offer, if any;**
 - (b) the underwriter to the offer, if any; and**
 - (c) the legal adviser for or in relation to the offer, if any.**
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Role	Name and Address
Placement Agent :	PrimePartners Corporate Finance Pte. Ltd. 16 Collyer Quay, #10-00 Collyer Quay Centre Singapore 049318
Underwriter to the Proposed Placement :	Not applicable as the Proposed Placement is not underwritten.
Legal Advisers to the Company in respect of the Proposed Placement :	Rajah & Tann Singapore LLP 9 Straits View, #06-07 Marina One West Tower Singapore 018937

Registrars and Agents

- 3. Provide the names and addresses of the relevant entity's registrars, transfer agents and receiving bankers for the securities or securities-based derivatives contracts being offered, where applicable.**

Role	Name and Address
Share Registrar :	Tricor Barbinder Share Registration Services 9 Raffles Place, #26-01 Republic Plaza, Singapore 048619
Transfer Agent :	Not Applicable
Receiving Banker :	Not Applicable

PART 3: OFFER STATISTICS AND TIMETABLE

Offer Statistics

- 1. For each method of offer, state the number of the securities or securities-based derivatives contracts being offered.**
-

Proposed placement of up to 108,000,000 Placement Shares at the Placement Price of S\$0.25 per Placement Share.

The Placement Shares will be allotted and issued to the end-places free from all claims, pledges, mortgages, charges, liens and encumbrances, and shall rank in all respects *pari passu* with the existing Shares and carry all rights similar to the existing Shares as at the Completion Date, except that the Placement Shares will not rank for any dividends, distributions or entitlements, the record date for which falls on or before the date of the issue of the Placement Shares.

Upon the listing of, and quotation for, the Placement Shares on the Catalist, the Placement Shares will be traded on the Catalist under the book-entry scripless settlement systems. For the purposes of trading on the Catalist, each board lot of Shares will comprise 100 Shares.

Method and Timetable

- 2. Provide the information mentioned in paragraphs 3 to 7 of this Part to the extent applicable to –**
 - (a) the offer procedure; and**
 - (b) where there is more than one group of targeted potential investors and the offer procedure is different for each group, the offer procedure for each group of targeted potential investors.**
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Please see paragraphs 3 to 7 of this Part 3 of this Offer Information Statement.

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3. **State the time at, date on, and period during which the offer will be kept open, and the name and address of the person to whom the purchase or subscription applications are to be submitted. If the exact time, date or period is not known on the date of lodgement of the offer information statement, describe the arrangements for announcing the definitive time, date or period. State the circumstances under which the offer period may be extended or shortened, and the duration by which the period may be extended or shortened. Describe the manner in which any extension or early closure of the offer period must be made public.**
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Please refer to the section entitled "Indicative Timetable of Key Events" of this Offer Information Statement.

As at the Latest Practicable Date, the Company does not expect the timetable under the section entitled "Indicative Timetable of Key Events" of this Offer Information Statement to be modified. However, the Company may, upon consultation with the Placement Agent and its advisers, and with the approval of the SGX-ST and/or CDP, modify the timetable subject to any limitation under any applicable laws. In such an event, the Company will publicly announce any modification through a SGXNET announcement to be posted on the website of the SGX-ST at <http://www.sgx.com>.

4. **State the method and time limit for paying up for the securities or securities-based derivatives contracts and, where payment is to be partial, the manner in which, and dates on which, amounts due are to be paid.**
-

The placees will be obliged to pay the full Placement Price of the Placement Shares upon acceptance of the Placement Shares. Payment for the Placement Shares shall be made by remittance to a bank account designated by the Placement Agent or such other means as agreed with the Placement Agent. Accordingly, there would not be partial payment.

The Placement Agent or such other persons as the Placement Agent may direct, against delivery of the relevant documents by the Company as required under the Placement Agreement, shall on the Completion Date, make payment to the Company of the net placement monies in respect of the number of Placement Shares for which the Placement Agent has procured placees for in Singapore Dollars, being the aggregate Placement Price of the relevant number of Placement Shares placed out, less the commission payable to the Placement Agent, by way of cheque or wire transfer to the Company's designated bank account.

5. State, where applicable, the methods of and time limits for:-

- (a) the delivery of the documents evidencing title to the securities or securities-based derivatives contracts being offered (including temporary documents of title, if applicable) to subscribers or purchasers; and**
- (b) the book-entry transfers of the securities or securities-based derivatives contracts being offered in favour of subscribers or purchasers.**

On the Completion Date, the Placement Agent shall notify the Company of the number of Placement Shares that they have procured places for and the Company shall deliver or procure to be delivered to the CDP for the account of the Placement Agent or of such persons as it may direct, the appropriate number of duly issued share certificates in respect of the relevant number of Placement Shares so placed in the name of the CDP, and shall procure that the relevant Securities Account be credited with the Placement Shares.

6. In the case of any pre-emptive rights to subscribe for or purchase the securities or securities-based derivatives contracts being offered, state the procedure for the exercise of any right of pre-emption, the negotiability of such rights and the treatment of such rights which are not exercised.

Not applicable as no pre-emptive rights have been offered in relation to the Proposed Placement.

7. Provide a full description of the manner in which results of the allotment or allocation of the securities or securities-based derivatives contracts are to be made public and, where appropriate, the manner for refunding excess amounts paid by applicants (including whether interest will be paid).

The Placement Agent will procure places for the Proposed Placement on a best efforts basis.

The Company will announce the completion of the Proposed Placement by way of an SGXNET announcement to be posted on the SGX-ST's website at <http://www.sgx.com>.

No excess amounts are expected to be received in respect of the Placement Shares.

As at the date of this Offer Information Statement, Acer has nominated the Acer Places to subscribe for the Acer Subscription Shares.

PART 4: KEY INFORMATION

Use of Proceeds from Offer and Expenses Incurred

1. **In the same section, provide the information set out in paragraphs 2 to 7 of this Part. Disclose the estimated amount of the proceeds from the offer (net of the estimated amount of expenses incurred in connection with the offer) (called in this paragraph and paragraph 3 of this Part the net proceeds). Where only a part of the net proceeds will go to the relevant entity, indicate the amount of the net proceeds that will be raised by the relevant entity. If none of the proceeds will go to the relevant entity, provide a statement of that fact.**

Assuming the Proposed Placement is fully subscribed (subject to the terms and conditions of the Placement Agreement) at the Placement Price, the estimated net proceeds raised by the Company from the Proposed Placement, after deducting estimated fees and expenses (including listing and application fees, the commission payable to the Placement Agent, professional fees and other miscellaneous expenses of approximately S\$0.5 million to be incurred in connection with the Proposed Placement), would be approximately S\$26.5 million (the "**Placement Net Proceeds**").

All Placement Net Proceeds will go to the Company for allocation to its principal intended uses set out in paragraphs 2 and 3 of this Part 4 below.

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2. **Disclose how the net proceeds raised by the relevant entity from the offer will be allocated to each principal intended use. If the anticipated proceeds will not be sufficient to fund all of the intended uses, disclose the order of priority of such uses, as well as the amount and sources of other funds needed. Disclose also how the proceeds will be used pending their eventual utilisation for the proposed uses. Where specific uses are not known for any portion of the proceeds, disclose the general uses for which the proceeds are proposed to be applied. Where the offer is not fully underwritten on a firm commitment basis, state the minimum amount which, in the reasonable opinion of the directors or equivalent persons of the relevant entity, must be raised by the offer of securities or securities-based derivatives contracts.**

The Company has decided to undertake the Proposed Placement to raise funds to strengthen the Group's financial position and expand the capital base of the Group, which will in turn increase the resources available to the Company for, *inter alia*, the following purposes:

- (a) enabling the Group to be well-positioned as it continues to actively pursue corporate actions such as secondary or dual listings of the Company, potential fundraising exercises, pursue strategic acquisitions, alliances and joint ventures to grow the Group's market share and broaden the Group's customer base, as and when such opportunities arise;
- (b) the enhancements of the Group's current operational capabilities, which includes continuous exploration of the use of AI capabilities, so that the Group can keep up with technological advancements so as to maintain the delivery of high-quality services and art assets to its customers;

- (c) the expansion and improvements to the Group's existing and regional offices and supporting infrastructure as the Group continues to increase its market presence globally;
- (d) professional and other related fees to be incurred in relation to potential corporate exercises such as fundraising exercises, listings, strategic acquisitions, alliances and joint ventures; and
- (e) the general working capital requirements of the Group.

Following Acer Gaming's subscription of cornerstone shares during the Company's listing on the Catalist in 2023, Acer and Acer Gaming, as the Company's Controlling Shareholders, remain fully committed to support the Group in its future plans and strategies. This enables the Group to continuously leverage the expertise and network of the Acer Group, which has a presence in more than 160 countries, as the Group continues to embark on its growth plans to widen its customer base and business globally.

Assuming the Proposed Placement is fully subscribed (subject to the terms and conditions of the Placement Agreement) at the Placement Price, the Placement Net Proceeds, after deducting estimated fees and expenses (including listing and application fees, the commission payable to the Placement Agent, professional fees and other miscellaneous expenses of approximately S\$0.5 million to be incurred in connection with the Proposed Placement), would be approximately S\$26.5 million.

The Company intends to utilise the Placement Net Proceeds as follows:

Use of Placement Net Proceeds	Amount (S\$'million)	As a % of Placement Net Proceeds
Corporate actions such as secondary or dual listings of the Company, potential fundraising exercises, pursuing strategic acquisitions, alliances and joint ventures to grow the Group's market share and broaden the Group's customer base	17.2	65.0
Enhancement of the Group's current operational capabilities, which includes continuous exploration of the use of AI capabilities	4.0	15.0
Expansion and improvements to the Group's regional offices and supporting infrastructure as the Group continues to increase its market presence globally	2.7	10.0
Professional and other related fees to be incurred in relation to potential corporate exercises such as fundraising exercises, listings, strategic acquisitions, alliances and joint ventures	1.3	5.0
General working capital requirements of the Group	1.3	5.0
Total	26.5	100.0%

Shareholders should note that the actual number of Placement Shares to be issued and as such, the actual amount of Placement Net Proceeds, will depend on various factors such as market conditions, as well as potential subscribers' interest in the Shares of the Company, and there is no certainty or assurance that the Company will be able to place out all or any of the Placement Shares. Upon Completion and finalisation of the actual number of Placement Shares allotted and issued, the Company will provide the actual amount of the Placement Net Proceeds, as well as details on the use of such Placement Net Proceeds.

Pending the deployment of the Placement Net Proceeds, such proceeds may be deposited with banks and/or financial institutions, invested in short-term money markets and/or marketable securities and/or used for any other purpose on a short-term basis as the Directors may, in their absolute discretion, deem fit in the interests of the Company.

The Company will make periodic announcements on the utilisation of the Placement Net Proceeds as and when such proceeds are materially disbursed, and whether such use is in accordance with the stated use and in accordance with the percentage allocated. The Company will also provide a status report on the use of the Placement Net Proceeds in the Company's interim and full year financial results announcement(s) and in the Company's annual report(s), until such time the Placement Net Proceeds have been fully utilised. Where there is any material deviation from the stated use of the Placement Net Proceeds, the Company will announce the reasons for such deviation.

Where the Placement Net Proceeds are to be used for working capital, the Company will disclose a breakdown with specific details on the use of the Placement Net Proceeds for working capital in its announcements and annual reports.

Based on the reasonable opinion of the Directors as at the Latest Practicable Date, there is no minimum amount which must be raised from the Proposed Placement, taking into consideration the intended use of the Placement Net Proceeds.

3. For each dollar of the proceeds from the offer that will be raised by the relevant entity, state the estimated amount that will be allocated to each principal intended use and the estimated amount that will be used to pay for expenses incurred in connection with the offer.

Based on the intended use of the proceeds as set out in paragraph 2 of this Part 4 (Key Information) above, for each dollar of the Placement Net Proceeds of up to S\$26.5 million that will be raised from the Proposed Placement, the Company will allocate:

- (a) approximately 65.0 cents for corporate actions such as secondary or dual listings of the Company, potential fundraising exercises, pursuing strategic acquisitions, alliances and joint ventures to grow the Group's market share and broaden the Group's customer base;
- (b) approximately 15.0 cents for the enhancement of the Group's current operational capabilities, which includes continuous exploration of the use of AI capabilities;
- (c) approximately 10.0 cents for the expansion and improvements to the Group's regional offices and supporting infrastructure as the Group continues to increase its market presence globally;
- (d) approximately 5.0 cents to pay the professional and other related fees to be incurred in relation to potential corporate exercises such as fundraising exercises, listings,

strategic acquisitions, alliances and joint ventures; and

- (e) approximately 5.0 cents for the general working capital requirements of the Group.

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- 4. If any material part of the proceeds to be raised by the relevant entity will be used, directly or indirectly, to acquire or refinance the acquisition of any asset, business or entity, briefly describe the asset, business or entity and state its purchase price. Provide information on the status of the acquisition and the estimated completion date. Where funds have already been expended for the acquisition, state the amount that has been paid by the relevant entity, or, if the relevant entity is the holding company or holding entity of a group, the amount that has been paid by the relevant entity or any other entity in the group as at the latest practicable date. If the asset, business or entity has been or will be acquired from an interested person of the relevant entity, identify the interested person and state how the cost to the relevant entity is or will be determined and whether the acquisition is on an arm's length basis.**
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As stated above under paragraph 3 of this Part 4 (Key Information), the Company intends to apply a portion of the Placement Net Proceeds towards corporate actions such as secondary or dual listings of the Company, potential fundraising exercises, pursuing strategic acquisitions, alliances and joint ventures, to grow the Group's market share and broaden the Group's customer base. However, as at the Latest Practicable Date, the Group has not identified any such investment/acquisition, save that the Company had on 8 April 2024, entered into a non-binding memorandum of understanding with Lee Jie Way and Beh Yit Xian, the shareholders of Pixelline Production Sdn. Bhd., in connection with the proposed acquisition of *inter alia*, 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 (the "**Proposed Pixelline Acquisition**"). Details of the Proposed Pixelline Acquisition are set out in the Company's announcement dated 8 April 2024 posted on the website of the SGX-ST at <http://www.sgx.com>. As at the Latest Practicable Date, no definitive agreement has been entered into in connection with the Proposed Pixelline Acquisition nor has an estimated completion date been agreed upon by the parties.

In the event that any other opportunity arises for the Company to acquire any specific asset which the Directors deem to be in the interest of the Company to acquire, the Company may, subject to an announcement(s) being made and/or approval of Shareholders being obtained if required by the Catalist Rules, utilise part of the Placement Net Proceeds to finance such acquisition.

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- 5. If any material part of the proceeds to be raised by the relevant entity will be used to discharge, reduce or retire the indebtedness of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, of the group, describe the maturity of such indebtedness and, for indebtedness incurred within the past year, the uses to which the proceeds giving rise to such indebtedness were put.**
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No portion of the Placement Net Proceeds has been earmarked for the purposes of discharging, reducing or retiring the indebtedness of the above present facilities of the Group.

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6. **In the section containing the information mentioned in paragraphs 2 to 6 of this Part or in an adjoining section, disclose the amount of discount or commission agreed upon between the underwriters, or other placement or selling agents in relation to the offer, and the person making the offer. If it is not possible to state the amount of discount or commission, the method by which it is to be determined must be explained.**
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In consideration of the agreement of the Placement Agent to procure end-places on a best efforts basis for the Placement Shares, the Company shall pay to the Placement Agent, a placement commission equal to 3.5% of the Transaction Value (excluding prevailing goods and services tax) in respect of places procured or introduced by the Placement Agent. In respect of investors introduced by the Company to the Placement Agent, the Company agrees to pay a placement commission to the Placement Agent of 0.2% of the Transaction Value (excluding the prevailing goods and services tax), subject to the first ten investors. Thereafter, the Placement Agent will be entitled to an additional S\$1,500 fee (excluding the prevailing goods and services tax) for each additional investor introduced by the Company to the Placement Agent.

Information on the Relevant Entity

7. **Provide the following information:**

- (a) **the address and telephone and facsimile numbers of the relevant entity's registered office and principal place of business (if different from those of its registered office), and the email address of the relevant entity or a representative of the relevant entity;**
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Registered Office	:	P.O. Box 31119 Grand Pavilion, Hibiscus Way 802 West Bay Road Grand Cayman, KY1-1205 Cayman Islands
Principal place of business	:	No. 1, Zhengxue Road, Qinhuai District, Nanjing, PRC
Telephone number of the principal place of business	:	+86 25 8465 1255
Facsimile number of the principal place of business	:	+86 25 5188 5585
Email address	:	ir@winkingworks.com

The Company does not have a telephone number or facsimile number for its registered office.

(b) The nature of the operations and principal activities of the relevant entity or, if it is the holding company or holding entity of a group, of the group;

The principal activities of the Group are the provision of complete end-to-end art outsourcing and game development services across various platforms for the video games industry.

The subsidiaries of the Company and their principal activities as at the Latest Practicable Date are as follows:

Name of subsidiary	Country of incorporation	Principal activities	Effective interest held by the Company (%)
Winking Art Pte. Ltd.	Singapore	Provision of game art outsourcing services and game development outsourcing services across various platforms, such as console, PC, online and handheld content for the video games industry	100
Winking Entertainment Corporation (唯晶科技股份有限公司)	Taiwan	Provision of game art outsourcing services and game development outsourcing services across various platforms, such as console, PC, online and handheld content for the video games industry	100
On Point Creative Co., Ltd. (創點數位概念股份有限公司)	Taiwan	Provision of game art outsourcing services	100
Shanghai Winking Entertainment Ltd (上海唯晶信息科技有限公司)	PRC	Provision of game art outsourcing services across various platforms such as console, PC, online and handheld content for the video games industry	100
Nanjing Winking Entertainment Ltd (南京唯晶信息科技有限公司)	PRC	Provision of game art outsourcing services and game development outsourcing services across various platforms such as console, PC, online and handheld content for the video games industry	100
Shanghai Wishing	PRC	Provision of game art outsourcing services	100

Name of subsidiary	Country of incorporation	Principal activities	Effective interest held by the Company (%)
Entertainment Ltd (上海唯艺信息科技有限公司)		across various platforms such as console, PC, online and handheld content for the video games industry	
Winking Art Limited (唯美遊戲有限公司)	Hong Kong	Provision of game art outsourcing services across various platforms such as console, PC, online and handheld content for the video games industry	100
Winking Skywalker Entertainment Limited (唯晶天行者有限公司)	Hong Kong	Release of game products developed by the Group as well as the Group's clients on global game platforms, including PlayStation, Switch and Steam	100
Winking Entertainment (HK) Limited (唯晶科技(香港)有限公司)	Hong Kong	Investment holding	100

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- (c) **the general development of the business from the beginning of the period comprising the 3 most recently completed financial years to the latest practicable date, indicating any material change in the affairs of the relevant entity or the group, as the case may be, since —**
- (i) **the end of the most recently completed financial year for which financial statements of the relevant entity have been published; or**
- (ii) **the end of any subsequent period covered by interim financial statements, if interim financial statements have been published;**
-

The general development of the Group's business in the three (3) most recent completed financial years from 1 January 2021 up to the Latest Practicable Date is set out below in chronological order. The significant developments included in this section have been extracted from and summarised herein based on the information included in the Offer Document and related announcements released by the Company via SGXNET, and the information presented herein is correct as at the date of the Offer Document or relevant announcement (as the case may be).

Shareholders are advised to refer to the public announcements released by the Company via SGXNET and Part 5 (Operating and Financial Review and Prospects) of this Offer Information Statement for further details.

General development in FY2021

- (a) The Company incorporated Winking Art Pte. Ltd. as the Singapore headquarters of the Group.

