

APPENDIX DATED 15 APRIL 2024

THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT, TAX ADVISER OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

This Appendix is issued by Winking Studios Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) to the Shareholders (as defined herein) of the Company together with the Company’s annual report for the financial year ended 31 December 2023 (the “**Annual Report**”), and its purpose is to explain to the Shareholders the rationale and provide information to the Shareholders for the proposed renewal of the IPT General Mandate (as defined herein) to be tabled at the AGM (as defined herein) of the Company to be held at Singapore Business Federation, 160 Robinson Road, #06-01 SBF Center, Singapore 068914 on 30 April 2024 at 10:00 AM. Unless otherwise stated, capitalised terms appearing on the cover of this Appendix have the same meanings as defined herein.

The Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) assumes no responsibility for the accuracy or correctness of any statements or opinions made, or reports contained, in this Appendix.

Printed copies of this Appendix will not be sent by post to Shareholders. Instead, this Appendix will be sent to Shareholders by electronic means via publication on the Company’s website at the URL <https://www.winkingworks.com/en-US/> and on the website of the SGX-ST at the URL <http://www.sgx.com/securities/company-announcements>. Shareholders who prefer to receive a printed copy of this Appendix should email the request to sg.is.proxy@sg.tricorglobal.com by 22 April 2024.

This Appendix has been reviewed by the Company’s sponsor, PrimePartners Corporate Finance Pte. Ltd. (the “**Sponsor**”). It has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this Appendix, including the correctness of any of the statements or opinions made or reports contained in this Appendix.

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.



**APPENDIX TO THE NOTICE OF ANNUAL GENERAL MEETING
IN RELATION TO THE PROPOSED RENEWAL OF THE GENERAL MANDATE FOR
INTERESTED PERSON TRANSACTIONS**

CONTENTS

	Page
DEFINITIONS.....	2
LETTER TO SHAREHOLDERS	7
1. INTRODUCTION	7
2. THE PROPOSED RENEWAL OF THE GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS	7
3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS	22
4. DIRECTORS' RECOMMENDATIONS.....	23
5. ANNUAL GENERAL MEETING	24
6. ABSTENTION FROM VOTING.....	24
7. ACTION TO BE TAKEN BY SHAREHOLDERS	24
8. DIRECTORS' RESPONSIBILITY STATEMENT	26
9. DOCUMENTS AVAILABLE FOR INSPECTION	26

DEFINITIONS

In this Appendix, the following definitions shall apply throughout unless the context otherwise requires:

“Acer”	:	Acer Incorporated (宏碁股份有限公司)
“Acer Gaming”	:	Acer Gaming Inc. (宏碁游戏股份有限公司)
“Acer Group”	:	Acer and its subsidiaries
“AGM”	:	Has the meaning ascribed to it in Section 1 of this Appendix
“Annual Report”	:	The annual report of the Company for FY2023 dated 15 April 2024
“Appendix”	:	This appendix to the Notice of AGM dated 15 April 2024 issued by the Company to the Shareholders in relation to the proposed renewal of the IPT General Mandate
“Audit Committee”	:	The audit committee of the Company as at the date of this Appendix, comprising Mr. Yang Wu Te, Mr. Lim Heng Choon and Mr. Chang Yi-Hao
“Board of Directors” or “Board”	:	The board of Directors of the Company as at the date of this Appendix
“Catalist”	:	The Catalist of the SGX-ST, being the sponsor-supervised listing platform of the SGX-ST
“Catalist Rules”	:	Listing Manual Section B: Rules of Catalist of the SGX-ST, as amended, modified or supplemented from time to time
“CDP”	:	The Central Depository (Pte) Limited
“Company”	:	Winking Studios Limited
“Controlling Shareholder”	:	A person who (a) holds directly or indirectly 15% or more of all voting shares in the company (the SGX-ST may determine that a person who satisfies the above is not a Controlling Shareholder); or (b) in fact exercises control over a company
“Cut-Off Time”	:	Has the meaning ascribed to it in Section 7.2 of this Appendix
“Day Rates Factors”	:	Has the meaning ascribed to it in Section 2.6.7(a) of this Appendix
“Directors”	:	The directors of the Company for the time being

DEFINITIONS

“EAR Group”	:	Has the meaning ascribed to it in Section 2.1 of this Appendix
“FY”	:	Financial year ended or, as the case may be, ending 31 December
“FY2023”	:	The financial year ended 31 December 2023
“Group”	:	The Company and its subsidiaries
“Interested Person”	:	A director, chief executive officer or Controlling Shareholder of the Company or an associate of such director, chief executive officer or Controlling Shareholder. The SGX-ST may deem any person or entity to be an Interested Person if the person or entity has entered into, or proposes to enter into: (a) a transaction with an “entity at risk” (within the meaning of Chapter 9 of the Catalist Rules); and (b) an agreement or arrangement with an Interested Person in connection with that transaction
“IPT General Mandate”	:	The general mandate from Shareholders pursuant to Chapter 9 of the Catalist Rules to enable any or all members of the EAR Group to enter into Mandated Transactions with the Mandated Interested Persons which are necessary for its day-to-day operations, provided that all such transactions are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders
“IPT Register”	:	Has the meaning ascribed to it in Section 2.6.7(c) of this Appendix
“Latest Practicable Date”	:	8 April 2024, being the latest practicable date prior to the despatch of this Appendix
“Mandated Interested Persons”	:	Has the meaning ascribed to it in Section 2.6.3 of this Appendix
“Mandated Transactions”	:	Has the meaning ascribed to it in Section 2.6.4 of this Appendix
“Memorandum and Articles of Association”	:	The amended and restated memorandum and articles of association of the Company, as may be amended from time to time
“Mr. Chang Yi-Hao”	:	Chang Yi-Hao (张益豪)
“Mr. Johnny Jan”	:	Jan Cheng-Han (詹承翰)

DEFINITIONS

“Mr. Kao Shu-Kuo”	:	Kao Shu-Kuo (高树国)
“Mr. Lim Heng Choon”	:	Lim Heng Choon
“Mr. Yang Wu Te”	:	Yang Wu Te
“Non-interested Directors”	:	The Directors who are considered to be independent for the purposes of the proposed renewal of the IPT General Mandate, being Mr. Johnny Jan, Mr. Lim Heng Choon, Mr. Chang Yi-Hao, Mr. Yang Wu Te
“Notice of AGM”	:	Has the meaning ascribed to it in Section 1 of this Appendix
“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
“Office Space Factors”	:	Has the meaning ascribed to it in Section 2.6.7(a) of this Appendix
“Product Factors”	:	Has the meaning ascribed to it in Section 2.6.7(a) of this Appendix
“Request Form”	:	The request form for Shareholders to request for a physical copy of this Appendix
“Profit-Sharing Factors”	:	Has the meaning ascribed to it in Section 2.6.7(a) of this Appendix
“Proxy Form”	:	The proxy form in respect of the AGM
“Register of Members”	:	The Register of Members of the Company
“Relevant Authorised Persons”	:	Has the meaning ascribed to it in Section 2.6.7(b)(i) of this Appendix
“Securities Accounts”	:	Securities accounts maintained by Depositors with CDP, but not including securities sub-accounts maintained with a Depository Agent
“Service Factors”	:	Has the meaning ascribed to it in Section 2.6.7(a) of this Appendix
“SFA”	:	The Securities and Futures Act 2001 of Singapore, as amended from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited

DEFINITIONS

“Shareholders”	:	Registered holders of Shares in the Register of Members, except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context admits, mean the persons named as Depositors in the Depository Register maintained by the CDP and whose Securities Accounts maintained with CDP are credited with those Shares
“Shares”	:	Ordinary shares of a nominal or par value of US\$0.04 each in the capital of the Company
“Substantial Shareholder”	:	A person who has an interest directly or indirectly in 5% or more of the total number of voting Shares of the Company

Currencies and Others

“USD”	:	United States Dollars, being the lawful currency of the United States of America for the time being
“S\$”, “\$” and “cents”	:	Singapore dollars and cents, respectively, being the lawful currency of the Republic of Singapore for the time being
“%” or “per cent.”	:	Per centum or percentage

The term **“subsidiary”** shall have the meaning ascribed to it in Section 5 of the Companies Act 1967 of Singapore.

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to them respectively, in Section 81SF of the SFA.

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 include corporations.

Any reference in this Appendix to any statute or enactment is a reference to that statute or enactment for the time being amended or re-enacted. Any word defined under the SFA, the Catalist Rules, or any relevant laws of the Republic of Singapore or any modification thereof and used in this Appendix shall, where applicable, have the meaning assigned to it under the SFA, the Catalist Rules, or any relevant laws of the Republic of Singapore or any modification thereof, as the case may be, unless otherwise provided.

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.

The headings in this Appendix are inserted for convenience only and shall be ignored in construing this Appendix.

DEFINITIONS

Any reference to a time of day and date in this Appendix is a reference to Singapore time and date, respectively, unless otherwise stated.

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

Rajah & Tann Singapore LLP is the legal adviser to the Company as to Singapore law in relation to the proposed renewal of the IPT General Mandate.