General development in FY2022

- (b) Acer Gaming, a wholly owned subsidiary of Acer, became the single largest shareholder of the Company, holding approximately 55.0% of the share capital of the Company as at 15 September 2023.

General development in FY2023

- (c) On 17 November 2023, the Company was admitted to the Catalist of the SGX-ST, with trading in shares having commenced with effect from 20 November 2023.
- (d) On 28 December 2023, the Company entered into a sale and purchase agreement with Game Hours, Inc. (唯數娛樂科技股份有限公司) in relation to the purchase of 100% of the issued and paid-up share capital of OPCCL.

General development from 1 January 2024 to the Latest Practicable Date

- (e) On 1 April 2024, the Company announced the completion of the purchase of 100% of the issued and paid-up share capital of OPCCL pursuant to the sale and purchase agreement entered into between the Company and Game Hours, Inc. (唯數娛樂科技股份有限公司), further to the announcement released on 28 December 2023.
- (f) On 8 April 2024, the Company entered into a non-binding memorandum of understanding with Lee Jie Way and Beh Yit Xian, who each hold directly 67% and 33% respectively of the total shares in the capital of Pixelline Production Sdn. Bhd.. Pursuant to the memorandum of understanding, 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 Production Sdn. Bhd., through its subsidiary.
- (g) On 10 April 2024, the Company had announced the Proposed Placement.
- (h) On 15 April 2024, the Company had released the Circular to Shareholders in respect of *inter alia*, the Proposed Placement and the Acer Placement.
- (i) On 30 April 2024, the Company held the EGM to obtain Shareholders' approval for, *inter alia*, the Proposed Placement and the Acer Placement. Results of the EGM was announced by the Company on 1 May 2024. 100% of Shareholders present and voting at the EGM had voted in favour of the Proposed Placement and the Acer Placement respectively.

(d) **the equity capital and the loan capital of the relevant entity as at the latest practicable date, showing —**

- (i) **in the case of the equity capital, the issued capital; or**

- (ii) **in the case of the loan capital, the total amount of the debentures issued and outstanding, together with the rate of interest payable thereon;**

As at the Latest Practicable Date, the equity capital and loan capital of the Company are as follows:

Issued and paid-up share capital	:	US\$8,615,000
Number of ordinary shares in issue	:	279,698,275 Shares
Loan capital	:	Nil

(e) **where –**

- (i) **the relevant entity is a corporation, the number of shares of the relevant entity owned by each substantial shareholder as at the latest practicable date; or**
- (ii) **the relevant entity is not a corporation, the amount of equity interests in the relevant entity owned by each substantial interest-holder as at the latest practicable date;**

Directors' Interests

The interests of the Directors in the Shares, as recorded in the Register of Directors' Shareholdings of the Company, as at the Latest Practicable Date are set out below:

Directors	Direct Interest		Deemed Interest ⁽²⁾		Total Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Mr. Johnny Jan ⁽³⁾	21,268,929	7.6	2,304,731	0.8	23,573,660	8.4
Mr. Kao Shu-Kuo	300,000	0.1	-	-	300,000	0.1
Mr. Chang Yi-Hao	-	-	-	-	-	-
Mr. Yang Wu Te	-	-	-	-	-	-
Mr. Lim Heng Choon	-	-	-	-	-	-

Notes:

- (1) Based on 279,698,275 Shares in issue as at the Latest Practicable Date.
- (2) Deemed interests refer to interests determined pursuant to Section 4 of the Securities and Futures Act.
- (3) Ms. Lee, Chiu-Hui is the spouse of Mr. Johnny Jan. Accordingly, Mr. Johnny Jan is deemed to have an interest in the Shares held by her, by virtue of Section 133(4) of the Securities and Futures Act.

Substantial Shareholders' Interests

The interests of the Substantial Shareholders in the Shares as at the Latest Practicable Date are set out below:

Substantial Shareholders	Direct Interest		Deemed Interest ⁽²⁾		Total Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Controlling Shareholders (other than the Directors)						
Acer Gaming ⁽³⁾	142,537,815	51.0	-	-	142,537,815	51.0
Acer ⁽³⁾⁽⁴⁾	-	-	166,681,436	59.6	166,681,436	59.6
Substantial Shareholders (other than the Directors)						
Acer SoftCapital ⁽⁴⁾	24,143,621	8.6	-	-	24,143,621	8.6
Flying Way International Corp ⁽⁵⁾	23,082,552	8.3	-	-	23,082,552	8.3
Mr. Cho, Tai-Wei ⁽⁵⁾	2,915,494	1.0	23,082,552	8.3	25,998,046	9.3
Mr. Cho, Tai-Ching ⁽⁵⁾	-	-	23,082,552	8.3	23,082,552	8.3
Ms. Lee, Chiu-Hui ⁽⁶⁾	2,304,731	0.8	21,268,929	7.6	23,573,660	8.4

Notes:

- (1) Based on 279,698,275 Shares in issue as at the Latest Practicable Date.
- (2) Deemed interests refer to interests determined pursuant to Section 4 of the Securities and Futures Act.
- (3) As at the Latest Practicable Date, Acer holds an aggregate direct and indirect shareholding interest of 70.03% in Acer Gaming. Accordingly, Acer is deemed to have an interest in the Shares which are directly held by Acer Gaming by virtue of Section 4 of the Securities and Futures Act.
- (4) As at the Latest Practicable Date, Acer SoftCapital is a wholly owned subsidiary of Acer. Accordingly, Acer is deemed to have an interest in the Shares which are directly held by Acer SoftCapital by virtue of Section 4 of the Securities and Futures Act.
- (5) As at the Latest Practicable Date, Flying Way International Corp is owned by Mr. Cho Tai-Wei (44.0%) and Mr. Cho, Tai-Ching (40.0%), who are siblings. Accordingly, each of them is deemed to have an interest in the Shares in which Flying Way International Corp has an interest by virtue of Section 4 of the Securities and Futures Act.
- (6) Ms. Lee, Chiu-Hui is the spouse of Mr. Johnny Jan. Accordingly, she is deemed to have an interest in the Shares held by him, by virtue of Section 133(4) of the Securities and Futures Act.

- (f) Any legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have, or which have had in the 12 months immediately preceding the date of lodgement of the offer information statement, a material effect on the financial position or profitability of the relevant entity or, where the relevant entity is a holding company or holding entity of a group, of the group;**

As at the date of lodgement of this Offer Information Statement, the Directors are not aware of any legal or arbitration proceedings to which the Company or any of its subsidiaries is a party, including those which are pending or known to be contemplated, which may have or would have had in the 12 months immediately preceding the date of lodgement of this Offer Information Statement, a material effect on the financial position or profitability of the Group taken as a whole.

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- (g) **Where any securities, securities-based derivatives contracts or equity interests of the relevant entity have been issued within the 12 months immediately preceding the latest practicable date —**
- (i) **if the securities, securities-based derivatives contracts or equity interests have been issued for cash, state the prices at which the securities or securities-based derivatives contracts have been issued and the number of securities, securities-based derivatives contracts or equity interests issued at each price; or**
 - (ii) **if the securities, securities-based derivatives contracts or equity interests have been issued for services, state the nature and value of the services and give the name and address of the person who received the securities, securities-based derivatives contracts or equity interests.**
-

The Company was listed on the Catalist of SGX-ST on 20 November 2023 and had received gross proceeds of S\$8,000,000 from the placement and cornerstone tranche of an aggregate of 40,000,000 new shares comprising (i) the placement of 27,200,000 placement shares at S\$0.20 for each placement share (the "**Previous Placement**"); and (ii) the cornerstone tranche involving the issuance of 12,800,000 cornerstone shares at S\$0.20 for each cornerstone share (the "**Cornerstone Tranche**").

As disclosed in the Company's condensed consolidated interim financial statements for the six months and full year ended 31 December 2023 and the Company's annual report for FY2023, which was released on the website of the SGX-ST at <http://www.sgx.com> on 24 February 2024 and 15 April 2024 respectively, part of the proceeds from the Previous Placement and the Cornerstone Tranche has been used for the exploration of the use of AI capabilities in the Group's Art Outsourcing Segment and for general working capital purposes, which are the intended purposes as disclosed in the Offer Document.

Save as disclosed above, the Company has not issued any securities or equity interests for cash or for services within in the last 12 months immediately preceding the Latest Practicable Date.

- (h) **A summary of each material contract, other than a contract entered into in the ordinary course of business, to which the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any member of the group is a party, for the period of 2 years immediately preceding the date of lodgement of the offer information statement, including the parties to the contract, the date and general nature of the contract, and the amount of any consideration passing to or from the relevant entity or any other member of the group, as the case may be.**
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A summary of the material contracts, not being contracts entered into in the ordinary course of business, entered into by the Company or its subsidiaries during the two (2) years immediately preceding the date of lodgement of this Offer Information Statement is set out below:

- (a) the Management and Sponsorship Agreement entered into between the Company and PPCF dated 8 November 2023, pursuant to which PPCF agreed to manage and sponsor the Previous Placement in consideration for a management fee, as referred to in the section entitled "*Plan of Distribution - Management, Sponsorship and Placement Arrangements - Management and Sponsorship Agreement*" of the Offer Document;
- (b) the placement agreement dated 8 November 2023 entered into between the Company and PPCF in relation to PPCF's agreement to act as the placement agent in relation to the Previous Placement, in consideration for a placement commission of 3.5% of the aggregate placement price for each placement share in respect of the Previous Placement as referred to in the section entitled "*Plan of Distribution - Management, Sponsorship and Placement Arrangements - Placement Agreement*" of the Offer Document;
- (c) the continuing sponsorship agreement entered into between the Company and PPCF dated 8 November 2023 pursuant to which PPCF agreed to offer its services as continuing sponsor to the Company for the purposes of advising on, *inter alia*, the continuing obligations of the Company from the date of the listing of the Company's shares on the Catalist, in consideration for *inter alia*, a continuing sponsorship fee to be paid by the Company to PPCF;
- (d) the moratorium undertakings given by each of Mr. Johnny Jan, Lee, Chiu-Hui, Acer Gaming, Cho, Tai-Wei, Cho, Tai-Ching, Cho, Wen-Lin, Flying Way International Corp. and Mr. Oliver Yen, in favour of the Company and PPCF, all dated 8 November 2023 in relation to Shares which it has a direct and/or deemed interest in, as referred to in the section entitled "*Shareholders - Moratorium*" of the Offer Document;
- (e) the service agreement entered into between the Company and Mr. Johnny Jan dated 28 September 2023 and the employment agreements entered into between the Company and each of Mr. Oliver Yen and Ms. Tina Li dated 28 September 2023, as referred to in the section entitled "*Directors, Executive Officers and Employees - Service and Employment Agreements*" of the Offer Document. Details of the remuneration package are disclosed in the section entitled "*Directors, Executive Officers and Employees - Service and Employment Agreements*" of the Offer Document;
- (f) the cornerstone subscription agreements dated 28 September 2023 entered into between the Company and each of Acer Gaming and Mr. Jason Chen and supplemental cornerstone subscription agreement dated 8 November 2023 entered into between the Company and Acer Gaming in respect of the subscription of the cornerstone shares at S\$0.20 per cornerstone share pursuant to the Cornerstone Tranche, referred to in the section entitled "*Shareholders - Information on Cornerstone Investors*" of the Offer Document;
- (g) the sale and purchase agreement entered into between the Company and Game Hours, Inc. (唯數娛樂科技股份有限公司) dated 28 December 2023, in relation to the purchase by the Company of 100% of the issued and paid-up share capital of OPCCL for an aggregate purchase consideration of NTD59,900,000;
- (h) the Placement Agreement entered into between the Company and the Placement Agent dated 9 April 2024 in respect of the Proposed Placement. Details of the Placement Commission payable to the Placement Agent are set

out in the section entitled "Summary of the Principal Terms of the Proposed Placement" of this Offer Information Statement; and

- (i) the non-binding memorandum of understanding entered into amongst the Company, Lee Jie Way and Beh Yit Xian dated 8 April 2024 in relation to the Proposed Pixelline Acquisition.

PART 5: OPERATING AND FINANCIAL REVIEW AND PROSPECTS

Operating Results

1. Provide selected data from –
- (a) the audited income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, the audited consolidated income statement of the relevant entity or the audited combined income statement of the group, for each financial year (being one of the 3 most recently completed financial years) for which that statement has been published; and
- (b) any interim income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any interim consolidated income statement of the relevant entity or interim combined income statement of the group, for any subsequent period for which that statement has been published.

The audited consolidated income statements of the Group for FY2021, FY2022, FY2023 are set out below:

US\$'000	FY2021	FY2022	FY2023
Revenue	23,691	24,498	29,281
Cost of sales	(15,957)	(18,050)	(19,947)
Gross profit	7,734	6,448	9,334
Other income	158	146	124
Other gains/(losses) - net	(319)	(120)	13
Distribution and marketing	(821)	(1,013)	(1,548)
Administrative expenses	(3,712)	(4,603)	(6,368)
Expected credit losses	(20)	(32)	(111)
Interest income	7	9	68
Finance expenses	(26)	(60)	(89)
	(4,733)	(5,673)	(7,911)
Profit before income tax	3,001	775	1,423
Income tax credit	150	262	357
Profit for the year	3,151	1,037	1,780
Other comprehensive loss: <i>Items that may be reclassified subsequently to profit or loss:</i>			
Currency translation losses arising from consolidation	296	(909)	(76)
Total comprehensive income for the year	3,447	128	1,704

Profit for the year attributable to:			
- Equity holders of the Company	3,109	1,037	1,780
- Non-controlling interest	42	-	-
	<u>3,151</u>	<u>1,037</u>	<u>1,780</u>
Total comprehensive income attributable to:			
- Equity holders of the Company	3,404	128	1,704
- Non-controlling interest	43	-	-
	<u>3,447</u>	<u>128</u>	<u>1,704</u>
Earnings per share for profit attributable to equity holders of the Company (Expressed in US\$ per share)			
- Basic and diluted earnings per share	0.01	0.005	0.007

2. The data mentioned in paragraph 1 of this Part must include the line items in the audited income statement, audited consolidated income statement, audited combined income statement, interim income statement, interim consolidated income statement or interim combined income statement, as the case may be, and must in addition include the following items:

- (a) dividends declared per share in both the currency of the financial statements and the Singapore currency, including the formula used for any adjustment to dividends declared;
- (b) earnings or loss per share;
- (c) earnings or loss per share, after any adjustment to reflect the sale of new securities or securities-based derivatives contracts.

	FY2021	FY2022	FY2023
Dividends per Share (Singapore cents)	0.14	-	0.50 ⁽¹⁾
Dividends per Share (US cents)	-	-	0.37 ⁽²⁾
EPS before the Proposed Placement (US cents)⁽³⁾⁽⁴⁾			
Basic ⁽⁴⁾	1.41	0.47	0.73
Diluted ⁽⁴⁾	1.41	0.47	0.73
EPS after the Proposed Placement (US cents)⁽³⁾⁽⁴⁾			
Basic ⁽⁶⁾	0.94	0.32	0.51
Diluted ⁽⁶⁾	0.94	0.32	0.51

Notes:

- (1) A special dividend of 0.5 Singapore cents per share was recommended and approved at the Company's Annual General Meeting on 30 April 2024.

- (2) The special dividend of 0.5 Singapore cents per share was converted at the average exchange rate for FY2023 of US\$1.00:S\$1.34301.
 - (3) Based on the financial statements, which were prepared under SFRS(I).
 - (4) For FY2021, FY2022 and FY2023, diluted earnings per share is the same as basic earnings per share as there were no potential dilutive ordinary shares.
 - (5) Calculated based on the weighted average number of approximately 221.1 million, 221.1 million and 243.4 million Shares in issue in FY2021, FY2022 and FY2023 for basic and diluted EPS respectively.
 - (6) Calculated based on note 4 above and adjusting for the issuance of 108,000,000 Placement Shares and assuming that the Proposed Placement had been completed at the beginning of each financial year/period and there is no income from the Placement Net Proceeds.
-

3. Despite paragraph 1 of this Part, where —

(a) unaudited financial statements of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, the unaudited consolidated financial statements of the relevant entity or unaudited combined financial statements of the group, have been published in respect of the most recently completed financial year; and

(b) the audited financial statements for that year are unavailable,

the data mentioned in paragraph 1 of this Part in respect of the most recently completed financial year may be provided from such unaudited financial statements, if the directors or equivalent persons of relevant entity include a statement in the offer information statement that to the best of their knowledge, they are not aware of any reason which could cause the unaudited financial statements to be significantly different from the audited financial statements for the most recently completed financial year.

Not applicable. The audited financial statements in respect of FY2023, which is the most recently completed financial year, have been published and are made available on the SGX website at <http://www.sgx.com/>.

4. In respect of:

(a) each financial year (being one of the 3 most recently completed financial years) for which financial statements have been published; and

(b) any subsequent period for which interim financial statements have been published,

provide information regarding any significant factor, including any unusual or infrequent event or new development, which materially affected profit or loss before tax of the relevant entity or, if it is the holding company or holding entity of a group, of the group, and indicate the extent to which such profit or loss before tax of the relevant entity or the group, as the case may be, was so affected. Describe any other significant component of revenue or expenditure necessary to understand the profit or loss before tax for each of these financial periods.

A review of the operations, business and financial performance of the Group is set out below:

Operations, business and financial performance between FY2022 and FY2023

- (a) With effective cost control, the establishment of a new performance and reward assessment system and sales efficiency, the Group saw a 45.3% rise in gross profit to US\$9.3 million in FY2023 from US\$6.4 million in FY2022, while gross profit margin rose 5.6% to 31.9% in FY2023 from 26.3% in FY2022.
 - (b) Distribution and marketing expenses increased 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 initial public offering.
 - (c) The Group's EBITDA came in at US\$3.3 million in FY2023, a 43.5% increase over US\$2.3 million of the previous year. After adjusting for one-off initial public offering-related expenses, the adjusted EBITDA increased to US\$5.3 million from US\$2.5 million in FY2022, with adjusted EBITDA margin increasing 7.8% to 18.1% in FY2023 from 10.3% in FY2022.
 - (d) Net profit for the year grew 80.0% 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.
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Financial Position

- 5. **Provide selected data from the balance sheet of the relevant entity or, if it is the holding company or holding entity of a group, the group as at the end of —**
 - (a) **the most recently completed financial year for which audited financial statements have been published; or**
 - (b) **if interim financial statements have been published for any subsequent period, that period.**
 - 6. **The data mentioned in paragraph 5 of this Part must include the line items in the audited or interim balance sheet of the relevant entity or the group, as the case may be, and must in addition include the following items:**
 - (a) **number of shares after any adjustment to reflect the sale of new securities or securities-based derivatives contracts;**
 - (b) **net assets or liabilities per share;**
 - (c) **net assets or liabilities per share after any adjustment to reflect the sale of new securities or securities-based derivatives contracts.**
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The audited consolidated statement of financial position of the Group as at 31 December 2023 is set out below:

US\$'000	As at 31 December 2023
Non-current assets	
Property, plant and equipment	2,255
Right-of-use assets	2,545
Intangible assets	203
Investment in subsidiaries	-
Other non-current assets	249
Deferred income tax assets	1,483
	6,735
Current assets	
Cash at bank	16,423
Trade and other receivables	3,876
Contract assets	3,469
	23,768
Total Assets	30,503
Current liabilities	
Trade and other payables	5,402
Contract liabilities	44
Current income tax liabilities	63
Lease liabilities	930
	6,439
Non-current liabilities	
Lease liabilities	1,687
Deferred income tax liabilities	930
	2,617
Total Liabilities	9,056
Net Assets	21,447
Equity attributable to equity holders of the Company	
Share capital	8,615
Other reserves	4,609
Retained profits	8,223
Total equity	21,447
Before Proposed Placement	
Number of Shares (excluding treasury shares)	279,698,275
NAV per Share (US cents)	7.67
After Proposed Placement ⁽¹⁾	
Number of Shares (excluding treasury shares)	387,698,275

NAV per Share (US cents)

5.53

Note:

(1) Assuming that the 108,000,000 Placement Shares are fully placed out.