LETTER TO SHAREHOLDERS

WINKING STUDIOS LIMITED

(Company Registration Number: 159882)
(Incorporated in the Cayman Islands)

Board of Directors:

Mr. Johnny Jan (Executive Chairman and Chief Executive Officer)
Mr. Kao Shu-Kuo (Non-Executive Director)
Mr. Lim Heng Choon (Lead Independent and Non-Executive Director)
Mr. Chang Yi-Hao (Independent and Non-Executive Director)
Mr. Yang Wu Te (Independent and Non-Executive Director)

Registered Office:

P.O. Box 31119
Grand Pavilion,
Hibiscus Way,
802 West Bay Road,
Grand Cayman,
KY1-1205,
Cayman Islands

15 April 2024

To: The Shareholders of Winking Studios Limited

Dear Sir/Madam

THE PROPOSED RENEWAL OF THE GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS

1. INTRODUCTION

The Company will be holding its AGM at Singapore Business Federation, 160 Robinson Rd, #06-01 SBF Center, Singapore 068914 on Tuesday, 30 April 2024 at 10:00 AM (the “**AGM**”). Notice of the AGM (the “**Notice of AGM**”), this Appendix to the Notice of AGM, the proxy forms and the Company’s Annual Report have been published on the Company’s website at the URL <https://www.winkingworks.com/en-US/> and on the website of the SGX-ST at the URL <https://www.sgx.com/securities/company-announcements> on 15 April 2024.

The purpose of this Appendix is to provide Shareholders with information relating to, and to seek their approval for, the proposed renewal of the IPT General Mandate at the AGM.

If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

The SGX-ST assumes no responsibility for the accuracy or correctness of any statements or opinions made, or reports contained, in this Appendix.

2. THE PROPOSED RENEWAL OF THE GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS

2.1 Background

Pursuant to Rule 920(2) of the Catalist Rules, the IPT General Mandate as disclosed in the Offer Document was expressed to continue in force until the earlier of the following: (a) the conclusion of the Company’s first annual general meeting following the listing of the Company on Catalist; or (b) the first anniversary of the date of admission of the Shares to the Official List of Catalist, whichever is the earlier. The IPT General Mandate would be expiring on 30 April 2024, being the date of the forthcoming AGM. Accordingly, the Directors propose that the IPT General Mandate be renewed at the forthcoming AGM.

LETTER TO SHAREHOLDERS

The IPT General Mandate enables the Company, its subsidiaries and associated companies that are considered to be “entities at risk” within the meaning of Chapter 9 of the Catalist Rules (the “**EAR Group**”), to enter in the ordinary course of business into any of the Mandated Transactions with specified classes of Mandated Interested Persons, provided that such transactions are made on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

2.2 Annual Renewal of the IPT General Mandate

The IPT General Mandate approved by Shareholders by way of the Offer Document will, unless renewed at the AGM, expire on the date of the forthcoming AGM, being 30 April 2024. If the proposed resolution for the renewal of the IPT General Mandate is approved at the forthcoming AGM, the IPT General Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the date on which the next annual general meeting of the Company is held or is required to be held, whichever is the earlier date. Accordingly, it is proposed that the IPT General Mandate be renewed at the AGM, to take effect until the conclusion of the next annual general meeting of the Company.

2.3 Particulars of the IPT General Mandate to be Renewed

The EAR Group, the nature of the interested person transactions, the classes of Mandated Interested Persons, and the review procedures for determining transaction prices in respect of which the IPT General Mandate is sought to be renewed remain unchanged. Particulars of the IPT General Mandate, including the rationale for the IPT General Mandate, the benefits to be derived by the Company, as well as the review procedures for determining transaction prices with the specified classes of Mandated Interested Persons, are set out in Section 2.6 of this Appendix.

2.4 Audit Committee’s Confirmation

Pursuant to Rule 920(1)(c) of the Catalist Rules, the Audit Committee confirms that:

- (a) the methods or procedures for determining the transaction prices have not changed since the IPT General Mandate was last approved by the Shareholders by way of the Offer Document; and
- (b) the methods or procedures referred to in sub-paragraph (a) above are sufficient to ensure that the mandated transactions carried out thereunder will be on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority Shareholders.

2.5 Chapter 9 of the Catalist Rules

Chapter 9 of the Catalist Rules governs transactions in which an “entity at risk” (as defined under Chapter 9 of the Catalist Rules) enters into or proposes to enter into with a party who is an “interested person” (as defined under Chapter 9 of the Catalist Rules). The purpose is to guard against the risk that an interested person could influence the listed company, its subsidiaries or associated companies to enter into transactions with it that may adversely affect the interests of the listed company or its shareholders.

LETTER TO SHAREHOLDERS

Pursuant to Rule 905 of the Catalist Rules, an issuer must make an immediate announcement of any interested person transaction of a value, equal to, or more than, 3.0% of the group's latest audited NTA. If the aggregate value of all transactions entered into with the same interested person during the same financial year amounts to 3.0% or more of the group's latest audited NTA, the issuer must make an immediate announcement of the latest transaction and all future transactions entered into with that same interested person during the financial year.

Pursuant to Rule 906 of the Catalist Rules, an issuer must obtain shareholders' approval for any interested person transaction of a value equal to, or more than:

- (a) 5% of the listed company's latest audited consolidated NTA; or
- (b) 5% of the listed company's latest audited consolidated NTA, when aggregated with the values of all other transactions entered into with the "same interested person" (as such term is construed under Chapter 9 of the Catalist Rules) during the same financial year. However, a transaction which has been approved by shareholders, or is the subject of aggregation with another transaction that has been approved by shareholders, need not be included in any subsequent aggregation.

The above requirements for immediate announcement and/or for shareholders' approval do not apply to any transaction below S\$100,000. Under Rules 905(5) and 906(4) of the Catalist Rules, while transactions below S\$100,000 are not normally aggregated, the SGX-ST may aggregate any such transaction entered into during the same financial year and treat them as if they were one transaction in accordance with Rule 902 of the Catalist Rules.

Pursuant to Rule 909 of the Catalist Rules, the value of a transaction is the amount at risk to the listed company. This is illustrated by the following examples:

- (a) in the case of a partly-owned subsidiary or associated company, the value of the transaction is the listed company's effective interest in that transaction;
- (b) in the case of a joint venture, the value of the transaction includes the equity participation, shareholders' loans and guarantees given by the entity at risk;
- (c) in the case of borrowing of funds from an interested person, the value of the transaction is the interest payable on the borrowing. In the case of lending of funds to an interested person, the value of the transaction is the interest payable on the loan and the value of the loan; and
- (d) in the case that the market value or book value of the asset to be disposed of is higher than the consideration from an interested person, the value of the transaction is the higher of the market value or book value of the asset.

Based on the audited consolidated financial statements of the Group for FY2023, the consolidated NTA of the Group was USD21,447,000. Accordingly, in relation to the Group, for the purposes of Chapter 9 of the Catalist Rules, 5% of the Group's latest audited consolidated NTA would be USD1,072,350.

LETTER TO SHAREHOLDERS

Chapter 9 of the Catalist Rules, however, allows the Company to seek a mandate from its Shareholders for recurrent interested person transactions which are of a revenue or trading nature or for those necessary for its day-to-day operations. These transactions may not include the purchase or sale of assets, undertakings or businesses which are not part of the Company's day-to-day operations.

For the purposes of Chapter 9 of the Catalist Rules:

- (i) an “**approved exchange**” means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles as Chapter 9;
- (ii) an “**associate**” in relation to an interested person who is a director, chief executive officer, or controlling shareholder, includes an immediate family member (that is, the spouse, child, adopted child, step-child, sibling or parent) of such director, chief executive officer or controlling shareholder, the trustees of any trust of which the director/his immediate family, the chief executive officer/his immediate family or the controlling shareholder/his immediate family is a beneficiary of, or in the case of a discretionary trust, is a discretionary object, and any company in which the director/his immediate family, the chief executive officer/his immediate family or the controlling shareholder/his immediate family has or have an aggregate interest (directly or indirectly) of 30% or more, and, where a controlling shareholder is a corporation, its subsidiary or holding company or fellow subsidiary or a company in which it and/or they have (directly or indirectly) an interest of 30% or more;
- (iii) an “**associated company**” means a company in which at least 20% but not more than 50% of its shares are held by the listed company or group;
- (iv) an “**entity at risk**” means:
 - A. the listed company;
 - B. a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; or
 - C. an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed company and/or its subsidiaries (the “**listed group**”), or the listed group and its interested person(s), has control over the associated company;
- (v) an “**interested person**” means a director, chief executive officer or controlling shareholder of the listed company or an associate of such director, chief executive officer or controlling shareholder. The SGX-ST may deem any person or entity to be an interested person if the person or entity has entered into, or proposes to enter into:
 - (a) a transaction with an entity at risk; and
 - (b) an agreement or arrangement with an interested person in connection with that transaction;
- (vi) a “**primary interested person**” means a director, chief executive officer or controlling shareholder of the listed company;
- (vii) an “**interested person transaction**” means a transaction between an entity at risk and an interested person;