Liquidity and Capital Resources

7. Provide an evaluation of the material sources and amounts of cash flows from operating, investing and financing activities in respect of —

- (a) the most recently completed financial year for which financial statements have been published; and
- (b) if interim financial statements have been published for any subsequent period, that period.

The audited consolidated statement of cash flows of the Group for FY2023 is set out below:

US\$'000	FY2023
Cash flows from operating activities	
Profit before income tax	1,423
Adjustments for:	
- Depreciation of property, plant and equipment	611
- Depreciation of right-of-use assets	1,110
- Amortisation of intangible assets	74
- Expected credit losses	111
- Interest income	(68)
- Finance expenses	89
- Loss on disposal of property, plant and equipment	9
- Gains on lease modification	-
- Exchange losses	73
	<hr/>
Operating cashflow before working capital changes	3,432
Changes in working capital:	
- Contract assts	(546)
- Trade and other receivables	(350)
- Contract liabilities	(90)
- Trade and other payables	976
	<hr/>
Cash flows generated from operating activities	3,422
Interest received	68
Income tax paid	(21)
Net cash generated from operating activities	<hr/> 3,469 <hr/>
Cash flows from investing activities	
- Additions to property, plant and equipment	(630)
- Proceeds from disposal of property, plant and equipment	17
- Decrease in prepayments for equipment	98
- Additions to intangible assets	(38)
- Increase in refundable deposits	-

- Decrease in refundable deposits	12
Net cash used in investing activities	(541)
Cash flows from financing activities	
Proceeds from share issuance, net of share issue expenses	8,613
Principal payments of lease liabilities	(1,031)
Interest paid	(89)
Net cash generated from/(used in) financing activities	7,493
Net changes in cash and cash equivalents	10,421
Cash and cash equivalents	
Beginning of financial year	6,057
Effects of exchange rate changes on cash and cash equivalents	(55)
End of financial year	16,423

A review of the cash flow position of the Group is set out below:

Review of cash flow for FY2023

- (a) 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.
- (b) 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.
- (c) 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 Company's listing in FY2023, reflecting a shift in the Group's financing strategy and an adjustment of its capital structure.
- (d) 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 as at 31 December 2022.

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8. **Provide a statement by the directors or equivalent persons of the relevant entity as to whether, in their reasonable opinion, the working capital available to the relevant entity or, if it is the holding company or holding entity of a group, to the group, as at the date of lodgement of the offer information statement, is sufficient for at least the next 12 months and, if insufficient, how the additional working capital considered by the directors or equivalent persons to be necessary is proposed to be provided. When ascertaining whether working capital is sufficient, any financing facilities which are not available as at the date of lodgement of the prospectus must not be included, but net proceeds from the offer may be taken into account if the offer is fully underwritten. Where the offer is not fully underwritten, minimum net proceeds may be included only if it is an express condition of the offer that minimum net proceeds are to be raised and that the application moneys will be returned to investors if the minimum net proceeds are not raised.**
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As at the date of lodgement of this Offer Information Statement, the Directors are of the reasonable opinion that, barring any unforeseen circumstances, after taking into consideration

the internal resources and the present facilities of the Group as well as the Placement Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

The Directors are also of the opinion, after taking into consideration the purpose for the Proposed Placement as set out in paragraphs 2 and 3 of Part 4 of this Offer Information Statement, that the Proposed Placement is in the interest of the Company. Notwithstanding the above, the Company is undertaking the Proposed Placement based on the potential Placement Net Proceeds to be raised for the reasons stated in paragraphs 2 and 3 of Part 4 of this Offer Information Statement.

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- 9. If the relevant entity or any other entity in the group is in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect the relevant entity's financial position and results or business operations, or the investments by holders of securities or securities-based derivatives contracts in the relevant entity, provide —**
- (a) a statement of that fact;**
 - (b) details of the credit arrangement or bank loan; and**
 - (c) any action taken or to be taken by the relevant entity or other entity in the group, as the case may be, to rectify the situation (including the status of any restructuring negotiations or agreement, if applicable).**

Not applicable. As at the Latest Practicable Date, the Group does not have any bank borrowings.

Trend Information and Profit Forecast or Profit Estimate

- 10. Discuss —**
- (a) the business and financial prospects of the relevant entity or, if it is the holding company or holding entity of a group, the group, for the next 12 months from the latest practicable date; and**
 - (b) any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on net sales or revenues, profitability, liquidity or capital resources for at least the current financial year, or that may cause financial information disclosed in the offer information statement to be not necessarily indicative of the future operating results or financial condition. If there are no such trends, uncertainties, demands, commitments or events, provide an appropriate statement to that effect.**

The discussion on the business and financial prospects of the Group as set out herein may contain forward-looking statements, and are subject to certain risks. Please refer to the section entitled "Cautionary Note on Forward-Looking Statements" of this Offer Information Statement for further details.

Save as disclosed below and in this Offer Information Statement, the Company's annual report in respect of FY2023, Circular and SGXNET announcements, and barring any unforeseen

circumstances, the Directors are not aware of any known trends, uncertainties, demands, commitments or events which are reasonably likely to have a material effect on the Group's revenue, profitability, liquidity or capital resources, or that would cause financial information disclosed in this Offer Information Statement to be not necessarily indicative of the future operating results or financial condition of the Group.

Business and Financial Prospects of the Group for the next 12 months

Going forward, in light of the Group's competitive strengths and barring any unforeseen circumstances, the Directors are confident that the outlook for the business and financial prospects for the next 12 months from the Latest Practicable Date are expected to remain positive in view of the following trends and developments:

Gaming companies' increasing expenditure on game art resulting from gamers' higher requirements in respect of game graphics

To attract new players while retaining the existing base of players, game companies will need to continuously improve the gameplay experience for players, through higher quality graphics, interactivity and other aspects of their games, which require heavier investments in the development of such games. Specifically, as gamers are growing more accustomed to aesthetically pleasing media depicting high-quality visual effects and gaming experience, they will naturally expect a higher standard in terms of gaming graphics alongside improved game stories and modes of interaction. As such, game companies are increasingly willing to engage more reputable and renowned art outsourcing studios which possess the expertise and capabilities to produce high-quality game graphics through the use of high-end game development engines. The Group, through various notable projects with leading game companies over the years, has honed and improved its knowledge and technical competencies of such game development engines.

The Group, as a renowned art outsourcing company, has been recognised by way of cooperation with 21 of the top 25 game companies as at the Latest Practicable Date. Given game development companies' pursuit of higher quality graphics, the Group's established track record and experience with working with top game developers will ensure that it is well-positioned to continuously receive orders from them.

Continually increasing supply of artistic talents

Professional art talents are essential assets to the game art outsourcing industry. As such talent supply has been increasing, the number of people who intend to be game artists has also increased in recent years. The growing base of talent for art is expected to boost the game art outsourcing industry. The Group is well aware of the importance of its employees and the need for qualified artistic talents. As such, it has established relationships with several art/animation colleges and education institutions from which they can recruit fresh university graduates. It has also implemented a comprehensive basic training programme targeted specifically at junior employees to equip them with the knowledge and skills to utilise the software and tools necessary for the course of their work.

The Directors believe that the Group's credible reputation in the industry and relationships with education colleges and institutions will allow it to be one of the preferred employers for both graduates and experienced hires, thereby continuing to build up its talent pool to take on more projects to be in line with the Group's future growth plans.

Leveraging and integrating AI for game art creation

The development of AI is considered to be a key disruptor for the game art outsourcing industry. Despite the various risks related to the use of AI such as intellectual property infringement and copyright issues, the adoption of AI by the industry can improve efficiency and enhance the visual quality of art assets. It also allows game artists to streamline their workflow and focus on more complex and creative tasks that lead to faster production cycles. AI-generated content enables the generation of high-quality and realistic graphics, including environments, characters and special effects. By leveraging on such AI-powered algorithms, game artists can create visually stunning and immersive experiences, enhancing the overall visual appeal of games. Accordingly, the Group believes that it is important to explore and leverage the use of AI capabilities so as to capture the opportunities and take advantage of its capabilities to enhance the Group's workflow and continuous drive to enhance their work quality.

Growing demands of Asian game companies for art outsourcing services

Asian game companies in the PRC, Japan and Korea have increasingly gained recognition for their game art expertise and high-quality game development capabilities. They have built a reputation for delivering visually appealing and engaging games that resonate with global gamers. Additionally, with the prevalent use of smartphones, Asian game companies have excelled in developing mobile games that cater to the preferences and habits of gamers which has led the success and popularity of their game titles. Accordingly, this has led to an increased demand for game art outsourcing services in the Asia region given the cost-effectiveness.

The Group recognises the potential for art outsourcing in the Asia-Pacific region and hence has planned to establish overseas subsidiaries and offices, especially in the Asia region such as Malaysia, the Philippines and Indonesia. In this regard, the Group has established its headquarters in Singapore to position itself for such growth potential in the region.

Shorter development cycles by game developers for launch of new games

The Group believes that there is a growing requirement for shorter development cycles by game developers as gamers are not willing to wait three to five years for a new game. As such, increasingly more game development companies would accelerate the game development process and launch more games within a shorter period of time. However, game developers would still have to provide an outstanding visual experience and gameplay to maintain the existing user base and to attract new users. Game developers are then required to work closely with their outsourcing partners such as the Group to outsource the design of their art assets and/or game developments so as to keep up with the shorter game development cycle in order for them to establish a first-mover advantage in the games that they will be developing.

The Group believes that its expertise in both art outsourcing and game development industries and the long-standing relationship with reputable game developers will allow it to continue to be one of the preferred vendors that its customers would choose to work with.

Growth through strategic acquisitions, alliances and/or joint ventures and/or strategic alliances

With the proceeds raised from its initial public offering, the Group has embarked on their acquisition strategy within the industry to strengthen their market position. For instance, in April 2024, the Group has announced (i) the completion of the acquisition of Taiwan-based OPCCL, a design studio specialising in complementary art outsourcing services; and (ii) the entry into a non-binding memorandum of understanding in relation to the Proposed Pixelline Acquisition.

Further, as reflected in Part 4 (Key Information) above, the Group intends to utilise 65.0% of the Placement Net Proceeds to fund corporate actions, which includes, *inter alia*, pursuing strategic

acquisitions, alliances and joint ventures to grow the Group's market share and broaden the Group's customer base.

The Group believes that its growth through strategic acquisitions, alliances and/or joint ventures will allow the Group to boost its capabilities and market presence and will continue to actively look for such synergistic and complementary opportunities.

RISK FACTORS

To the best of the Directors' knowledge and belief as at the Latest Practicable Date, the risk factors that are material to Shareholders and prospective investors in making an informed judgment on the Proposed Placement (save for those which have already been disclosed to the general public) are set out below. Shareholders and prospective investors should carefully consider and evaluate each of the following considerations and all other information contained in this Offer Information Statement before deciding whether to invest in the Proposed Placement. The Group could be affected by a number of risks that may relate to the industries and countries in which the Group operates as well as those that may generally arise from, *inter alia*, economic, business, market and political factors, including the risks set out herein.

The risks described below are not intended to be exhaustive. There may be additional risks not presently known to the Group, or that the Group may currently deem immaterial, which could affect its operations. If any of the following considerations and uncertainties develops into actual events, the business, financial condition, results of operations and prospects of the Group could be materially and adversely affected. In such event, the trading price of the Shares and/or Placement Shares could decline due to any of these considerations and uncertainties, and Shareholders and investors may lose all or part of their investment in the Shares and/or Placement Shares.

RISKS RELATING TO THE GROUP'S INDUSTRY AND BUSINESS

The Group operates in a competitive environment

The Group operates in a competitive and fragmented industry, characterised by several market players offering different ranges of art outsourcing, game development and game publishing services to their various customers. As set out in the Independent Market Report (as defined in and appended to the Offer Document), the global game art outsourcing industry is fragmented, given that most market players are small independent studios and leading players are expected to gradually outperform other participants as they have the capacity to provide a more comprehensive suite of services to clients. From an annual revenue perspective, approximately 38.0% of studios generate less than US\$1.0 million, while approximately 15.0% of studios recorded revenue of above US\$10.0 million.

The Group faces competition in the market for its current services in each of its three key business segments, and the Group expects competition to continue to intensify in the future, given the expected growth in the gaming industry.

In particular, with the developments in 2D and 3D art, digital animation and visual effects, and the increase in market demand for art outsourcing services in recent years, the technical competencies of competing art outsourcing studios have also been improving, thereby intensifying the competitiveness in the industry. As such, an increasingly competitive landscape may result in the Group's market share being eroded, which could adversely affect the Group's ability to retain existing customers and attract new customers, as well as the Group's business, results of operations, financial position and/or prospects.

The Group's success depends on its ability to provide its customers with a comprehensive range of services that is able to compete and be of a quality that is at least comparable with those being provided by its competitors in the industries in which it operates. The Group may face significant competition, including from domestic and overseas competitors who may have: (i) greater technical capabilities; (ii) greater capital and other resources; (iii) superior brand recognition than the Group; (iv) more competitive pricing policies; (v) more attractive service terms; and/or (vi) the ability to adapt more quickly to changes in market trends and customers' requirements than the Group is able to. The Group has established an efficient art asset (2D and 3D) production and management system over the course of the Group's years of operation, and the Group believes it has built a team with strong technical capabilities to provide high quality services, as evidenced by its stable and reliable domestic and international customer base.

To remain competitive in its industry, the Group will need to keep up to date with customer trends, preferences and technical capabilities, and incorporate these into its services. The art assets and games that it develops may involve numerous technical challenges, substantial capital investment, personnel resource commitment and significant amounts of time. If the Company is unable to commit the necessary resources to keep itself up to date on and incorporate the continuously changing customer trends and preferences into its art assets and services to satisfy the market demand, this will adversely affect the Company's competitiveness and future growth which may in turn directly affect its market competitiveness, business, results of operations, financial position and/or prospects.

The Group reviews its processes and range of services regularly to ensure that it delivers technologically advanced and quality services. Although the Directors believe that the Group possesses competitive strengths compared to its competitors, there is no assurance that the Group will be able to continue to compete successfully in such a competitive marketplace in the future. With the intensification of market competition, if the Group fails to keep up with market demand and improve the level of technical competency, efficiency and quality of the provision of its services in a timely manner, it may be in a position of disadvantage as compared to its competitors. Competition may also intensify as its existing competitors raise additional capital and expand their service offerings or improve their commercial terms, and/or as established companies from other market segments or geographic markets expand into the Group's existing market segments or geographic markets. In addition, the Group's customers and potential customers may decide to design or develop art assets that it currently provides to them in-house if any new software tools become available to facilitate this. In the event that they develop such in-house capabilities, it may result in a reduction in the Group's market share and loss of revenue, and its business, results of operations, financial position and/or prospects may be adversely affected.

The Group is dependent on its key personnel for its continued success

The Group's success to date is attributable to the leadership and contributions of its key management personnel, who are collectively responsible for the overall corporate development and business strategies of the Group as well as implementing business plans and driving its growth. Loss of key personnel can complicate and delay ongoing and planned projects, which would possibly have a negative impact on the Company's operations. As such, the experience and contribution of the Group's management are crucial to the success and continuous growth of the Group. In particular, the Executive Chairman and CEO, Mr. Johnny Jan, who is the founder and who established the business of the Group, the Group CFO, Mr. Oliver Yen and the General Manager of Art Outsourcing Segment, Ms. Tina Li. The Group's continued success and growth will depend, to a large extent, on its ability to retain the services of the Executive Chairman and CEO and the personnel in its management team. The loss of the services of one or more of these individuals without timely adequate replacement or the inability to attract new qualified personnel at a reasonable cost would have a material adverse effect on the Group's

financial performance and operations. In addition, the Group may lose customers or other key stakeholder relationships to the organisations that members of the key management of the Group may join after leaving their positions with the Group. Although the Group has entered into service contracts and employment agreements with certain key management personnel, it cannot assure you that it will be able to continue to engage their services in the future following the expiry of the initial terms of such contracts. If the Group is unable to retain or recruit suitable and qualified employees to replace such key management personnel, its business, results of operations, financial position and/or prospects may be adversely affected.

Whilst there were no material changes to the key management personnel up to the Latest Practicable Date, the Group cannot guarantee that such changes will not occur in the future and if it loses the services of the Group's key management personnel without timely and suitable replacement, this may adversely affect its business, results of operations, financial position and/or prospects.

The Group's business is dependent on the goodwill of its "Winking" brand

The Group's business is dependent on the goodwill of its "Winking" brand, which is protected by registered trademarks in the PRC, Taiwan and Singapore. Maintaining the Group's brand reputation for supplying quality services is essential to enable the Group to maintain its existing customer base and attract new customers. Any negative publicity about the "Winking" brand that may arise from time to time may tarnish the goodwill in the Group's brand. Negative comments about the Group's services, business operations and management may appear in Internet postings and other media sources from time to time and the Group cannot assure you that other types of negative publicity of a more serious nature will not arise in the future. Any such negative publicity, regardless of veracity, may adversely affect the Group's business, results of operations, financial position and/or prospects. Up to the Latest Practicable Date, to the best of the Directors' knowledge, there has not been any negative publicity surrounding the "Winking" brand that had a material adverse effect on the Group's business operations.

The Group could be implicated by the leakage or misappropriation of its customers' information and/or any improper use or disclosure of its customers' intellectual property, which could harm its reputation and/or expose it to potential lawsuits

All three of the Group's key business segments require it to handle, store and manage information pertaining to the Group's customers, as well as transmit confidential information, such as customers' operating and business information, including, in particular, the plans for video games prior to their release to the public. The Group's business operations may also require it to handle and process its customers' intellectual property, for example, animation and videos, scripts, trademarks, music and other works protected under copyright laws. The Group's contracts entered into with its customers may also impose a duty of confidentiality on it to protect the Group's customers' intellectual property. The Group faces risks inherent in protecting the security of this information, such as guarding against unauthorised use and disclosure of the Group's customers' intellectual property, including against attacks on the Group's systems by outside parties or fraudulent behaviour by its employees.

Although (i) the Group has employed security measures such as the use of intranet and virtual private networks (VPN) as well as restricting the use of external hard drives in its offices so as to protect against unauthorised access of such confidential and proprietary information; and (ii) there have been no past incidents that have had a material adverse impact on the Group's operations and/or financials up to the Latest Practicable Date, the Group is unable to assure you that its current security measures are adequate in preventing all unauthorised access attempts. If there is any breach in the Group's security systems or a perception of risk of security breach by the Company, confidential and proprietary information that could be valuable to its customers could be misappropriated or misused, which may result in potentially costly litigation

and/or loss of customers or harm to the Group's reputation or relationships with its existing or potential business partners. While there has not been any incident involving infringement of intellectual property rights and/or leakage or misappropriation of the Group's customers' information involving the Group till the Latest Practicable Date, there is no guarantee that such incidents will not occur in the future, and in the event of any claims or litigation involving infringement of intellectual property rights and/or leakage or misappropriation of the Group's customers' information, whether with or without merit, the Group may be required to divert a significant amount of its time and resources to defend or attend to any possible litigation or legal proceedings. In such event, the Group's business, results of operations, financial position and/or prospects, as well as the Group's reputation, will be adversely affected.

The Group is exposed to risks of infringement of the intellectual property rights that it owns

The Group relies on trademarks, trade secrets (including its project management process, technical capabilities on how certain software programmes should be utilised and its employee training programme), copyrights and other contractual provisions to protect its intellectual property and proprietary rights. The Group's business is dependent on its expertise in producing 2D and 3D digital images, animation and visual effects. Based on its years of experience and portfolio of past projects that it has participated in, the Group has accumulated a wealth of 2D and 3D digital images, animation and visual effects content as well as art outsourcing and game development experience, which are integral to its core competitiveness. In addition, the Group has applied for patents or computer software copyrights and possess certain know-how that may not necessarily be patentable.

The Group has successfully registered its "Winking" trademark in the PRC, Taiwan and Singapore. The Group believes that its "Winking" trademark and brand are well recognised by its customers and in the industry that it operates in to represent reliability, quality, creativity and expertise, which have contributed to the Group's success. It is possible that the Group's competitors may adopt product or trade names similar to the Group's, notwithstanding its trademarks have been registered, and it may not be able to completely prevent the infringement of its intellectual property rights, whether in Singapore or overseas. As a result, the goodwill generated by the Group's brand may be eroded and its business may be adversely affected. In the event there is widespread infringement of its intellectual property rights or should unauthorised parties exploit the Group's trademark and brand, its reputation and goodwill and hence its ability to maintain the Group's competitive edge may be adversely affected.

Notwithstanding that the Group is not aware of any infringement of its intellectual property rights which has occurred up to the Latest Practicable Date, there is no assurance that the steps taken by the Group to protect its intellectual property rights are adequate. It may be possible for third-parties to unlawfully pass off the Group's trademarks or infringe its works which are protected by copyright. The Group may not have sufficient resources to be able to effectively prevent such infringement of the Group's intellectual property rights. There is also no assurance that the Group will be able to obtain adequate remedies in the event of an unauthorised replication of its trademarks or unauthorised use of its intellectual property. If the Group fails to protect its intellectual property rights adequately, there may be an adverse impact on its business, results of operations, financial position and/or prospects.

The Group may face rising labour costs and labour shortages, and may not be able to attract and retain skilled personnel

As the nature of the Group's business is knowledge-intensive and talent-intensive, human resources are one of the core elements of the Group's development, and employee remuneration is also a major part of the cost of sales of the Group, accounting for approximately 56.7%, 58.3% and 57.5% of its cost of sales for FY2021, FY2022 and FY2023 respectively. The

Group requires highly skilled personnel to provide artistic and technical services in the creation, production and development of art assets and video games. As the demand for such highly skilled persons from its competitors increases, shortages in professionals may also occur due to the high mobility of artistic and technical staff in the art outsourcing industry, and thus acquiring and keeping these skilled personnel could prove more difficult or cost substantially more than estimated by the Group. The Group's labour requirements may also be subject to numerous external factors, including the availability of a sufficient number of suitable persons in the relevant job segment, prevailing labour costs including wage rates, quotas and applicable levies, demographics, and health and insurance costs. This could cause it to incur greater costs or prevent the Group from pursuing its stated business objectives as quickly as the Group would otherwise wish to do so. As the industry-standard wage increases, the Company will need to revise its pay and benefits packages in order to attract talent, and if such increased costs cannot be passed to customers, the Group's business, results of operations, financial position and/or prospects may be adversely affected.

The Group's growth plans will require the Group to hire, train and retain a significant number of new employees in the future, especially its designers, technical artists, animators and programmers. While the Group believes its customers currently engage it for the Group's range of services and quality rather than for low prices, the Group cannot ensure that this commercial rationale on the part of its customers will continue to be applicable in their decisions as to whether to engage the Group in the future. As the Group faces increased competition from its competitors in terms of the quality and range of services offered and also in respect of hiring skilled labour, the Group may have to increase wages and employee benefits to attract and retain qualified personnel or risk considerable employee turnover. The Group may also be unable to shift the extra costs to its customers due to their bargaining power or competitive pricing pressures from the Group's competitors. If the Group is unable to hire, train and retain the required number of skilled personnel and professional staff at a reasonable cost or at all, the Group may be unable to execute its growth strategy. The Group's business, results of operations, financial position and/or prospects, as well as its ability to compete effectively, may be adversely affected. While the Group has not, during the up to the Latest Practicable Date, experienced any difficulties in attracting and retaining skilled personnel which has had an adverse effect on its operations, and while the Group has adopted measures to increase the Group's pool of qualified employees, such as by offering comprehensive benefits packages and competitive pay, as well as establishing relationships with several art/animation colleges from which the Group can recruit fresh university graduates and implement a comprehensive internal training programme, there is no assurance that the Group will, in the future, be able to retain the skilled personnel whom the Group has trained or that suitable and timely replacements can be found for skilled personnel who leave us. As such, the increasing labour costs and labour shortage may adversely affect its business, results of operations, financial position and/or prospects.

The Group's operating cash flow may deteriorate due to a potential mismatch in time between receipt of payments from its customers and payments to the suppliers

The Group's financial position and profitability are affected by the creditworthiness of its customers. The operating cash flow may deteriorate due to a potential mismatch in time between receipt of payments from the Company's customers and payments to the suppliers, and the Company may take a long time to collect trade receivables from its customers.

As at 31 December 2021, 2022 and 2023, the Group's average trade receivables turnover days were approximately 46 days, 49 days and 43 days, respectively. The Group generally grants its customers a credit period that ranges from 30 days to 60 days from the invoice date. The Group's business is subject to risks that customers or counterparties may delay or fail to fulfil their contractual obligations. Although the Group's loss allowance derived from its expected loss rate was insignificant, representing approximately 0.9%, 1.7% and 2.0% of the Group's trade receivables as at 31 December 2021, 2022 and 2023 respectively, there is no assurance that

the Group will not experience any material difficulty in debt collections or potential default by customers in the future. While the Group's finance department monitors material overdue payments closely, there is no assurance that the Group will be able to collect overdue payments. Any material non-payment or non-performance by customers or counterparties could adversely affect the Group's business, results of operations, financial position and/or prospects.

As at 31 December 2021, 2022 and 2023, the Group recorded trade payables of approximately US\$1.4 million, US\$1.2 million and US\$1.5 million respectively. As at 31 December 2021, 2022 and 2023, the average trade payables turnover days were 28 days, 26 days and 24 days, respectively. Further, the Group's suppliers generally grant it a credit period that ranges from 30 days to 45 days.

Although the Group has implemented measures to better regulate its cashflow and increase the amount of accounts receivable collected, there is no assurance that the Group will not experience any significant cash flow mismatch in the future. Further, there can be no assurance that the Group's cash flow management measures will function properly. If the Group fails to properly manage the possible cash flow mismatch, the Group may suffer losses from credit exposures. If the Group fails to generate sufficient revenue from its operations, or if the Group fails to maintain sufficient cash and financing, the Group may not have sufficient cash flows to fund its business, operations and capital expenditure and the Group's business, results of operations, financial position and/or prospects will be adversely affected.

The Group's historical financial performance is not indicative of its future performance

For FY2021, FY2022 and FY2023, the Group's revenue from contracts with customers was US\$23.7 million, US\$24.5 million and US\$29.3 million respectively. The revenue, expenses and results of operations may vary from period to period and from year to year in response to a variety of factors beyond its control, including general business and economic conditions that impact the game development industry, outbreak of communicable diseases, the growth rate of the video games market, difficulties in attracting suitably qualified staff, an increase in competitive pricing pressures within the markets in which the Group operates, the loss of key customers, game developers and publishers retaining and expanding their in-house capabilities to create art assets. While the Group has remained profitable in FY2021, FY2022 and FY2023 despite the COVID-19 pandemic which resulted in challenges in the launching of new games by game developers, including challenges due to semiconductor chip shortages, there is no assurance that the Group will be able to remain resilient and profitable, or that profits will grow at the same rate as in the past, in the event the COVID-19 pandemic persists or other disease outbreaks occur, or in the event of any terrorist attack, financial crisis or other factors which may happen in the future. Accordingly, the Group's historical results of operations may not be indicative of its future performance and undue reliance should not be placed on these comparisons to predict its future financial performance or the future performance of its Shares.

The Group is exposed to the risk that there is no limitation of liability in some of the framework agreements entered into with its customers

Some of the framework agreements that the Group has entered into or may enter into with its customers do not contain limitations on the Group entities' liability. The ability of the Group to insert a limitation of liability clause into the framework agreement depends largely on the outcome of the negotiations between the Group with the game developer. Typically, the game developers are in a position with a stronger bargaining power within the gaming industry, and in particular, the Group's customers comprise mostly reputable and large game developers in the region and worldwide. As such, the Group will not be able to successfully negotiate for the framework agreement to include a limitation of liability clause. While the Group believes that this is in line with the industry practices, it remains a risk that liability may arise in relation to, inter alia, claims by third-parties for breach of intellectual property rights, breach of confidentiality

provisions (including the dissemination of information relating to to-be-released video games), breach of a customer's secure network to which the Group has access to or a material delay in performing the services under a customer contract. While the Group has not experienced such incidents up to the Latest Practicable Date, any claims made by the Group's customers for a substantial amount may have an adverse effect on its business, results of operations, financial position and/or prospects.

The Group's insurance coverage may not be adequate to indemnify it against all possible liabilities

The Group's business segments are exposed to various risks arising from its business operations, including without limitation, machinery or equipment failure (such as computers, servers, processors and cameras). These risks could cause injury, death, damage or destruction to property, which may result in its operations being suspended or disrupted. The Group may also face civil and/or criminal penalties arising from any such incidents. In the event that the Group fails to meet stipulated delivery deadlines, the Group may also be required to pay penalties or liquidated damages to the affected customers.

The Group maintains insurance coverage that is necessary and customary for the business in which it operates, including commercial fire insurance and business interruption insurance and property insurance. There can be no assurance that such insurance can be obtained on commercially reasonable terms or at all, or that any such coverage will sufficiently cover any losses suffered by the Group. The occurrence of a significant event or adverse claim exceeding the insurance coverage that the Group maintains, or that is not covered by its insurance, could result in the Group having to pay compensation or damages and/or incur loss of revenue and could have a material adverse effect on its business, results of operations, financial position and/or prospects.

The Group may seek opportunities for growth through acquisitions, joint ventures, investments and partnerships, which may not be successful

While the Group has grown substantially in recent years, there is no assurance that the Group can sustain such growth, or otherwise maintain its financial performance or meet anticipated financial performance expectations. The Group may seek opportunities for growth through strategic alliances, acquisitions, joint ventures, investments and partnerships. There is no assurance that such transactions and initiatives or any of these efforts will be successful. The acquisitions and investments that the Group may make, or the joint ventures and partnerships that the Group may enter into, may expose the Group to additional business or operating risks or uncertainties, including but not limited to the following:

- (a) inability to effectively integrate and manage the acquired businesses;
- (b) inability of the Group to exert control over the actions of its joint venture partners, including any non-performance, default or bankruptcy of the joint venture partners;
- (c) time and resources expended to coordinate internal systems, controls, procedures and policies;
- (d) disruption to ongoing business and diversion of management's time and attention from the Group's day-to-day operations and other business concerns;
- (e) risk of entering markets that the Group may have no or limited prior experience or dealing with new counterparties;

- (f) potential loss of key employees and customers of the existing business and acquired businesses;
- (g) risk that an investment or acquisition may reduce the Group's future earnings and increase expenses; and
- (h) exposure to unknown liabilities.

If the Group is unable to successfully implement its growth strategy or is unable to address the risks associated with the Group's acquisitions, joint ventures, investments and partnerships, or if the Group encounters unforeseen expenses, difficulties, complications or delays frequently encountered in connection with the integration of acquired businesses and the expansion of operations, or fails to achieve acquisition synergies, the Group's business, financial condition, results of operations and prospects may be materially and adversely affected.

The Group's business and expansion plans in the future may be subject to its ability to raise capital and successfully implement its growth strategies, which may hinder its ability to capitalise on new business opportunities

The Group has experienced steady growth and expansion that have placed, and continue to place, significant pressure on its management and resources. The development and expansion of its businesses, whether organically or by acquisition, entail significant difficulties and costs, including recruitment and compliance costs as well as the expenditure of integrating newly acquired businesses.

The Group's business and expansion plans will require adequate funding. Such funds are needed for, among other things, expanding into overseas markets as well as pursuing strategic acquisitions and partnerships. In the event that the costs of implementing such plans should exceed these estimates significantly or that the Group comes across opportunities to grow through expansion plans which cannot be predicted at this juncture, and the funds generated from its operations prove insufficient for such purposes, the Group may need to raise additional funds to meet these funding requirements. Unless and until the businesses that the Group invests in generate revenues to offset these costs, the results of the operations of these businesses and therefore of the Group will be adversely affected.

There can be no assurance that financing, either on a short-term or a long-term basis, will be made available, or if available, that such financing will be obtained on terms favourable to the Group. If the Group is unable to secure necessary financing or secure such financing on terms which are favourable to the Group, either through debt financing and/or equity financing, this may adversely affect the Group's business, results of operations, financial position and/or prospects.

Such financing, even if obtained, may be accompanied by conditions that limit the Group's ability to pay dividends or require the Group to seek lenders' consent for payment of dividends, or restrict its freedom to operate its business by requiring lenders' consent for certain corporate actions. Further, in the event that the Group raises additional funds by way of a limited placement or by a rights offering or through the issuance of new Shares to new and/or existing Shareholders after the Placement, they may be priced at a discount to the then prevailing market price of its Shares trading on the SGX-ST, or if any Shareholders are unable or unwilling to participate in such additional rounds of fund raising, in which case, such Shareholders' equity interest may be diluted. If the Group fails to utilise the new equity to generate a commensurate increase in earnings, the EPS will be diluted, and this could cause a decline in the Group's share price.

In addition, future debt financing may, apart from increasing the Group's interest expenses and gearing, subject the Group to various restrictive covenants and result in all or any of the following:

- (a) limit its ability to pay dividends or require the Group to seek consent for the payment of dividends;
- (b) increase its vulnerability to general adverse economic and/or industry conditions;
- (c) require the Group to dedicate a substantial portion of its cash flows from operations to payments on its debt, thereby reducing the availability of its cash flows to fund capital expenditure, working capital and other requirements; and/or
- (d) limit the Group's flexibility in planning for, or reacting to, changes in their businesses and industries.

In addition, while the Group strives to lower the costs of business expansion, there can be no assurance that the Group will be able to control its costs and ensure that their acquired businesses turn profitable within a short period, or that the Group will be successful in implementing its growth strategies, and any failure to do so could have a material adverse effect on the business, results of operations, financial position and/or prospects of the Group.

Any loss or deterioration of relationships with the Group's customers, suppliers and game publishing platforms may result in the loss of revenue, harm the Group's business reputation and have a material adverse effect on financial results

Third-party game developers engage the Group to create art assets for their video games and to develop video games and/or to publish their games on game publishing platforms. The Group may not be able to maintain a good and mutually beneficial commercial relationship with its game developer partners and/or the game publishing platforms with whom it has entered into publishing contracts. Any failure on the Group's part to deliver the art assets which it has been commissioned to create to the satisfaction of its customers or to perform its obligations under the framework agreements or game publishing agreements with them, may adversely affect the Group's business relationships with such third-party game developers and/or game publishing platforms.

The term of the framework agreements that the Group enters into with its customers under its Art Outsourcing Segment, which are primarily game developers, is typically one to two years, and is renewable upon the mutual agreement of the Group and such customer. As for the customers under the Group's Game Development Segment, the contracts are generally for a period of between two to three years, and are renewable upon both parties' consent.

Under the Group's Global Publishing Segment, there is typically no specified period for the platform agreements with the game platforms, such as PlayStation, Switch and Steam. The Group also enters into publishing agreements with third-party game developers which authorise it with the rights to publish their game products, which are typically for a term of three to five years, and are generally renewable upon both parties' consent. These third-party game developers may terminate their publishing agreements prior to their expiration as a result of their non-compliance with the terms or conditions set out therein, or may choose not to renew their publishing agreements with the Group upon the expiry of the existing term. Even if the third-party game developers are willing to renew the publishing agreements, they may only agree to do so on commercial terms which are less beneficial to the existing terms or may at the same time enter into similar agreements with the Group's competitors, allowing the Group's competitors to enhance their portfolios and better compete against the Group. Up to the Latest Practicable Date, the Group was not dependent on any single third-party game developer and have not experienced any loss or deterioration of their relationship with game developers and

game publishing platforms which has resulted in an adverse effect on its business operations. However, any loss or deterioration of the relationship with any of the third-party game developers in the future may result in a loss of revenue and materially and adversely affect the Group's business, results of operations, financial position and/or prospects.

In addition, up to the Latest Practicable Date, the Group published games developed by its customers primarily on third-party publishing platforms, such as Sony, Nintendo and Microsoft, which are publishing channels with strong bargaining power. However, the Group is subject to the standard service terms and conditions of these publishing channels with regard to the promotion, distribution, operation and payment methods for the games which the Group publishes on such publishing channels. If any of these publishing channels (i) ceases their business operations for any reason, including without limitation, it not having obtained or maintained the requisite licences or permits for its operations and/or other regulatory compliance issues; (ii) discontinues their relationship with the Group for any reason, including without limitation, the Group's failure to comply with applicable laws or regulations in any jurisdiction in which the games the Group publishes are offered to end players; (iii) limits or withdraws their access to its platforms; (iv) modifies its terms of services or other policies to which the Group is subject; (v) changes its fee structure; and/or (vi) provides more favourable terms to the Group's competitors, such loss or deterioration of the relationship with such game publishing platforms may result in a loss of revenue or market share. In addition, the Group has benefited from the widely recognised brand names and large user bases of such game publishing platforms and any loss or deterioration of the Group's existing relationship with them and/or any loss by these game publishing platforms of their market position may result in it having to identify alternative channels for its services under the Group's Global Publishing Segment and Other Services Segment, which may consume substantial resources and may not be effective, which may in turn adversely affect its business, financial performance and results of operations.

The Group is dependent on IT in the administration of its business. Any failure of the physical or technology infrastructure of the Group or malfunction of services and software utilised by the Group could lead to significant costs and disruptions that could reduce revenues, harm the Group's business reputation and have a material adverse effect on financial results

The digital nature of the Group's business inevitably results in a higher dependency on technology in its development of virtual reality products, provision of 2D and 3D images, animation, visual effects and other art outsourcing, game development and game publishing services. As such, the operation of the Group's business depends on providing customers with highly reliable services that rely upon the Group's technology infrastructure and equipment. The Group may experience technology system disruptions, outages and other large-scale performance problems due to a variety of factors, including technology infrastructure changes, human or software errors, hardware failure, computer viruses and denial of service, fraud and security attacks, whether such disruptions, outages or other problems are caused by themselves or by third-party service providers. Consequently, the Group must protect the technology infrastructure and equipment located at the Group's premises. Any damage, malfunction, breakdowns or interruption of its IT systems, software or networks either as a one-off event or repeatedly, could result in delays in project timelines and consequently may result in reputational damage to the Group's business, or could also cause the Group to materially breach its contracts with its suppliers and customers. The Group will have to incur additional costs and expend resources in repairing such damage, malfunction, breakdown or interruption which will directly impact its profits. The Group may also stand to lose customers and/or may become liable to them for damages should such failure to maintain their technology infrastructure and equipment result in leakages in its customer information and data and/or result in its failure to comply with its obligations under the various agreements entered into with its customers under the Group's Art Outsourcing Segment, Game Development Segment and Global Publishing Segment and Other Services Segment on time or at all. For instance, while the Group does not

have any service level commitment obligations to its customers under the Game Development Segment pursuant to the terms and conditions of such agreements and its employees are assigned to a particular client for a period of time to work on that customer's game development project during which the customer will assign work directly to the Group's employees based on the scope of work agreed with the Group prior to the commencement of work and the progress and completion of the game development project would be directly managed by the customer, the Group does have service level commitment obligations to substantially all of the customers under the Group's Art Outsourcing Segment in which the Group is contractually obliged to deliver art assets by certain milestones or its contracts with customers under the Group's Global Publishing Segment and Other Services Segment stipulate a timeline for the publishing of third-party game developers' games on third-party platforms. The Group may not be able to meet these levels of service in the event of service interruptions due to equipment damage or failure in the Group's offices or other factors. While the Group had not experienced service level disruptions or an inability to meet the service level commitments up to the Latest Practicable Date which had a material adverse impact on the Group's financials and/or operations and the Group has in place back-up servers which contain a copy of the information critical to its business operations, and has scheduled periodic back-ups for its data and information, the Group cannot assure you that such measures are sufficient to mitigate the risks of any failure of the physical or technology infrastructure or services of the Group.