LETTER TO SHAREHOLDERS

- (viii) a “**transaction**” includes the provision or receipt of financial assistance; the acquisition, disposal or leasing of assets; the provision or receipt of goods or services; the issuance or subscription of securities; the granting of or being granted options; and the establishment of joint ventures or joint investments, whether or not entered into in the ordinary course of business, and whether entered into directly or indirectly (for example, through one or more interposed entities); and
- (ix) in interpreting the term “**same interested person**” for the purpose of aggregation of the values of all transactions entered into with the same interested person during the same financial year under Rules 905, 906 and 907 of Chapter 9 of the Catalist Rules, the following applies:
- A. transactions between (A) an entity at risk and a primary interested person; and (B) an entity at risk and an associate of that primary interested person, are deemed to be transactions between an entity at risk with the same interested person;
 - B. transactions between (1) an entity at risk and a primary interested person; and (2) an entity at risk and another primary interested person, are deemed to be transactions between an entity at risk with the same interested person if the primary interested person is also an associate of the other primary interested person;
 - C. transactions between an entity at risk and interested persons who are members of the same group are deemed to be transactions between the entity at risk with the same interested person; and
 - D. If an interested person (which is a member of a group) is listed, its transactions with the entity at risk need not be aggregated with transactions between the entity at risk and other interested persons of the same group, provided that the listed interested person and other listed interested persons have boards the majority of whose directors are different and are not accustomed to act on the instructions of the other interested person and have audit committees whose members are completely different; and
- (x) while transactions below S\$100,000 are not normally aggregated under Rules 905 and 906 of the Catalist Rules, the SGX-ST may aggregate any such transaction entered into during the same financial year and treat them as if they were one transaction in accordance with Rule 902.

2.6 Renewal of the IPT General Mandate

2.6.1 Introduction

The Company anticipates that the EAR Group would, in the ordinary course of business, continue to enter into certain transactions with its interested persons (as such term is defined in the Catalist Rules and/or in accordance with the directions of the SGX-ST), including but not limited to those categories of transactions described below. In view of the time-sensitive nature of commercial transactions, it would be advantageous for the Company to obtain a Shareholders’ mandate to enter into certain interested person transactions in the EAR Group’s normal course of business, provided that all such transactions are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

LETTER TO SHAREHOLDERS

Chapter 9 of the Catalist Rules allows a listed company to obtain a mandate from its shareholders for recurrent interested person transactions which are of a revenue or trading nature or for those necessary for its day-to-day operations. These transactions may not include the purchase or sale of assets, undertakings or businesses which are not part of its day-to-day operations.

The renewal of the IPT General Mandate, if approved, will take effect from the passing of the Ordinary Resolution relating thereto, and will continue in force until the conclusion of the next annual general meeting of the Company (unless sooner revoked or varied by the Company in general meeting). Approval from Shareholders will be sought for the renewal of the IPT General Mandate at the next annual general meeting (or extraordinary general meeting following such annual general meeting) and each subsequent annual general meeting (or extraordinary general meeting following such annual general meeting) of the Company, subject to satisfactory review by the Audit Committee of its continued application to the Mandated Transactions (as defined below).

2.6.2 Entities at Risk

For the purposes of the IPT General Mandate, an “Entity at Risk” means:

- (a) the Company;
- (b) a subsidiary of the Company (excluding subsidiaries listed on the SGX-ST or an approved exchange); or
- (c) an associated company of the Company (other than an associated company that is listed on the SGX-ST or an approved exchange) over which the Group, or the Group and its interested person(s), has or have control over the associate company.

2.6.3 Classes of Mandated Interested Persons

The IPT General Mandate will apply to the transactions that are carried out between any Entity at Risk and the following interested persons (collectively, the “**Mandated Interested Persons**” and each a “**Mandated Interested Person**”, all being “interested persons” as defined in the Catalist Rules):

Entity name	Effective shareholding interest held by Acer
(1) Acer	N/A
(2) Acer Gaming	70.03% ⁽¹⁾
(3) Acer America Corporation	100.00%
(4) Acer Japan Corp.	100.00%
(5) Acer e-Enabling Service Business Inc.	63.46%
(6) Acer Computer Australia Pty. Limited	100.00%
(7) Acer Computer New Zealand Limited	100.00%
(8) Acer Computer Co., Ltd.	100.00%