The Group also utilises various software and game development engines for the Group's Art Outsourcing Segment and Game Development Segment. The Group is required to pay a licence fee for the use of such software and game development engines which are made available for use to any party. Although the Group has not experienced any limitation or restrictions to the use of such software and game development engines in the past as the Group is not a competitor of the software companies and game engine companies and the risk of the Company being unable to access software or game engine for game development is remote, any malfunction or inability to use such software and game engines may have a material adverse impact on the Group's business and financial performance.

Up to the Latest Practicable Date, the Group has not experienced damage, malfunction, breakdown or interruption of their infrastructure, IT systems, software or networks which had a material adverse impact on their business and financial performance. Notwithstanding this, there is no assurance that the Group will be able to successfully mitigate all or substantially all of the risks of business interruption as a result of failure of its technology infrastructure, IT systems, software or networks and if the Group fails to provide the levels of service required by its customer, its customer may be entitled to receive a return of a portion of their fees and/or may seek to terminate their relationship with the Group. In addition, the Group's inability to meet their service level commitments may damage its reputation and could reduce the confidence of the Group's customers in their services, impairing its ability to retain existing customers and attract new customers.

Lease renewals, increase in lease rental rates and risk of relocation, may cause disruption to the Group's business operations

The Group leases the premises of most of its operations. The Group is required to engage in renewal negotiations with the lessors for its leases prior to expiry of such leases. During the renewal negotiation process, the lessor may revise the terms and conditions of the lease and the Group may face the possibility of an increase in rent, or the Group may not be able to renew the relevant lease on terms and conditions acceptable to it or at all. In addition, under the terms of certain of the Group's lease agreements, the lessor has the right to terminate the lease agreement unilaterally in certain events (and in respect of one lease, at will).

While up to the Latest Practicable Date, the Group does not foresee any difficulties in renewing its existing leases and have not encountered such situations in the past, there is no assurance

that the leases of such premises will be renewed or will not be terminated by the respective lessors. In the event that its leases are not renewed or are terminated, the Group will be required to relocate its business operations and assets to other suitable replacement facilities, which may cause disruptions to the Group's normal business operations. The Group will also have to incur additional costs and expenses relating to reinstating the relevant premises prior to handing over and other relocation costs.

There is no certainty that the Group will be able to renew its existing leases or find suitable replacement premises or lease new premises on terms favourable to it, or at all. Higher costs (including any increased rental rates) may adversely affect the Group's profitability if it is unable to pass on such increased costs to its customers. If any of the foregoing instances were to occur, the Group's business, prospects, financial condition and results of operations may be materially and adversely affected.

Major flaws in the Group's games developed under its Other Services Segment, including undetected programming errors or defects in the Group's games, could harm its reputation

The games that the Group currently develops in-house under its Other Services Segment are largely for the purposes of showcasing the Group's end-to-end technical competencies and marketing its services to customers. While there was no incident involving major flaws in the Group's games that arose up to the Latest Practicable Date that harmed the Group's reputation, there is no assurance that such an incident will not occur in the future. As such, in the event that such games contain major bugs or flaws, this could affect the gameplay experience, and if the programming bugs affect the gameplay experiences severely, or for any reason, the Group cannot resolve the bugs in a timely manner, its reputation may be harmed, and its business, results of operations, financial position and/or prospects may be adversely affected.

The Group may be adversely affected by changes in laws, regulations and government policies in the jurisdictions which its customers have operations in

While the majority of the Group's customers are based in the PRC, the Group also provides services to customers based in Taiwan, Korea, the USA, Hong Kong and Japan. As a result, the Group's customers' businesses are subject to various laws, regulations and/or rules in the jurisdictions which they have operations in, including laws, regulations and/or rules affecting trade and taxes, repatriation of funds and withholding taxes, restrictions on content, and any changes to these laws and other applicable local regulatory requirements. Any changes in such laws, regulations and/or rules applicable to them may impact their ability to carry on business as a going concern which may in turn have an adverse impact on the Group's business and operations. There are also differing laws, regulations and/or rules on the protection of intellectual property in the various jurisdictions in which the Group's customers are based or operating in.

In particular, the Group's PRC-based customers' businesses may be affected by policies implemented by the PRC government to promote the digital content industry, which is currently an important focus of the PRC government under its soft power policy. In recent years, the PRC government has successively issued a series of industrial policies, such as the Guiding Opinions of the Ministry of Culture on Promoting the Innovative Development of Digital Culture Industry, the National Strategic Emerging Industry Development Plan for the 13th Five-Year Plan, and the Cultural Development Reform Plan for the 13th Five-Year Plan of the Ministry of Culture, which clearly place the digital creative industry as a strategic emerging industry. In addition, the PRC government had in July 2021 implemented a suspension on the granting of new publication licences for game operators, including the Group's customers in the Art Outsourcing Segment and Game Development Segment, to publish their online games. Notwithstanding the lifting of such measures in April 2022, the PRC government has granted a significantly lower number of licences than prior to the suspension period.

As at the Latest Practicable Date, none of the Group's PRC subsidiaries are engaged in the business of publication and operation of online games in the PRC and accordingly are not required to obtain such licences for the continuation of their operations in the PRC. Nevertheless, the suspension had affected the business of certain of the Group's downstream customers in the Art Outsourcing Segment, which are the game operators in the PRC. Although the suspension did not have any material adverse impact on the Group's operations as the Group has a diversified base of customers in various jurisdictions apart from the PRC, there is no assurance that if the relevant governmental policies were to change in the future, its customers will be able to continue to develop games and/or undertake their business activities which currently require the Group's services. In the event that they are unable to do so, it may in turn adversely affect the Group's business, results of operations, financial position and/or prospects.

The Group may be involved in disputes, legal and other proceedings and investigations arising out of its operations from time to time and may face legal liabilities as a result

During the course of its business, the Group may be involved in disputes with its customers and suppliers from time to time in relation to various matters, including complaints about the quality of services or products purchased. Further, disputes may arise between the Group and its customers as to the value of services performed by the Group in a particular period and the service fees that the Group is entitled to in the relevant period. In the event that the Group disagrees with such measurement results, contractual disputes with its customers may arise. The Group may also be subject to investigations and administrative penalties imposed by authorities in relation to inter alia, the games that the Group develops and/or publishes, in the event that such games are viewed to be contrary to the prevailing publication and censorship guidelines, as well as alleged or actual breaches of the relevant tax laws and regulations. Whilst the Group has not experienced any material litigation, investigations or other proceedings up to the Latest Practicable Date which has had a material adverse impact on the Group's business and operations, there is no assurance that the Group is or will be able to resolve every occasion of dispute amicably in its favour, including by way of settlement, negotiation and/or mediation with the relevant parties. If the Group fails to do so, it may lead to legal and other proceedings against the Group, and consequently it may have to incur extensive expenditure in defending itself in such actions. If the Group fails to obtain favourable outcomes in such proceedings or investigations, the Group may be liable to pay significant sums of damages or penalties, which may have an adverse effect on its business, results of operations, financial position and/or prospects. Further, while the publishing agreements that the Group has entered or will enter into will typically state that the Group has the right to demand for compensation from the third-party game developers for any losses and/or damages incurred in connection with publishing the games and the Group had not previously encountered such issues which had a material impact on the Group's financials and/or business operations up to the Latest Practicable Date, this is no assurance that the Group may not, in the future, encounter such issues which will lead it to exercise its right to demand for compensation, or that such compensation is sufficient to mitigate any adverse impact on the Group's financials and/or business operations.

There is also no assurance that the Group will not infringe any intellectual property rights of third-parties in the future. In the event of any claims or litigation involving infringement of their intellectual property rights, whether with or without merit, the Group may be required to divert a significant amount of its time and resources to defend or attend to any possible litigation or legal proceedings. Although the Group has not faced any claims alleging infringement of intellectual property rights by the Group as at the Latest Practicable Date, this is not a guarantee that the Group would not, in the future, face such claims, which could adversely affect its business, results of operations, financial position and/or prospects.

The Group is exposed to risks in respect of outbreaks of infectious and/or communicable diseases

An outbreak of the influenza virus and its variants, including COVID-19, influenza A (H1N1) and the avian influenza (H5N1), the Ebola virus, the middle east respiratory syndrome (MERS), the Zika virus or any other communicable diseases or the recurrence and spread of severe acute respiratory syndrome (SARS), may potentially affect the Group's business and/or the operations of the third-party contractors, consultants and other parties that the Group engages. The outbreak of any communicable disease that escalates into a regional or global pandemic may have a material and adverse effect on business, results of operations, financial position and/or prospects. Although the exact nature and magnitude of the impact of such diseases cannot be predicted currently, previous occurrences of communicable diseases have had an adverse effect on the economies of those countries in which they were prevalent. For example, the COVID-19 pandemic has caused severe impact on global, regional and national economies and disruptions to international trade and business activity and resulted in, among others, travel and transportation restrictions, prolonged closures of workplaces, businesses and schools, lockdowns in certain countries, disruptions to the global supply chains and increased volatility in capital and securities markets.

In the event that an outbreak occurs at the Group's offices, the Group may be required to temporarily suspend all or part of their operations or shut down the Group's offices and quarantine all affected employees and/or workers to prevent the spread of the diseases. While the Group has not up to the Latest Practicable Date experienced any such suspension of its operations or shut down of its offices which has had a material adverse impact on its business, operations and financial performance, if such an event were to occur in the future, it may materially and adversely affect the Group's business, results of operations, financial position and/or prospects.

Terrorist attacks, armed conflicts and increased hostilities, natural disasters and outbreak of communicable diseases could adversely affect the Group's financial performance

Terrorist attacks, armed conflicts, increased hostilities and other acts of violence or war, natural disasters such as earthquakes and outbreak of communicable diseases around the world or other events beyond the Group's control may adversely affect the regional and global financial markets. The occurrence of any of these events may result in a loss of business confidence, which could potentially lead to an economic recession and have an adverse effect on their business, results of operations and financial condition. There can be no guarantee that social and civil disturbances will not occur in the future and on a wider scale, or that any such disturbances will not, directly or indirectly, materially and adversely affect the Group's business, results of operations, financial position and/or prospects.

RISKS RELATING TO THE GROUP'S OPERATIONS OVERSEAS

The Group is exposed to risks associated with operations in various overseas jurisdictions

The Group has established offices and incorporated subsidiaries in various overseas jurisdictions. As such, the Group is subject to governmental regulations and safety and licensing standards in various jurisdictions. This may cause the Group to incur additional expenditure and may also require time and effort on the part of its management to address.

In case of any default or delay in payment or any other dispute with parties which are based in foreign jurisdictions, the Group may need to initiate legal proceedings or take other appropriate actions. Enforcement of arbitral awards or court judgments in the Group's favour or of its legal rights may be difficult, time consuming or not possible at all in some of the jurisdictions in which are involved or by virtue of the difficulties associated with enforcement across jurisdictions. An

inability to successfully enforce the Group's legal rights in these jurisdictions could have a material adverse effect on its business, results of operations, financial position and/or prospects.

As the Group conducts its business in multiple countries, the Group is subject to a multitude of tax rules, including those relating to income taxes, value-added tax, sales taxes, payroll taxes and other taxes. There is a risk that tax authorities in a country in which the Group conducts its business will raise claims against the Group for failure to comply with applicable tax laws and any such failure to comply may adversely affect its business, results of operations, financial position and/or prospects.

The Group derives certain portion of its revenue from overseas operations and are exposed to foreign exchange risk

The Group has a presence in various countries and territories through its overseas offices. The Group's business is therefore exposed to fluctuations in foreign exchange rates as its commercial transactions and its assets and liabilities are denominated in many different currencies such as NTD, HKD, US\$, Euros, Japanese Yen, Canadian dollars and S\$. Revenue from the Group's subsidiaries is primarily denominated in currencies such as RMB, NTD and US\$. However, the Group's financial statements are prepared in US\$. The exchange rates between the US\$, RMB and NTD have varied substantially in recent years and may continue to fluctuate significantly in the future. In preparing its financial statements, the Group translates revenue and expenses in its markets from their local currencies into US\$ using the exchange rates prevailing at the time of such transactions. If the US\$ strengthens relative to local currencies, the Group's reported revenue, gross profit and net income will be reduced to that effect. Further, as at the Latest Practicable Date, revenue from overseas sales is the main component of the Company's revenue from contracts with customers. The Group's net foreign exchange loss was approximately US\$123,000 and US\$144,000 for FY2021 and FY2022 respectively, while the Group recorded a net foreign exchange gain of US\$22,000 in FY2023.

The impact of future exchange rate fluctuations among these currencies on the Group's results of operations and financial condition cannot be accurately predicted, and there can be no assurance that its attempt to mitigate the adverse effects of exchange rate fluctuations will be successful or that such exchange rate fluctuations will not in the future have a material adverse effect on the Group's business, results of operations, financial position and/or prospects.

Moreover, the Shares are traded in S\$. Accordingly, any fluctuation in the exchange rates between the currencies may have an impact on the value of the Group's reported earnings, NTA and other financial measures in US\$ terms. This, in turn, may affect the market price of the Shares.

The interpretation and application of laws, regulations and/or rules in the jurisdictions in which the Group operates involve uncertainties

The courts in certain jurisdictions which the Group operates in may offer less certainty as to the judicial outcome or a more protracted judicial process than is the case in more established economies. Businesses can become involved in lengthy court cases over simple issues when rulings are not clearly defined, and the poor drafting of laws and excessive delays in the legal process for resolving issues or disputes compound such problems. Accordingly, the Group could face risks such as (i) effective legal redress in the courts of such jurisdictions being more difficult to obtain, whether in respect of a breach of law or regulation, or in an ownership dispute; (ii) a higher degree of discretion on the part of governmental authorities and therefore less certainty; (iii) the lack of judicial or administrative guidance on interpreting applicable rules and regulations; (iv) inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions; and (v) the relative inexperience or unpredictability of the judiciary and courts in such matters.

Enforcement of laws in some of the jurisdictions which the Group operates in may depend on and be subject to the interpretation placed upon such laws by the relevant local authority, and such authority may adopt an interpretation of an aspect of local law which differs from the advice that has been given to the Group by local lawyers or even previously by the relevant local authority itself. Furthermore, there is limited or no relevant case law providing guidance on how courts would interpret such laws and the application of such laws to the Group's contracts, licences, licence applications or other arrangements. There can be no assurance that there will be no unfavourable interpretation or application of the laws in the jurisdictions in which the Group operates or that such interpretation or application will not adversely affect its contracts, licences, licence applications or other legal arrangements. In certain jurisdictions, the commitment of local businesses, government officials and agencies and the judicial system to abide by legal requirements and negotiated agreements may be less certain and more susceptible to revision or cancellation, and legal redress may be uncertain or delayed. If the existing body of laws, regulations and/or rules in the countries in which the Group operates are interpreted or applied, or relevant discretions exercised, in an inconsistent manner by the courts or applicable regulatory bodies, this could result in ambiguities, inconsistencies and anomalies in the enforcement of such laws, regulations and/or rules, which in turn could hinder the Group's long-term planning efforts and may create uncertainties in its operating environment.

Several countries in which the Group operates impose restrictions on foreign ownership of businesses. Changes in relevant laws, regulations and/or rules or policies could materially and adversely affect the Group's business, financial condition and results of operations

Foreign investors are subject to restrictions on foreign ownership in certain industries jurisdictions in which the Group operates, including Taiwan. The governments of these countries and other countries in which the Group operates may re-evaluate or amend the relevant laws, regulations, rules and/or policies, and any adverse changes in the laws, regulations, rules and/or policies, including their application or interpretation, could require the Group to remove or amend its existing arrangements or reduce its voting or economic interests in any existing or future subsidiaries and associates in these countries. Any such removal, amendment or reduction could affect the Group's ability to successfully implement its business strategies and operate in the relevant countries. Furthermore, the Group cannot assure you that its subsidiaries or associates will be able to comply with any new restrictions on foreign ownership because compliance may be affected by whether other shareholders are considered domestic or foreign investors, as determined in accordance with the applicable laws, regulations and/or rules. If foreign ownership restrictions are determined to have been violated, monetary and criminal penalties could be imposed and relevant licences or agreements could be cancelled or voided. Any of these events could materially and adversely affect the Group's business, results of operations, financial position and/or prospects.

The Group is subject to the foreign exchange laws, regulations and/or rules in the PRC and Taiwan

The Group is subject to foreign exchange laws, regulations and/or rules applicable in the PRC and Taiwan. Any restrictions on the repatriation of funds from such countries may limit the ability of the Group's subsidiaries and associated companies to distribute dividends to the Company. This in turn may impact the availability of cash and cash equivalents for use by the Company, and the remittance of dividends, interest or other payments to Shareholders. There is also no assurance that the relevant laws, regulations and/or rules applicable in the PRC, Taiwan, Hong Kong and Singapore will not change. In the event that there is any adverse change in the relevant foreign exchange laws, regulations and/or rules relating to the borrowing or repatriation of foreign currency, there may be a material and adverse impact on the Group's business, results of operations, financial position and/or prospects.

Any acts of bribery, money laundering, corrupt practices or other misconduct of the Group's employees or working partners may materially and adversely affect its business and reputation

While there may be efforts by governmental bodies to combat bribery, money laundering, corrupt practices and other improper conducts in the countries in which the Group operates, there can be no assurance that the Group's employees and/or its working partners, including, among others, its suppliers, customers and working partners, will not be engaged in acts of bribery, money laundering, corruption or other misconduct. There can also be no assurance that the Group's internal control and risk management systems will prevent any improper or illegal acts of the Group's employees or working partners. Whilst the Group has in place anti-money laundering and anti-bribery and corruption policies and there were no incidents up till the Latest Practicable Date involving a breach of anti-bribery, anti-corruption and other related laws, regulations and/or rules, the Group cannot assure you that its employees and working partners will comply with such laws, regulations and/or rules in the countries in which the Group operates. If such persons fail to comply with the applicable anti-bribery and anti-corruption laws, this may subject the Group to substantial financial losses and may have a negative impact on its reputation, and may mean its business, results of operations, financial position and/or prospects may be adversely affected.

The Group is subject to evolving regulatory requirements, non-compliance with which, or changes in which, may materially and adversely affect their business and prospects

The Group's business is subject to laws, regulations and/or rules in the countries or regions where the Group may operate. There are various licensing, approval or notification requirements governing different aspects of the Group's business which the Group must comply with, and which may impose conditions that may restrict its operations. Regulatory authorities may exercise broad discretion in assessing the Group's compliance with such requirements or introducing new requirements, and the Group may incur additional costs and suffer operational restrictions that could be harmful to its business. For instance, out of the Group's seven leases in the PRC which are required to be registered with the relevant local branch, three remain unregistered. As the registration process for leases is within the capacity of the relevant landlord for which the Group is not able to exert control over, the Group accordingly does not foresee that it will be able to register the aforesaid unregistered leases in the near future by itself. Under the PRC laws, while non-registration of a lease does not render such lease invalid or enforceable, the potential penalty would be a maximum penalty of RMB10,000 which may be imposed for each lease that is not registered, with such liability falling on both parties of the relevant lease agreement. Accordingly, the maximum potential fines or penalties that may be imposed under the Administrative Measures for Commodity House Leasing (商品房屋租赁管理办法) and other local laws on the Group arising from non-registration of the three leases, would be up to RMB30,000, which is not expected to have any material adverse impact to the Group's financial position.

In addition, the Group may be subject to foreign ownership rules, restrictions and/or regulations in the PRC, if the businesses that the Group's subsidiaries engage in falls within the fields prohibited or restricted for foreign investment as stipulated under the Special Administrative Measures for Foreign investment Access (Negative List) (2021 Version) (外商投资准入特别管理措施 (负面清单) (2021年版)) ("**Negative List (2021 Version)**"). Up to the Latest Practicable Date, each of their PRC subsidiaries (i) has obtained all requisite approvals required for their operations in the PRC; (ii) has been in compliance with the relevant PRC laws and regulations in all material aspects in relation to their business operations in the PRC; and (iii) do not engage in businesses that fall within the fields prohibited or restricted for foreign investment as stipulated under the Negative List (2021 Version).

Furthermore, the introduction of new services and products may require the Group to comply with additional, yet undetermined, laws, regulations and/or rules. Compliance may require obtaining appropriate permits, licences or certificates as well as expending additional resources to monitor developments in the relevant regulatory environment. The failure to adequately comply with these future laws, regulations and/or rules may delay, or possibly prevent, some of the Group's products or services from being offered to users, which may have a material adverse effect on its business, financial condition, results of operations and prospects.

Changes to existing laws, regulations and guidelines, or the introduction of new laws, regulations and guidelines could also have a negative impact on their operations, even if such laws, regulations and/or rules are not directly applicable to the Group. Should there be any subsequent modifications, additions or new restrictions to the current compliance standards, the Group may incur additional costs or administrative burdens in complying with the new or modified standards which may materially and adversely affect its profitability and, consequently, their business, financial condition, results of operations and prospects.

While the Group was not aware of any change in regulatory requirements up till the Latest Practicable Date that had a material adverse effect on the Group's operations, this is no assurance that there will not be any change in regulatory requirements in the future which may have a material adverse effect on their business, financial condition, results of operations and prospects.

The Group may be subject to the requirements in relation to the approval of or filing with the CSRC or other PRC government authorities under PRC law

On 17 February 2023, the CSRC released the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (境内企业境外发行证券和上市管理试行办法) (the "**Measures**") and five relevant guidelines, which took effect on 31 March 2023. Pursuant to the Measures, a PRC domestic company that seeks to offer and list securities in overseas markets shall fulfil certain filing procedures with the CSRC, which involves, among others, the submission of relevant materials including a filing report and a legal opinion, and providing truthful, accurate and complete information on the shareholders. Any overseas offering and listing made by an issuer that meets both the following conditions will be determined as indirect offering and listing in overseas market and, therefore, be subject to such filing requirements: (i) 50% or more of the issuer's operating revenue, total profit, total assets or net assets, as documented in its audited consolidated financial statements for the most recent accounting year, is accounted for by domestic companies; and (ii) the main parts of the issuer's business activities are conducted in Mainland China, or its main places of business are located in Mainland China, or the senior managers in charge of its business operation and management are mostly PRC citizens or domiciled in Mainland China.

Based on the feedback obtained from the CSRC on 11 September 2023, while the Company is not included under the scope of the Measures, the interpretation and application of the Measures remain unclear and uncertain, and subsequent corporate actions and/or equity fundraising rounds may ultimately require the Group to make supplemental filings and/or obtain the approval of the CSRC, and if CSRC approval is required, it is uncertain whether the Group can or how long it will take the Group to obtain the approval and, even if the Group obtains such CSRC approval, there are also potential risks in the event that such CSRC approval is rescinded. Any failure to obtain or any delay in obtaining the CSRC approval for any relevant corporate action and/or equity fundraising where such approval is required, or a rescission of such CSRC approval that has been obtained by us, may result in certain sanctions imposed by the CSRC or other PRC regulatory authorities, which could include fines and penalties on the Group's operations in the PRC, restrictions or limitations on the Group's ability to pay dividends outside of the PRC, and other forms of sanctions that may materially and adversely affect its business, financial condition, and results of operations.

In addition, the Group cannot guarantee that new rules or regulations promulgated in the future pursuant to the Measures will not impose any additional requirement on it. If it is determined that the Group is subject to any CSRC approval, filing, other governmental authorisation or requirements for future capital raising activities and/or corporate actions, the Group may fail to obtain such approval or meet such requirements in a timely manner or at all, or completion could be rescinded. Any failure to obtain or delay in obtaining such approval or completing such procedures for future capital raising activities and/or corporate actions, or a rescission of any such approval obtained by the Group, may result in certain sanctions by the CSRC or other PRC regulatory authorities. These regulatory authorities may impose fines and penalties on their operations in the PRC, limit their ability to pay dividends outside of the PRC, limit their operating privileges in the PRC, delay or restrict the repatriation of the proceeds from the Proposed Placement or future capital raising activities into the PRC, or take other actions that could materially and adversely affect the Group's business, financial condition, results of operations, and prospects, as well as the proceeds of the Shares.

Pursuant to the Measures, upon the occurrence of any of the material events specified below after an issuer has offered and listed its securities in an overseas market, the issuer shall submit a report thereof to the CSRC within three working days from the date of the occurrence and public disclosure of such event: (1) change of control; (2) investigations or sanctions imposed by overseas securities regulatory agencies or other relevant competent authorities; (3) change of listing status or transfer of listing segment; and (4) voluntary or mandatory delisting. Furthermore, subsequent securities offerings of an issuer in the same overseas market where it had previously offered and listed securities shall be filed with the CSRC within three working days after the completion of such offering. Subsequent securities offerings and listing of an issuer in other overseas markets other than where it has offered and listed its securities shall be filed with the CSRC within three working days after the relevant applications have been submitted overseas.

The CSRC or other PRC regulatory authorities may implement conditions requiring us, or which make it advisable for the Group, to halt future capital raising activities before settlement and delivery of the proceeds hereby. Consequently, if the Shareholders and/or potential investors engage in future market trading or other activities in anticipation of and prior to settlement and delivery, there are potential risks that settlement and delivery may not occur. Any uncertainties or negative publicity regarding such approval, filing or other requirements could materially and adversely affect the Group's business, prospects, financial condition, reputation, and the proceeds of the Shares.

Government regulation of loans and direct investments by the Company to the Group's foreign subsidiaries may delay or prevent the Group from making loans or additional capital contribution, which could materially and adversely affect the Group's liquidity and ability to expand its business and operations in such jurisdictions

Local laws, regulations and/or rules may also have differing requirements and restrictions on the ability of a foreign holding company to make loans, direct investments or additional capital contribution to its operating subsidiaries and affiliated entities including those in the PRC and Taiwan. This may impede the Group's ability to expand its business and operations and increase its presence in these jurisdictions, such that its business, results of operations, financial position and/or prospects may be adversely affected.

RISKS RELATING TO THE JURISDICTIONS IN WHICH THE GROUP HAS OPERATIONS

The Group may be subject to risks associated with the macro environment and international relations of Taiwan where the Group's offices is located

Some of the Group's assets and operations are located in Taiwan. Accordingly, the Group's business, results of operations and financial condition and the market price of the Shares may be affected by changes in the policies, regulations, taxation, inflation, interest rates, international relations, social instability and other economic or social developments in or affecting Taiwan which are outside the Group's control. Any tension between Taiwan and the international community and other factors affecting the general political and/or economic conditions in Taiwan could have a material adverse effect on the Group's results of operations and financial condition, as well as the market price and liquidity of the Shares. Further, if relations between Taiwan and the international community, especially its neighbouring countries worsen, it could also have a material adverse effect on Taiwan's macro economy and the Group's ability to manage and operate its operations in the countries where the Group is located and to implement future plans for the expansion of its existing operations. There can be no assurance that the present tensions will not worsen, which could have a significant adverse impact on the Group's business, results of operations, financial position and/or prospects.

The Group's investment in Taiwan is subject to Taiwanese regulatory requirements and any non-compliance may have an adverse impact on the investment

The primary law governing foreign investment in Taiwan is the Statute for Investment by Foreign Nationals (the "**Foreign Investment Statute**"). Save for certain exceptions, the DIR is the primary competent authority for the review and approval of investment applications made by foreign investors in accordance with the Foreign Investment Statute. Foreign investments in Taiwan require the prior approval of the DIR. In general, foreign investments in Taiwan will not be subject to any other special prohibition/restriction, unless it involves prohibited and/or restricted businesses under the relevant rules to provide the prohibited and restricted categories thereunder (the "**Negative List for Inbound Investment by Foreign Investors**") or as otherwise indicated by the DIR and/or the relevant competent business authority. In addition, the prior approval of the DIR is also required for certain transactions as specified by the Foreign Investment Statute, such as (i) changes to the foreign investor's investment plan or investment structure (including for capital increases in the foreign investor's Taiwan subsidiary), or (ii) if the foreign investor wishes to transfer its investment to another person. Such approvals requirements apply to the Company post-Listing. The DIR may, in its approval letter, impose certain requirements that the foreign investors must comply with for the entirety of the investment period. A failure to comply with the Foreign Investment Statute will result in legal consequences, such as prohibition of profit repatriation or revocation of the investment approval, which will have an adverse impact on their investment.

Further, the DIR will examine whether the foreign investor constitutes a "PRC investor" under the Regulations Governing the Investment by PRC Investors. Investments by PRC investors will be subject to stricter requirements and restrictions as compared to investments by other foreigners and is, in principle, prohibited by Taiwan laws, regulations and/or rules, unless otherwise permitted by the DIR. A "**PRC Investor**" shall mean any of the following investors that is: (i) an individual, company, legal entity or institution of the PRC; or (ii) a legal entity incorporated under the laws of any jurisdiction (other than the PRC) whose direct or indirect shareholding in excess of 30% is owned by any individual, company, legal entity or institution of the PRC or that is otherwise controlled by individual, company, legal entity or institution of the PRC. The PRC investor's investment in Taiwan shall comply with the PRC Investment Regulations. As the DIR reviews the foreign investment application, the DIR will trace the name, nationality, place of birth and shareholding of shareholders and directors for each shareholding level until the ultimate individual beneficiary is identified, so as to gain clarity on whether the ultimate shareholder is a PRC Investor. In the event that a foreign investor falls within the ambit of a PRC Investor and fails to comply with the PRC Investment Regulations, such investor may be subject to relevant sanctions, such as rectification within requested time limit, withdrawal of investment and/or suspension of exercising shareholder's rights, and fines.

The Company, being the sole shareholder of Taiwan Winking and OPCCL, is a foreign investor under applicable Taiwanese rules and regulations and accordingly, the DIR's approval will be required should there be a change in the direct shareholding of Taiwan Winking or OPCCL. Hence, any change in foreign investors' interests in the Company (i.e., an indirect shareholder of Taiwan Winking or OPCCL) will not be subject to DIR's approval unless and until such change in shareholding causes the Company to become a "PRC Investor".

Currently, the business activity registered by each of Taiwan Winking and OPCCL does not fall within the prohibited/ restricted industries in the Negative List for Inbound Investment by Foreign Investors. Furthermore, the sole shareholder of Taiwan Winking and OPCCL, i.e. the Company, is not subject to any restrictions in relation to its 100% shareholding in Taiwan Winking and OPCCL or in the exercise of its voting rights as the sole shareholder of Taiwan Winking and OPCCL.

Although the Company, as a foreign investor, has obtained the approvals of the DIR for its investment in Taiwan Winking and OPCCL, the Group may still need to seek additional approvals from the DIR from time to time, including approvals in relation to changes in investment structure, in accordance with their business items, plans and/or operational requirements. There is no assurance that such approvals will be obtained or that as part of such approvals, the DIR will not impose conditions which the Group would have to comply with. There is also, in general, no assurance that the DIR will not deviate from its current practices and impose new requirements on the Company even in the absence of any regulatory applications. Revised or new Taiwanese legislation, regulations or rules relating to foreign investments may also be promulgated which may have an adverse effect on the Company, and any breach of any of these Taiwanese regulatory requirements could have an adverse effect on the Group's business, financial condition and results of operations.

The management and finance team of the Company are familiar with the regulatory requirements and procedures in Taiwan in relation to foreign investments as the Company has conducted various fund-raising exercises in the past since its incorporation in 2005, and the Group's finance team and management will continue to monitor compliance with the applicable Taiwanese rules and regulations and shall engage a legal counsel as and when appropriate for advice. The Directors are of the view that the current measures are appropriate and adequate to ensure compliance with the requirements and procedures in Taiwan in relation to foreign investments. However, there is no assurance that the Group will be in full compliance with all Taiwanese rules and regulations that may be promulgated from time to time, and any breach of any of these Taiwanese regulatory requirements could have an adverse effect on the Group's business, financial condition and results of operations.

The Group's Taiwanese Shareholders/investors may be subject to Taiwan laws and regulations for his/her/its investment in the Company and failure to comply with these rules may affect their investment and may lead to certain punishments being imposed

The Group's Taiwanese Shareholders and/or investors may be subject to Taiwan laws and regulations in relation to their investment in the Company. For so long as the Company has PRC subsidiaries, the Taiwanese Shareholders' or investors' investment in the Company will constitute an indirect PRC investment under Taiwan laws, unless the Company's investment in the PRC entity is made through a Taiwan legal entity. A Taiwanese investor's acquisition of shares in an entity incorporated in jurisdictions other than the PRC and Taiwan (such as the Cayman Islands, where the Company is incorporated) which have a PRC subsidiary or branch (the "**Third Jurisdiction Entity**") by means of acquiring such shares from existing shareholders, i.e. the sale and purchase of the existing issued shares, will be deemed to constitute an "indirect PRC investment" rather than a foreign investment.

Therefore, the Relations Between Peoples of the Taiwan Area and the Mainland Area Act (the "**Cross-Strait Act**") and other PRC Investment Regulations will apply. The obligation to comply with such Taiwan laws and regulations rests with the individual Taiwanese Shareholders or investors, rather than the Company or any entity in the Group. Taiwanese Shareholders and prospective Taiwanese investors should consult their own advisers to obtain more detailed information applicable to their case and to obtain a comprehensive understanding of the relevant legal requirements in Taiwan.

Adverse changes in economic, social and political policies of the PRC government could have a material adverse effect on overall economic growth in the PRC, which could materially and adversely affect the Group's business

The Group's operations are mainly conducted in the PRC through the Group's PRC subsidiaries. The Directors anticipate that the PRC will continue to be a significant operational base of the Group in the near future. The Group is therefore influenced by the economic, social, political and legal developments in the PRC, including the level of development, growth rate, foreign exchange controls, capital reinvestment, allocation of resources, rate of inflation and trade balance position. Economic reforms that begun in the late 1970s have resulted in significant economic growth. However, economic reform policies or measures in the PRC may constantly evolve.

Any adverse changes in economic conditions in the PRC, the policies of the PRC government or the PRC laws, regulations and/or rules could have a material and adverse effect on the overall economic growth of the PRC. Such developments could lead to reduction in demand for their products and the Group's business, financial condition, results of operations and prospects may be materially and adversely affected.

The Group is subject to labour regulations in the PRC

The Group is required to comply with applicable PRC labour, social insurance and housing fund laws, regulations and/or rules. For instance, the PRC Labour Contract Law (《中华人民共和国劳动合同法》), which became effective on 1 January 2008 and was amended on 28 December 2012, and the Implementing Rules for the PRC Labour Contract Law (《中华人民共和国劳动合同法实施条例》), which were promulgated and became effective on 18 September 2008, set forth workers' rights including overtime hours, pensions, layoffs, employment contracts and the role of trade unions, and specified standards and procedures for the termination of an employment contract. In addition, under the applicable PRC laws, regulations and/or rules, companies must establish and implement a system of ensuring occupational safety and health, educate employees on occupational safety and health, prevent work-related accidents and reduce occupational hazards. Companies must also contribute to their employees' social insurance and housing fund.

Accordingly, the Group is required to pay several statutory social welfare benefits for employees of their PRC subsidiaries which include medical care insurance, occupational injury insurance, unemployment insurance, maternity insurance, pension and housing fund contributions. Due to differences in local regulation, inconsistent implementation and interpretation by the local authorities in the PRC, and different levels of acceptance of the social welfare system by employees depending on their willingness to make their corresponding contribution thereto, the Group may not have paid in full certain statutory social welfare benefits for its employees. Any failure by the Group in complying with the applicable PRC labour, social insurance and housing fund laws, regulations and/or rules may subject the Group to penalties and liabilities under PRC laws, regulations and/or rules, including but not limited to the issue of warnings and imposition of fines. Under applicable PRC laws, regulations and/or rules, employers failing to make sufficient statutory social welfare benefit payments may be ordered by the relevant authorities to contribute the shortfall within a prescribed period, and, additionally, in the case of failure to make sufficient payments of medical care insurance, occupational injury insurance,

unemployment insurance, maternity insurance and pension, employers may be imposed with a daily late payment fee equivalent to 0.05% of the overdue payment from the date on which the payment became overdue and failing which, the relevant authorities may impose a fine of up to three times the overdue amount.

In the event that the Group is found to be in breach of any other applicable PRC labour, social insurance and housing fund laws, regulations and/or rules, which affect their usage of labour, the Group's business, financial condition, results of operations and prospects may be materially and adversely affected.

Failure to comply with PRC regulations regarding the registration requirements for employee share ownership plans or share option plans, when options or awards (as the case may be) are granted may subject PRC participants or the Group to fines and other legal or administrative sanctions

In February 2012, the PRC SAFE promulgated the Notice on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plans of Overseas Publicly Listed Companies (国家外汇管理局关于境内个人参与境外上市公司股权激励计划外汇管理有相关问题的通知) (the "**SAFE Circular 7**"). Under the SAFE Circular 7 and other relevant rules and regulations, PRC residents who participate in a stock incentive plan in an overseas publicly listed company are required to register with the SAFE or its local branches, complete certain other procedures, and must retain a qualified PRC agent which could be a PRC subsidiary of the overseas publicly listed company or another qualified institution selected by the PRC subsidiary to conduct the SAFE registration and other procedures with respect to the stock incentive plan on behalf of its participants. The participants must also retain an overseas entrusted institution to handle matters in connection with their exercise of stock options, the purchase and sale of corresponding stock or interests and fund transfers. In addition, the PRC agent is required to amend the SAFE registration with respect to the stock incentive plan if there is any material change to the stock incentive plan, the PRC agent or the overseas entrusted institution or other material changes. The Group and its PRC employees, who may be granted Awards (as defined in the Winking Studios Performance Share Plan) under the Winking Studios Performance Share Plan, are subject to these regulations and failure of the PRC share option holders or restricted shareholders to complete their SAFE registrations may subject these PRC residents to fines of up to RMB300,000 for entities or up to RMB50,000 for individuals, and may also limit their ability to contribute additional capital to the Group's PRC subsidiaries, limit the ability of its PRC subsidiaries to distribute dividends to the Group, or otherwise materially and adversely affect the Group's business, financial condition, results of operations and prospects.