LETTER TO SHAREHOLDERS

Entity name	Effective shareholding interest held by Acer
(9) Acer Computer (Far East) Limited	100.00%
(10) Acer Cloud Technology (Taiwan) Inc.	100.00%
(11) Acer Computer (Singapore) Pte. Ltd.	100.00%
(12) Acer Sales and Services SDN BHD	100.00%
(13) Acer Africa (Proprietary) Limited	100.00%
(14) Altos Computing Inc.	78.59%
(15) Acer Computer (Shanghai) Ltd.	100.00%
(16) Acer Global Merchandise Philippines Inc.	70.03%
(17) ACER Computer GmbH	100.00%
(18) Acer U.K. Limited	100.00%
(19) Acer Computer France S.A.S.U.	100.00%
(20) Acer Computer B.V	100.00%
(21) Acer Computer Iberica, S.A.	100.00%
(22) Acer Information (Zhong Shan) Co., Ltd.	100.00%
(23) Acer Synergy Tech Corp.	58.04%
(24) Acer Cyber Security Incorporated	60.76%
(25) Beijing Altos Computing Ltd.	78.59%
(26) Acer Czech Republic s.r.o.	100.00%
(27) Asplex Sp. z.o.o.	100.00%
(28) Acer Poland sp. z.o.o	100.00%
(29) HighPoint Service Network Corporation	63.18%
(30) Acer Philippines, Inc.	100.00%
(31) HighPoint Services Network Philippines, Inc	63.18%

Note:

- (1) As at the Latest Practicable Date, Acer holds an aggregate direct and indirect shareholding interest of 70.03% in Acer Gaming.

2.6.4 Categories of Mandated Interested Person Transactions

The types of transactions with the Mandated Interested Persons to which the IPT General Mandate will apply comprise the following:

- (a) provision of art outsourcing and/or game development services to the Mandated Interested Person(s);
- (b) obtaining of services (such as engagement of personnel on the Group's behalf) from the Mandated Interested Person(s);
- (c) purchase of products and services such as IT-related products and services from the Mandated Interested Person(s); and
- (d) leasing of office space and obtaining of related facilities and services from the Mandated Interested Person(s),

LETTER TO SHAREHOLDERS

(collectively, the “**Mandated Transactions**”).

The IPT General Mandate covers only such recurrent Mandated Transactions of a revenue or trading nature or those necessary for the Group’s day-to-day operations, which are entered into in the ordinary course of business. For the avoidance of doubt, any purchase or sale of any assets, undertakings or businesses are not covered under the IPT General Mandate.

The IPT General Mandate does not cover any transaction by any member of the Group with the Mandated Interested Persons where such transaction is below S\$100,000 in value, as the threshold and aggregation requirements contained in Chapter 9 of the Catalist Rules would not apply to such transactions. Under Rules 905(5) and 906(4) of the Catalist Rules, while transactions below S\$100,000 are not normally aggregated, the SGX-ST may aggregate any such transaction entered into during the same financial year and treat them as if they were one transaction in accordance with Rule 902 of the Catalist Rules.

2.6.5 Rationale for and Benefits of the IPT General Mandate

Acer Group is one of the world’s top information and communications technology (ICT) groups with a presence in more than 160 countries. The various interested person transactions entered into by the Group with the Mandated Interested Persons, enabled the Group to widen its customer base and tap on the resources of Acer Group to grow the business of the Group. It is envisaged that such transactions are likely to continue in the ordinary course of the Group’s business.

The Group intends to continue to provide its art outsourcing and/or game development services to the Mandated Interested Persons and tap on the resources of the Mandated Interested Persons for the Group’s operational needs. In addition, the Mandated Interested Persons also provide a wide range of IT-related products (including hardware and software) and services for the Group’s day-to-day operational needs and which the Group may purchase and/or procure from time-to time. The IPT General Mandate is intended to facilitate the carrying out of the Mandated Transactions in the normal course of the Group’s business which are transacted from time to time with the Mandated Interested Persons, provided that they are carried out on an arm’s length basis and on normal commercial terms and are not prejudicial to the Company and the minority Shareholders.

Therefore, the IPT General Mandate and its subsequent renewal on an annual basis would enhance the ability of the Group to pursue business opportunities which are time-sensitive in nature and would eliminate the need to announce and/or convene separate general meetings from time to time to seek Shareholders’ approval as and when potential Mandated Transactions with a Mandated Interested Person arise, thereby substantially reducing the administrative time and expenses in convening such meetings on an ad hoc basis, without compromising the corporate objectives and adversely affecting the business opportunities available to the Group and the day-to-day operations of the Group.

LETTER TO SHAREHOLDERS

2.6.6 Disclosures

In accordance with the requirements of Chapter 9 of the Catalist Rules, the Company will (i) disclose in its annual report the aggregate value of transactions conducted with Mandated Interested Persons pursuant to the IPT General Mandate during the financial year (as well as in the annual reports for subsequent financial years that the IPT General Mandate continues to be in force); and (ii) announce the aggregate value of transactions conducted with Mandated Interested Persons pursuant to the IPT General Mandate for the financial periods that the Company is required to report on pursuant to Rule 705 of the Catalist Rules (which relates to announcements of financial statements by listed companies) within the time required for the announcement of such report.

Such disclosure will be made in the form set out in Rule 907 of the Catalist Rules.

The Board will also ensure that all disclosures, approvals and other requirements on the Mandated Transactions, including those required by prevailing legislation, the Catalist Rules and relevant accounting standards, are complied with.

2.6.7 Review Procedures for Mandated Transactions with Mandated Interested Persons

To ensure that Mandated Transactions with Mandated Interested Persons are undertaken at: (i) arm's length and on normal commercial terms consistent with the Group's usual business practices and on terms which are generally not more favourable than those extended to unrelated third parties; or (ii) in any event on terms no less favourable to the Group than prevailing open market rates, and will not be prejudicial to the interests of the Company and its minority Shareholders, the Group will adopt the following procedures for the review and approval of Mandated Transactions under the IPT General Mandate:

- (a) The following procedures will be adopted in relation to the Mandated Transactions:

Provision of art outsourcing and/or game development services to the Mandated Interested Person(s)

All contracts entered into in relation to the provision of art outsourcing and/or game development services to the Mandated Interested Person(s) are to be entered into at the prevailing market rates, on terms which are no more favourable to the Mandated Interested Person(s) than the usual commercial terms extended by the Group to unrelated third parties or otherwise in accordance with applicable industry norms, and not prejudicial to the interest of the Company and its minority Shareholders.

The Group shall determine the terms (including but not limited to the man-day rates, any revenue or profit-sharing terms, the billing milestone and the credit terms) for the provision of art outsourcing and/or game development services to the Mandated Interested Person(s) after comparing the terms to be offered to the Mandated Interested Person(s) with at least two other recently signed art outsourcing and/or game development projects with unrelated third parties.

LETTER TO SHAREHOLDERS

In determining whether the man-day rates chargeable to the Mandated Interested Person(s) are on normal commercial terms, the Group shall take into account factors such as but are not limited to, the volume and complexity of the deliverables (such as the amount of scenes and characters required, length of the gameplay and programming requirements), the manpower requirements comprising designers, technical artists, animators and/or programmers required for the project as well as the availability of the Group's resources, whether the customer has requested for exclusively team members on the project during the contractual period, the confidentiality requirements which may require the Group to set up a private access room for the project team, the estimated project timeline and preferential rates/prices/discounts accorded to long-term and/or extension contracts or repeat customers (the "**Day Rates Factors**").

In determining whether the revenue or profit-sharing terms, if any, are on normal commercial terms, the Group shall take into account factors such as but are not limited to, the scale of the project, the reputation of the customer or the intellectual property rights of the game, and the track record of the customer (the "**Profit-Sharing Factors**").

In the circumstance where there are no comparable unrelated third party contracts that were recently signed, the terms of the proposed Mandated Transaction(s) shall also be subject to the review and approval of a senior management staff such as the Chief Executive Officer or Chief Financial Officer or, in the event our Chief Executive Officer and Chief Financial Officer have an interest in the Mandated Transaction(s) or are nominees of the Mandated Interested Person(s), an officer of similar or equivalent rank (who must have no interest, direct or indirect in the Mandated Interested Person(s) and the Mandated Transaction(s), and as designated by the Audit Committee for such Mandated Transaction(s)) who shall determine whether the terms offered to the Mandated Interested Person(s) are in accordance with the applicable industry norms, on normal commercial terms and not prejudicial to the interest of the Company and its minority Shareholders having regards to the Day Rates Factors, the Profit-Sharing Factors (if applicable), as well as costs and benefits to the Group for entering into the Mandated Transaction(s).

Obtaining of services from the Mandated Interested Person(s) relating to the engagement of employees on the Group's behalf

The Group will obtain at least two quotations from unrelated third party suppliers for similar services, whenever appropriate and available, prior to the entry into the contract or transaction with the Mandated Interested Person(s), as a basis for comparison to determine whether the price and terms offered by the Mandated Interested Person(s) are on normal commercial terms and comparable to those offered by unrelated third parties for the same or substantially similar services, and not prejudicial to the interest of the Company and its minority Shareholders.

LETTER TO SHAREHOLDERS

In determining whether the price and terms of services offered by the Mandated Interested Person(s) (such as engagement of employees on our behalf) are on normal commercial terms, the Group will take into account factors such as but are not limited to, the location of services required, complexity of the services required and tenure of services required (the “**Service Factors**”).