The PRC State Taxation Administration ("**STA**") has also issued relevant rules and regulations concerning employee share incentives, such as the Notice of Ministry of Finance and STA on Issues relating to Collection of Individual Income Tax on Personal Income from Shares and Options (关于个人股票期权所得征收个人所得税问题的通知), effective on 1 July 2005, and the Notice about Issues Concerning the Individual Income Tax on Share-option Incentives of the STA (国家税务总局关于股权激励有关个人所得税问题的通知), effective from 24 August 2009. Under these rules and regulations, the Group's employees working in the PRC will be subject to PRC individual income tax upon release of the Awards under the Winking Studios Performance Share Plan, and the PRC subsidiaries which implement share option schemes shall act as the withholding agent for individual income tax and shall withhold individual income taxes for their employees upon exercise of the options or release of the awards. If the PRC subsidiaries fail to withhold their individual income taxes according to the relevant rules and regulations, the Group may be ordered to pay within the specific time and/or fines imposed by the relevant tax authorities.

As at the Latest Practicable Date, the Group has appointed Best Management Consulting (Shanghai) Co., Ltd. (贝斯哲管理咨询(上海)有限公司) to handle such registration and complete the procedural requirements.

The Group may be deemed to be a PRC tax resident under the EIT Law and be subject to PRC taxation on the Group's worldwide income

Under the Enterprise Income Tax Law of the PRC (2018 Revision) (中华人民共和国企业所得税法(2018年修改)) (the "**EIT Law**") which took effect on 29 December 2018 and its implementation rules, an enterprise established under the laws of a foreign country or region whose "de facto management body" is located in the PRC is considered a "resident enterprise" and will generally be subject to a uniform 25.0% corporate income tax on its worldwide income. Under the implementation rules of the EIT Law, "de facto management body" is defined as the managing body that has the material and overall management control over the production, business, personnel, accounts and assets of an enterprise.

On 22 April 2009, the State Administration of Taxation issued the Notice on Issues Relating to Determination of PRC Controlled Offshore Enterprises as PRC Resident Enterprises by Applying the De Facto Management Body (关于境外注册中资控股企业依据实际管理机构标准认定为居民企业有关问题的通知) (the "**SAT Circular No. 82**") stipulating certain specific criteria for determining whether the "de facto management body" of a PRC-controlled offshore enterprise is located in the PRC. These criteria include, among others: (i) the location where senior management and senior management departments that are responsible for daily production, operation and management of the enterprise perform their duties; (ii) whether decisions relating to the enterprise's financial and human resource matters are made or subject to approval by organisations or personnel in the PRC; (iii) the location of the enterprise's primary assets, accounting books and records, company seals, and minutes of board and shareholders' meetings; and (iv) whether 50.0% or more of the voting board members or senior executives of the enterprise habitually reside in the PRC. Whilst the Group has not up to the Latest Practicable Date been subject to any notice of material breach, investigation, non-compliance or penalty in respect of EIT Law, there can be no assurance that the Company will not be considered a PRC resident enterprise for PRC enterprise income tax purposes in the future and be subject to the uniform 25.0% corporate income tax on the Group's global income. In such a case, the Group's profitability and cash flow may be materially and adversely affected as a result of the Group's global income being taxed under the EIT Law.

Under such circumstances, the Group's business, financial position and results of operations may be materially and adversely affected. As at the Latest Practicable Date, only the Group's PRC subsidiaries are tax resident in the PRC under the EIT Law. As at the Latest Practicable Date, the PRC tax authorities have not raised any material comments and/or findings on the Group's past tax filings but this is no assurance that the authorities would not raise any material comments and/or findings in the future which could adversely affect the Group's business, financial condition, results of operations and prospects.

The Group may face uncertainties relating to the indirect transfers of PRC taxable assets by non-PRC resident enterprises

On 3 February 2015, the STA issued the Announcement on Several Issues Concerning Enterprise Income Tax for Indirect Transfer of Assets by Non-Resident Enterprises (《国家税务总局关于非居民企业间接转让财产企业所得税若干问题的公告》) (the "**STA Circular 7**") which was amended on 1 December and 29 December 2017. The STA Circular 7 provides comprehensive guidelines relating to, and also heightened the PRC tax authorities' scrutiny over, indirect transfers by a non-resident enterprise of PRC taxable assets. Under STA Circular 7, when a non-resident enterprise transfers PRC taxable assets indirectly by disposing of equity

interests in an overseas holding company directly or indirectly holding such PRC taxable assets, the PRC tax authorities are entitled to reclassify the nature of an indirect transfer of PRC taxable assets, by disregarding the existence of such overseas holding company and by considering the transaction to be a direct transfer of PRC enterprise income taxes and without any other reasonable commercial purpose.

However, STA Circular 7 contains certain exemptions, including the following situations (i) where a non-resident enterprise derives income from the indirect transfer of PRC taxable assets by acquiring and selling shares of an overseas listed holding company, which holds such PRC taxable assets on a public market; and (ii) where the income from the transfer would have been exempted from enterprise income tax in the PRC under an applicable tax treaty or arrangement if the non-resident enterprise had directly held and disposed of such PRC taxable assets, in the context of an indirect transfer of PRC taxable assets.

The Group has conducted and may conduct acquisitions involving changes in corporate structures, and historically the Shares were transferred by certain then shareholders to the current Shareholders. The Group cannot assure you that the PRC tax authorities will not, at their discretion, adjust any capital gains and impose tax return filing obligations on the Group or require the Group to provide assistance in connection with the investigation of PRC tax authorities with respect thereto. Any PRC tax imposed on a transfer of the Shares or any adjustment of such gains would cause the Group to incur additional costs and may have a negative impact on the value of your investment in the Company.

The restrictions on the PRC foreign exchange or outbound capital flows may affect their ability to receive dividends and other payments from their PRC subsidiaries

In the PRC, foreign-invested enterprises are subject to the PRC rules and regulations on currency conversion, including the Regulation for Foreign Exchange Controls in the PRC, which is regulated by the SAFE. The ability of the Group's PRC subsidiaries to pay dividends or to repatriate profits to the Group may be affected by changes in the PRC foreign exchange control. The PRC government imposes controls on the convertibility between the RMB and foreign currencies and, in certain cases, the remittance of currency out of the PRC. The Group receives a significant portion of its revenues in RMB. The Group's income at the holding company level may be primarily derived from dividend payments from its PRC subsidiaries. Shortages in the availability of foreign currency may restrict the ability of the PRC subsidiaries to remit sufficient foreign currency to pay dividends or other payments to the Group, or otherwise satisfy their foreign currency denominated obligations. Under existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest payments and expenditures from trade-related transactions, can be made in foreign currencies without prior approval from SAFE by complying with certain procedural requirements. However, approval from appropriate government authorities is required where RMB is to be converted into foreign currency and remitted out of the PRC to pay capital expenses such as the repayment of loans denominated in foreign currencies. The PRC government may also at its discretion restrict access to foreign currencies for current account transactions in the future. If the foreign exchange control system prevents the Group from obtaining sufficient foreign currency to satisfy its currency demands, the Group may not be able to pay dividends in foreign currencies to its Shareholders.

The Group's PRC-incorporated subsidiaries may incur liability pursuant to unauthorised actions by their legal representatives

The Group's PRC-incorporated subsidiaries are required by law to each appoint a legal representative to be the person responsible to perform the duties and powers on their behalf. The legal representative is authorised to perform all acts regarding the general administration of the PRC subsidiaries and can also execute powers of attorney and execute any legal

transaction that is within the nature and the scope of business of the company. In the event that any of the legal representatives of the PRC-incorporated subsidiaries performs any unauthorised actions in contravention of the law and/or their contractual obligations purportedly on behalf of the respective subsidiary, there is a risk that the Group and/or its PRC-incorporated subsidiaries may be held liable for such acts. While measures and controls have been implemented in order to mitigate such a risk, there is no assurance that the legal representatives of the Group's PRC-incorporated subsidiaries will adhere to such measures and control procedures. If the legal representatives of the Group's PRC-incorporated subsidiaries incur liability without authorisation on behalf of the Group and/or its PRC-incorporated subsidiaries, the Group's business, results of operations, financial position and/or prospects may be materially and adversely affected.

There were no such past incidents which had a material adverse impact on the Group's business operations and/or financials, but the Group cannot assure you that any future occurrence of such events will not have a material adverse effect on their business, financial position and results of operations.

PRC regulation of loans to and direct investment in PRC entities by offshore holding companies and governmental control of currency conversion may delay or prevent the Group from using the proceeds of any offshore equity offerings subsequent to the Proposed Placement to make loans to or make additional capital contributions to the Group's PRC subsidiaries, which could materially and adversely affect the Group's liquidity and its ability to fund and expand its business

Under PRC laws, regulations and/or rules, the Group is permitted to utilise the proceeds of any financing outside the PRC to fund its PRC subsidiaries by making loans to or additional capital contributions to its PRC subsidiaries, subject to applicable government registration, statutory limitations on amount and approval requirements.

Filing with the MOFCOM and the SAMR and approval from the SAFE are required, as the case may be, for the utilisation of the proceeds from outside the PRC to fund the Group's PRC subsidiaries by making loans to or additional capital contributions to its PRC subsidiaries, and the Company does not foresee difficulties in fulfilling such requirements, where applicable. While the Company's finance department, as led by the Group CFO, and the Audit Committee will monitor the use of proceeds to ensure that they would not be utilised to fund the Group's PRC-incorporated subsidiaries unless the requisite approvals and/or registration requirements are duly complied with and the Group CFO will report to the Audit Committee periodically in respect of material disbursements of the use of proceeds and provide the Audit Committee with a status report on the use of the net proceeds, the Group cannot assure you that it will be able to complete the necessary registrations or obtain the necessary government approvals on a timely basis, if at all, with respect to future loans to its PRC subsidiaries or future capital contributions by the Group to its PRC subsidiaries. If the Group fails to complete such registrations or obtain such approvals, the Group's ability to use the proceeds received or expect to receive from its offshore offerings and to capitalise or otherwise fund its PRC operations may be negatively affected, which could materially and adversely affect the Group's liquidity and its ability to fund and expand its business.

RISKS RELATING TO OWNERSHIP OF THE SHARES

The validity of certain issuances and transfers of Shares of the Company cannot be verified

The Company is subject to laws and regulations governing its corporate administration and management, including corporate and taxation laws and regulations in relation to the issuance and transfers of Shares of the Company, and there is no assurance that the Company will be

able to maintain at all times full compliance with such laws and regulations. The Company has in the past encountered and may encounter corporate secretarial irregularities, due in part to the long corporate history of the Company, which may conflict with or affect the validity of corporate actions the Company has taken. These past corporate secretarial irregularities include records of board or shareholder resolutions approving certain new issuances of Shares between 2006 and 2012 not being maintained, records of waivers or approvals of previous preferred shareholders of their rights of pre-emption under the Memorandum and Articles of Association of the Company effective at the relevant time in respect of certain share issuances and share subdivisions between 2006 and 2012 not having been maintained, records of the board resolutions for the grant of options by the Company in 2008 not having been maintained and records of the relevant board resolutions and instruments of transfer for certain transfers of Shares between 2006 and 2014 not having been maintained. As a result of the Company having moved its offices and changed its registered agent/registered office provider in the Cayman Islands and office personnel in Taiwan in the past, certain corporate records were lost. In order to rectify such corporate secretarial irregularities, a number of steps will have to be taken, which includes sighting and/or re-executing the relevant instruments of transfers, waivers of pre-emption and board resolutions approving the relevant issuances and transfers of shares which are the subject of the corporate secretarial irregularities. The Company has exhausted all means of locating the missing corporate records, including by contacting the previous registered agent/registered office provider to look for the corporate records, as well as looking for the corporate records in its offices in Taiwan and the PRC, and it is the case that the records, whether in physical or electronic form, cannot be located presently. Further, as the corporate secretarial irregularities occurred more than nine to 17 years ago, and the contact details of the relevant shareholders and directors provided were as of those relevant points in time, such contact details have already been outdated and the location of such shareholders and directors would not be possible. As such, re-execution of the missing documents is not possible. Although the Company has not experienced any challenges to the validity of the Shares of the Company as at the Latest Practicable Date, and the Company has engaged professional staff, including legal and financial personnel, to handle the matters relating to the issuance and allotment of Shares and transfers of Shares alongside the Company Secretaries to prevent the recurrence of such irregularities, the Company cannot be certain that the Company will not encounter such claims in the future or that similar irregularities will not occur in the future.

In the event such legal proceedings or claims are commenced against the Company, the Company may have to devote substantial time and resources to defending such proceedings and such proceedings may also divert the attention of its management from its core business. Further, in the event a claimant successfully challenges the validity of a transfer or allotment, certain corporate actions may be considered void or the Company may be required to issue or transfer certain shares to the claimant. If the foregoing events occur, it could materially and adversely affect the Company's business, prospects, financial condition, reputation, and the proceeds of the Shares.

Investments in securities quoted on the Catalist involve a higher degree of risk and can be less liquid than shares quoted on the Mainboard of the SGX-ST

The Shares are listed on the Catalist, a listing platform designed primarily for fast-growing and emerging or smaller companies to which a higher investment risk tends to be attached as compared to larger or more established companies. An investment in shares quoted on the Catalist may carry a higher risk than an investment in shares quoted on the Mainboard of the SGX-ST.

The Shares may not be a suitable investment for all investors

Each prospective investor in the Shares must determine the suitability of that investment in light of its own circumstances. In particular, each prospective investor should (i) have sufficient

knowledge and experience to make a meaningful evaluation of the Shares, the Group, and the merits and risks of investing in the Shares and the information contained in this Offer Information Statement; (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Shares and the effect an investment in the Shares will have on its overall investment portfolio; (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Shares, including where the currency of the Shares is different from the prospective investor's currency; (iv) understand thoroughly the terms of the Proposed Placement; and (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic and other factors that may affect its investment and its ability to bear the applicable risks.

Market and economic conditions may affect the market price and demand for the Shares

There exists both a potential for risks and benefits when an investor participates in the stock market. Movements in domestic and international securities markets, economic conditions, foreign exchange rates and interest rates may affect the market price and demand for the Shares. The market price of the Shares is also subject to extraneous factors such as the market demand and supply conditions prevailing interest rates, inflation, the prevailing investor sentiment and other unforeseeable factors. All these factors can give rise to a deviating share value which can, directly or indirectly, cause an investor to suffer a loss whilst investing in the stock market. In addition, as the Shares are quoted in S\$ on the SGX-ST, dividends, if any, in respect of the Shares will be paid in S\$. Fluctuations in the exchange rate between the S\$ and other currencies will affect, amongst other things, the foreign currency value of the proceeds which a Shareholder would receive upon the sale of the Shares in Singapore and the foreign currency value of dividend distributions.

There is no assurance that an active market for the Shares will develop after the Proposed Placement

There is no assurance that the market price for the Placement Shares will not decline below the Placement Price after the Proposed Placement. Shareholders should note that the Shares trade in board lots of 100 Shares. Following the Proposed Placement, Shareholders who hold odd lots of the Shares and who wish to trade in odd lots on the SGX-ST should note that there is no assurance that they will be able to acquire such number of Placement Shares to make up one board lot of 100 Placement Shares or to dispose of their odd lots (whether in part or whole) on the SGX-ST.

The share price may fluctuate significantly in the future which could result in substantial losses for investors subscribing for the Placement Shares pursuant to the Proposed Placement

The market price of the Shares may fluctuate significantly and rapidly as a result of, amongst others, the following factors, some of which are beyond the Group's control:

- (a) variation in the Group's results of operations;
- (b) changes in securities analysts' estimates of the Group's results of operations and recommendations;
- (c) announcements by the Company of significant contracts, acquisitions, strategic alliances or joint ventures or capital commitments;
- (d) additions or departures of key personnel;
- (e) fluctuations in stock market prices and volume;

- (f) involvement in litigation and/or investigations by government authorities;
- (g) general economic and stock market conditions; and
- (h) discrepancies between their actual operating results and those expected by investors and securities analysts.

The stock markets have from time-to-time experienced significant price and volume fluctuations that have affected the market prices of securities. These fluctuations have often been unrelated or disproportionate to the operating performance of publicly traded companies. In the past, following periods of volatility in the market price of a particular company's securities, an investor may lose all or part of his investment and litigation has sometimes been brought against that company. If similar litigation is instituted against us, it could result in substantial costs and divert management's attention and resources from the Group's core business.

Future issuance of Shares by the Company and sale of Shares by existing Shareholders may adversely affect the price of the Shares

In the event the Company issues or Shareholders sell substantial amounts of the Shares in the public market following the Proposed Placement, the price of the Shares may be adversely affected. Such issues or sales may also make it difficult for the Company to issue new Shares and raise the necessary funds in the future at a time and price the Company deems appropriate.

Investors may not be able to participate in future rights issues or certain other equity issues of the Shares

In the event that the Company issues new Shares, the Company will be under no obligation to offer those Shares to its existing Shareholders at the time of issue, except where Company elects to conduct a rights issue. However, in electing to conduct a rights issue or certain other equity issues, the Company will have the discretion and may also be subject to certain regulations as to the procedures to be followed in making such rights available to Shareholders or in disposing of such rights for the benefit of such Shareholders and making the net proceeds available to them. In addition, the Company may not offer such rights to its existing Shareholders having an address in jurisdictions outside of Singapore.

Accordingly, certain Shareholders may be unable to participate in future equity offerings by the Company and may experience dilution in their shareholdings.

The Group may require additional funding for their growth plans and such funding may result in a dilution of Shareholders' investment

The Group has attempted to estimate its funding requirements in order to implement its growth plans. In the event that the costs of implementing such plans exceed these estimates significantly or the Group comes across opportunities to grow through expansion plans which cannot be predicted at this juncture and the funds generated from the Group's operations prove insufficient for such purposes, the Group may need to raise additional funds to meet these funding requirements.

These additional funds may be raised by issuing equity or debt securities or by borrowing from banks or from other resources. The Group cannot ensure that the Group will be able to obtain any additional financing on terms that are acceptable to it, or at all. If the Group fails to obtain additional financing on terms that are acceptable to it, the Group will not be able to implement such plans fully. Such financing, even if obtained, may be accompanied by conditions that limit the Group's ability to pay dividends or require it to seek lenders' consent for the payment of

dividends or restrict the Group's freedom to operate its business by requiring lenders' consent for certain corporate actions.

Further, in the event that the Company raises additional funds by way of a limited placement or by a rights offering or through the issuance of new Shares, any Shareholders who are unable or unwilling to participate in such additional rounds of fundraising may suffer dilution in their investments.

Negative publicity which includes those relating to any of the Directors, Executive Officers or Controlling Shareholders may adversely affect the share price

Negative publicity or announcements relating to any of the Directors, Executive Officers or Controlling Shareholders may adversely affect the market perception of the Group or the performance of the price of the Shares, whether or not it is justified. For instance, such negative publicity may arise from unsuccessful attempts in joint ventures, acquisitions or take-overs, or involvement in insolvency proceedings.

Control by the Shareholders of the Group's share capital after the Proposed Placement may limit your ability to influence the outcome of decisions requiring the approval of Shareholders

After the completion of the Proposed Placement, the Acer Group will hold at least 59.7% of the issued and paid-up share capital of the Company. As a result, their Controlling Shareholder will be able to significantly influence the Company's corporate actions such as mergers or takeover attempts in a manner which may not be in line with the interests of the public Shareholders. It will also have veto power in relation to any Shareholder action or approval requiring a majority vote except in situations where it is required by the Catalist Rules, the SGX-ST or undertakings given by it and its Associates to abstain from voting. Such concentration of ownership may also have the effect of delaying, preventing or deterring a change in control of the Group which may not benefit the Shareholders.

The Company may not be able to declare dividends in the future

The Company's ability to declare dividends to its Shareholders in the future will be contingent on future financial performance and distributable reserves of the Company. This is in turn dependent on the Company's ability to implement its future plans, and on regulatory, competitive and technical factors and other factors such as general economic conditions, demand for and selling prices of its products and services and other factors exclusive to the art outsourcing, game development and global game publishing industries. Any of these factors could have a material adverse effect on the Group's business, prospects, financial position and results of operations, and hence there is no assurance that the Company will be able to pay dividends to its Shareholders after the completion of the Proposed Placement.

The receipt of dividends from the Group's subsidiaries may also be affected by the passing of new laws, adoption of new regulations and other events outside the Group's control, and its subsidiaries may not continue to meet the applicable legal and regulatory requirements for the payment of dividends in the future. Source withholding tax and exchange rate fluctuations may also apply to dividends and distributions from its subsidiaries to the Group. If its subsidiaries cease to pay dividends or reduce the amount of the dividends they pay to the Company, or if dividends become subject to increased tax because of changes in ownership of the subsidiaries or changes in tax laws or treaties, it would have an adverse effect on the Company's financial position and ability to pay dividends on the Shares.

Further, in the event that the Company is required to enter into any loan arrangements with any financial institutions, covenants in the loan agreements may also limit when and how much dividends the Company can declare and pay out.

Protection afforded to Shareholders under Singapore law may be limited

The Group's main operations and assets are currently located in the PRC and Taiwan, and are therefore subject to the relevant laws, regulations and/or rules of both the PRC and Taiwan respectively. Singapore laws may provide its Shareholders with certain rights and protections for which there may be no corresponding or similar provisions under the relevant laws, regulations and/or rules in the PRC and/or Taiwan. As a result, it may be difficult for investors to enforce a judgment obtained in Singapore against the Group's assets in the PRC and/or Taiwan. It may also be difficult for investors to take legal action against the Group or its Controlling Shareholders in a foreign jurisdiction and the costs of bringing such action could be prohibitive.

The Company is a Cayman Islands incorporated company and the rights and protection accorded to shareholders may not be the same as those in other jurisdictions

The Company is incorporated in the Cayman Islands as an exempted company and is subject to the Cayman Islands Companies Act. The Singapore Companies Act may provide shareholders of Singapore-incorporated companies certain rights and protections of which there may be no corresponding rights or protections under the Cayman Islands Companies Act. As such, if you invest in the Shares, you may or may not be accorded the same level of shareholder rights and protections that a shareholder of a Singapore-incorporated company would be accorded under the Singapore Companies Act.

The rights of the Shareholders and the responsibilities of the Company's management and the Board of Directors under Cayman Islands laws may be different from those applicable to a company incorporated in another jurisdiction, including Singapore. The Company's corporate affairs are governed by its Memorandum and Articles of Association, the Cayman Islands Companies Act and the common law of the Cayman Islands. The rights of Shareholders to take legal action against the Company and the Directors, the protection of the interests of minority Shareholders, and fiduciary responsibilities owed by the Directors to the Company under Cayman Islands laws are to a large extent governed by the common law of the Cayman Islands, the Cayman Islands Companies Act and the Company's Memorandum and Articles of Association. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as that from English common law, which may have persuasive, but not binding, authority on a court in the Cayman Islands. The rights of Shareholders and the fiduciary responsibilities of the Directors under Cayman Islands laws may not be as clearly established as they would be under statutes or judicial precedents in Singapore, the United States or other jurisdictions where investors may be located. The Cayman Islands may have a less developed body of securities law than Singapore. In addition, the laws of the Cayman Islands relating to the protection of the interests of minority shareholders may differ in some respects from those established under statutes and under judicial precedents in Singapore or other jurisdictions.

As a result, public Shareholders may have more difficulty in protecting their interest in connection with actions taken by the Company's management, the Directors or the principal Shareholders than they would as shareholders of a company incorporated in another jurisdiction.

Singapore take-over code contains provisions that could discourage a take-over of the Company

The Company is subject to the Code which contains certain provisions that may possibly delay, deter or prevent a future take-over or change in control of the Company. Under the Code, except with the consent of the Securities Industry Council of Singapore, any person acquiring an interest, whether by a series of transactions over a period of time or not, either on his own or together with parties acting in concert with him, in 30.0% or more of the voting Shares, is required to extend a take-over offer for the remaining voting Shares in accordance with the Code. Except with the consent of the Securities Industry Council of Singapore, such a take-over offer is also required to be made if a person holding between 30.0% and 50.0% (both inclusive) of the voting Shares, either on his own or together with parties acting in concert with him, acquires additional voting Shares representing more than 1.0% of the voting Shares in any six-month period. While the Code seeks to ensure an equality of treatment among Shareholders, its provisions could substantially impede the ability of the Shareholders to benefit from a change in control and, as a result, may adversely affect the market price of the Shares and the ability to realise any benefits from a potential change in control. In addition, the Acer Group currently has a shareholding interest of more than 50.0% in the Company's share capital and will continue to have a shareholding interest of more than 50.0% in the Company's share capital immediately following the Proposed Placement. This concentration of ownership could delay, deter or prevent a change in control of the Company or a successful offer under the Take-over Code by another person.

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- 11. Where a profit forecast is disclosed, state the extent to which projected sales or revenues are based on secured contracts or orders, and the reasons for expecting to achieve the projected sales or revenues and profit, and discuss the impact of any likely change in business and operating conditions on the forecast.**
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Not applicable. No profit forecast is disclosed in this Offer Information Statement.

- 12. Where a profit forecast or profit estimate is disclosed, state all principal assumptions, if any, upon which the directors or equivalent persons of the relevant entity have based their profit forecast or profit estimate, as the case may be.**
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Not applicable. No profit forecast or profit estimate is disclosed in this Offer Information Statement.

- 13. Where a profit forecast is disclosed, include a statement by an auditor of the relevant entity as to whether the profit forecast is properly prepared on the basis of the assumptions mentioned in paragraph 12 of this Part, is consistent with the accounting policies adopted by the relevant entity, and is presented in accordance with the accounting standards adopted by the relevant entity in the preparation of its financial statements.**

Not applicable. No profit forecast is disclosed in this Offer Information Statement.

- 14. Where the profit forecast disclosed is in respect of a period ending on a date not later than the end of the current financial year of the relevant entity, provide in addition to the statement mentioned in paragraph 13 of this Part —**

- (a) a statement by the issue manager to the offer, or by any other person whose profession or reputation gives authority to the statement made by that person, that the profit**

forecast has been stated by the directors or equivalent persons of the relevant entity after due and careful enquiry and consideration; or

- (b) a statement by an auditor of the relevant entity, prepared on the basis of the auditor's examination of the evidence supporting the assumptions mentioned in paragraph 12 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to the auditor's attention which gives the auditor reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.

Not applicable. No profit forecast is disclosed in this Offer Information Statement.

15. Where the profit forecast disclosed is in respect of a period ending on a date after the end of the current financial year of the relevant entity, provide in addition to the statement mentioned in paragraph 13 of this Part —

- (a) a statement by the issue manager to the offer, or by any other person whose profession or reputation gives authority to the statement made by that person, prepared on the basis of an examination by that issue manager or person of the evidence supporting the assumptions mentioned in paragraph 12 of this Part, to the effect that no matter has come to the attention of that issue manager or person which gives that issue manager or person reason to believe that the assumptions do not provide reasonable grounds for the profit forecast; or
- (b) a statement by an auditor of the relevant entity, prepared on the basis of the auditor's examination of the evidence supporting the assumptions mentioned in paragraph 12 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to the auditor's attention which gives the auditor reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.

Not applicable. No profit forecast is disclosed in this Offer Information Statement.

Significant Changes

16. Disclose any event that has occurred from the end of —

- (a) the most recently completed financial year for which financial statements have been published; or
- (b) if interim financial statements have been published for any subsequent period, that period,

to the latest practicable date which may have a material effect on the financial position and results of the relevant entity or, if it is the holding company or holding entity of a group, the group, or, if there is no such event, provide an appropriate statement to that effect.

Save as disclosed in this Offer Information Statement and in the Company's annual report for

FY2023, the Circular and SGXNET announcements, the Directors are not aware of any event which has occurred from 31 December 2023 and up to the Latest Practicable Date that has not been publicly announced, which may have a material effect on the financial position and results of the Group.

- 17. In this Part, "published" includes publication in a prospectus, in an annual report or on the SGXNET.**
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Noted.

PART 6: THE OFFER AND LISTING

Offer and Listing Details

- 1. Indicate the price at which the securities or securities-based derivatives contracts are being offered and the amount of any expense specifically charged to the subscriber or purchaser. If it is not possible to state the offer price at the date of lodgement of the offer information statement, state the method by which the offer price is to be determined and explain how the relevant entity will inform investors of the final offer price.**

The Placement Price for each Placement Share is S\$0.25.

Save for such expenses which may be incurred by the placees, the expenses incurred by the Company in respect of the Proposed Placement will not be specifically charged to the Placement Agent or the placees procured by the Placement Agent.

- 2. If there is no established market for the securities or securities-based derivatives contracts being offered, provide information regarding the manner of determining the offer price, the exercise price or conversion price, if any, including the person who establishes the price or is responsible for the determination of the price, the various factors considered in such determination and the parameters or elements used as a basis for determining the price.**

Not applicable. The Shares are, and the Placement Shares will be, listed, quoted and traded on the Catalist.

- 3. If —**
 - (a) any of the relevant entity's shareholders or equity interest-holders have pre-emptive rights to subscribe for or purchase the securities or securities-based derivatives contracts being offered; and**
 - (b) the exercise of the rights by the shareholder or equity interest-holder is restricted, withdrawn or waived,**

indicate the reasons for such restriction, withdrawal or waiver, the beneficiary of such restriction, withdrawal or waiver, if any, and the basis for the offer price.

Paragraph 1(e) of Appendix 4C of the Catalist Rules requires that the constitutive documents of issuers listed on the Catalist of the SGX-ST contain the following provision:

"Subject to any direction to the contrary that may be given by the company in the general meeting or except as permitted under the Exchange's listing rules, all new shares shall, before issue, be offered to such persons who as at the date of the offer are entitled to receive notices from the company of general meetings in proportion, as far as circumstances admit, to the amount of the existing shares to which they are entitled. The offer shall be made by notice

specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined. After the expiration of the aforesaid time or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the directors may dispose of those shares in a manner as they think most beneficial to the company. The directors may likewise dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the directors, be conveniently offered under this provision."

Accordingly, under Article 12 of the Memorandum and Articles of Association, an issuer must obtain prior approval of shareholders in general meeting for the issue of shares, convertible securities or the grant of options carrying rights to subscribe for shares of the issuer except where a general mandate for such issue has been previously obtained from shareholders in a general meeting.

The Company will not be relying on the general share issue mandate for the Proposed Placement. The Company had instead sought and obtained specific Shareholder's approval in relation to the allotment and issuance of the Placement Shares at the EGM. As provided in Section 3.5(a) of the Circular, Shareholders, having approved the Proposed Placement at the EGM held on 30 April 2024, would be considered to have waived their rights of first refusal under Article 12 of the Memorandum and Articles of Association.

The Placement Price of S\$0.25 per Placement Share represents a discount of approximately 1.0% to the VWAP of S\$0.2524 for trades done on the SGX-ST on 9 April 2024, being the full market day on which the Placement Agreement was signed, which is within the 10% discount range under Rule 811 of the Catalist Rules.

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- 4. If securities or securities-based derivatives contracts of the same class as those securities or securities-based derivatives contracts being offered are listed for quotation on any approved exchange:**
- (a) in a case where the firstmentioned securities or securities-based derivatives contracts have been listed for quotation on the approved exchange for at least 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the firstmentioned securities or securities-based derivatives contracts**
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- (i) for each of the 12 calendar months immediately preceding the calendar month in which the latest practicable date falls; and**
- (ii) for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date; or**
- (b) in a case where the firstmentioned securities or securities-based derivatives contracts have been listed for quotation on the approved exchange for less than 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the firstmentioned securities or securities-based derivatives contracts**
-
- (i) for each calendar month immediately preceding the calendar month in which the latest practicable date falls; and**
- (ii) for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date;**

- (c) disclose any significant trading suspension that has occurred on the approved exchange during the 3 years immediately preceding the latest practicable date or, if the securities or securities-based derivatives contracts have been listed for quotation for less than 3 years, during the period from the date on which the securities or securities-based derivatives contracts were first listed to the latest practicable date; and
- (d) disclose information on any lack of liquidity, if the securities or securities-based derivatives contracts are not regularly traded on the approved exchange.

- (a) Not applicable. The Shares have been listed and quoted on the SGX-ST for less than 12 months preceding the Latest Practicable Date.
- (b) The following table sets forth the highest and lowest market prices for the Shares and the total volume of the Shares traded on the SGX-ST for each month immediately preceding the Latest Practicable Date and for the period from 20 November 2023, being the date of the Listing, to the Latest Practicable Date:

	Share price (S\$)		Volume of Shares traded
	Highest closing price	Lowest closing price	
20 November 2023 to 30 November 2023	0.23	0.20	4,660,700
December 2023	0.21	0.20	1,681,300
January 2024	0.22	0.21	1,648,100
February 2024	0.22	0.21	2,606,900
March 2024	0.26	0.22	17,613,677
April 2024	0.27	0.25	12,719,144
May 2024	0.26	0.25	1,787,340
1 June 2024 to the Latest Practicable Date	0.27	0.26	1,067,800

(Source: Bloomberg L.P. Bloomberg L.P. has not consented to the inclusion of the information above which is publicly available, and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. The Company has included the above information in its proper form and context and have not verified the accuracy of the content of such information. The Company is not aware of any disclaimers made by Bloomberg L.P. in relation to the above information.)

- (c) There has not been any significant trading suspension of the Shares during the three (3) years immediately preceding the Latest Practicable Date.
- (d) Please refer to the table above for the volume of Shares traded during each month immediately preceding the Latest Practicable Date and for the period from 20 November 2023 to the Latest Practicable Date. Based on the information set out therein, the Shares are regularly traded on the SGX-ST.

5. Where the securities or securities-based derivatives contracts being offered are not identical to the securities or securities-based derivatives contracts already issued by the relevant entity, provide —

- (a) a statement of the rights, preferences and restrictions attached to the securities or securities-based derivatives contracts being offered; and

- (b) **an indication of the resolutions, authorisations and approvals by virtue of which the entity may create or issue further securities or securities-based derivatives contracts, to rank in priority to or equally with the securities or securities-based derivatives contracts being offered.**
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- (a) The Placement Shares will be allotted and issued free from all claims, pledges, mortgages, charges, liens and encumbrances, and shall rank *pari passu* with the existing Shares and carry all rights similar to the existing Shares as at the Completion Date, except that the Placement Shares will not rank for any dividends, distributions or entitlements, the record date for which falls on or before the date of the issue of the Placement Shares. For the purposes of this paragraph 5, "record date" means the date fixed by the Company for the purposes of determining entitlements to dividends, rights, allotments or other distributions of holders of Shares.
- (b) The Placement Shares are to be issued pursuant to the specific approval granted by Shareholders to the Directors at the Company's EGM held on 30 April 2024.
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Plan of Distribution

6. **Indicate the amount, and outline briefly the plan of distribution, of the securities or securities-based derivatives contracts that are to be offered otherwise than through underwriters. If the securities or securities-based derivatives contracts are to be offered through the selling efforts of any broker or dealer, describe the plan of distribution and the terms of any agreement or understanding with such entities. If known, identify each broker or dealer that will participate in the offer and state the amount to be offered through each broker or dealer.**
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The Company intends to undertake the Proposed Placement of up to 108,000,000 Placement Shares at the Placement Price of S\$0.25 for each Placement Share.

The Placement Agent will procure placees on a best efforts basis for the Placement Shares at the Placement Price, subject to the terms and conditions of the Placement Agreement. On 9 April 2024, Acer entered into the Subscription Letter with the Placement Agent to indicate the commitment of itself as well as its nominees, to subscribe for the Acer Placement Shares. Subsequent to the Subscription Letter, Acer has nominated the Acer Placees to subscribe for the Acer Subscription Shares.

Save for the Acer Placees, it is not intended that the Placement Shares will be placed to any person who is a Director or Substantial Shareholder or any other person in the categories set out in Rule 812(1) of the Catalist Rules, unless specific Shareholders' approval has been obtained and the relevant restricted parties (who are also Shareholders) must abstain from voting on the resolution approving the such a placement.

7. **Provide a summary of the features of the underwriting relationship together with the amount of securities or securities-based derivatives contracts being underwritten by each underwriter.**
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In relation to the Proposed Placement, this is not applicable as the Proposed Placement is not

underwritten. The Placement Agent is to procure the places for the Placement Shares at the Placement Price on a best efforts basis.

PART 7: ADDITIONAL INFORMATION

Statements by Experts

1. **Where a statement or report attributed to a person as an expert is included in the offer information statement, provide such person's name, address and qualifications.**
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Not applicable. No statement or report made by an expert is included in this Offer Information Statement.

2. **Where the offer information statement contains any statement (including what purports to be a copy of, or extract from, a report, memorandum or valuation) made by an expert**
 - (a) **state the date on which the statement was made;**
 - (b) **state whether or not it was prepared by the expert for the purpose of incorporation in the offer information statement; and**
 - (c) **include a statement that the expert has given, and has not withdrawn, his or her written consent to the issue of the offer information statement with the inclusion of the statement in the form and context in which it is included in the offer information statement.**
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Not applicable. No statement or report made by an expert is included in this Offer Information Statement.

3. **The information mentioned in paragraphs 1 and 2 of this Part need not be provided in the offer information statement if the statement attributed to the expert is a statement to which the exemption under regulation 33(2) applies.**
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Not applicable. No statement or report made by an expert is included in this Offer Information Statement.

Consents from Issue Managers and Underwriters

4. **Where a person is named in the offer information statement as the issue manager or underwriter (but not a sub-underwriter) to the offer, include a statement that the person has given, and has not withdrawn, his or her written consent to being named in the offer information statement as the issue manager or underwriter, as the case may be, to the offer.**
-

The Sponsor and Placement Agent has given and has not, before the lodgement of this Offer Information Statement with the SGX-ST, acting as agent on behalf of the Authority, withdrawn its written consent to being named in this Offer Information Statement as the Sponsor and Placement Agent in respect of the Proposed Placement.

No underwriter has been appointed in relation to the Proposed Placement.

Other Matters

- 5. Include particulars of any other matters not disclosed under any other paragraph of this Schedule which could materially affect, directly or indirectly**
- (a) the relevant entity's business operations or financial position or results; or**
 - (b) investments by holders of securities or securities-based derivatives contracts in the relevant entity.**
-

Save as disclosed in this Offer Information Statement and the Company's annual report for FY2023, the Circular and SGXNET announcements, the Directors are not aware of any other matters which could materially affect, directly, or indirectly the Group's business operations or financial position or results or investments by holders of securities in the Company.

**PART 8: ADDITIONAL INFORMATION REQUIRED FOR OFFER OF DEBENTURES
OR UNITS OF DEBENTURES**

Not applicable.

PART 9: ADDITIONAL INFORMATION REQUIRED FOR CONVERTIBLE DEBENTURES

Not applicable.

**PART 10: ADDITIONAL INFORMATION REQUIRED FOR OFFER OF SECURITIES OR
SECURITIES-BASED DERIVATIVES CONTRACTS
BY WAY OF RIGHTS ISSUE**

Not applicable.

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This Offer Information Statement is dated this 28th day of June 2024.

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Offer Information Statement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Offer Information Statement constitutes full and true disclosure of all material facts about the Proposed Placement, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Offer Information Statement misleading. Where information in this Offer Information Statement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Offer Information Statement in its proper form and context.

For and on behalf of **WINKING STUDIOS LIMITED**

Jan Cheng-Han

Chang Yi-Hao

Kao Shu-Kuo

Lim Heng Choon

Yang Wu Te