In the circumstance where such comparable service quotations are not available (for instance, if there are no unrelated third party vendors providing similar services), the terms of the proposed Mandated Transaction(s) shall also be subject to the review and approval of a senior management staff such as the Chief Executive Officer or Chief Financial Officer or, in the event the Chief Executive Officer and Chief Financial Officer have an interest in the Mandated Transaction(s) or are nominees of the Mandated Interested Person(s), an officer of similar or equivalent rank (who must have no interest, direct or indirect, in the Mandated Interested Person(s) and the Mandated Transaction(s), and as designated by the Audit Committee for such Mandated Transaction(s)) who shall determine whether the terms offered by the Mandated Interested Person(s) are fair and reasonable, having regard to the Service Factors as well as costs and benefits to the Group for entering into the Mandated Transaction(s).

Where the Mandated Interested Person(s) seeks reimbursement from the Group for expenses incurred in relation to the services provided to the Group, the finance department shall review and ensure that the relevant supporting documents are attached to the reimbursement claims¹.

Purchasing of IT-related products and services from Mandated Interested Person(s)

The Group will obtain at least two quotations from unrelated third party suppliers for similar products and services, whenever appropriate and available, prior to the entry into the contract or transaction with the Mandated Interested Person(s), as a basis for comparison to determine whether the price and terms offered by the Mandated Interested Person(s) are on normal commercial terms and comparable to those offered by unrelated third parties for the same or substantially similar products and services, and not prejudicial to the interest of the Company and its minority Shareholders.

In determining whether the price and terms offered by the Mandated Interested Person(s) for the purchase of products and services by the Group from the Mandated Interested Person(s) are on normal commercial terms, the Group will take into account factors such as but are not limited to, size of order, product specifications, delivery costs, delivery schedules, track record of suppliers and products (the “**Product Factors**”).

¹ The reimbursement refers to out-of-pocket expenses which the Mandated Interested Persons may incur in the process of the engagement of employees on the Group’s behalf. Such expenses could include, but are not limited to, flight tickets for the employees, in the event they are required to be relocated in connection with their employment, as well as any fees that may have to be payable in connection with the application for the requisite employment permits and approvals for such employees from the relevant local authorities. As such expenses incurred are out-of-pocket expenses, the Group will assess whether the expenses to be reimbursed are fair and reasonable by comparing the expenses incurred to the market price of similar goods and services, to the extent available.

LETTER TO SHAREHOLDERS

In the circumstance where such comparable product quotations are not available (for instance, if there are no unrelated third party vendors selling similar products), the terms of the proposed Mandated Transaction(s) shall also be subject to the review and approval of a senior management staff such as the Chief Executive Officer or Chief Financial Officer or, in the event the Chief Executive Officer and Chief Financial Officer have an interest in the Mandated Transaction(s) or are nominees of the Mandated Interested Person(s), an officer of similar or equivalent rank (who must have no interest, direct or indirect, in the Mandated Interested Person(s) and the Mandated Transaction(s), and as designated by the Audit Committee for such Mandated Transaction(s)) who shall determine whether the terms offered by the Mandated Interested Person(s) are fair and reasonable, having regard to the Product Factors as well as costs and benefits to the Group for entering into the Mandated Transaction(s).

Leasing of office space and obtaining of related facilities and services from the Mandated Interested Person(s)

The Group will obtain at least two quotations from unrelated third-party suppliers for similar office space, facilities and services, prior to the entry into the contract with the Mandated Interested Person(s), as a basis for comparison to determine whether the fees offered by the Mandated Interested Person(s) are on normal commercial terms, and not prejudicial to the interest of the Company and its minority Shareholders. The fees payable by the Group to the Mandated Interested Person(s) shall be no more favourable to the Mandated Interested Person(s) as compared to the fees quoted by the unrelated third parties.

In determining whether the fees payable by the Group to the Mandated Interested Person(s) are on normal commercial terms, the Group shall take into account the location, size of space, tenure of the lease, facilities, amenities and services available, and any other relevant factors which may affect the rental rates or terms of the lease (the “**Office Space Factors**”). In general, the Group will only enter into new leases or renew the existing leases with the Mandated Interested Person(s) if we are satisfied that the rent payable is in line with or better than prevailing market rental rates for comparable spaces.

In the circumstance where comparable quotations are not available (for instance, if there are no unrelated third party lessor within the same vicinity), the terms of the proposed Mandated Transaction(s) shall also be subject to the review and approval of a senior management staff such as the Chief Executive Officer or Chief Financial Officer or in the event the Chief Executive Officer and Chief Financial Officer have an interest in the Mandated Transaction(s) or are nominees of the Mandated Interested Person(s) an officer of similar or equivalent rank (who must have no interest, direct or indirect in the Mandated Interested Person(s) and the Mandated Transaction(s), and as designated by the Audit Committee for such Mandated Transaction(s)) who shall determine whether the terms offered by the Mandated Interested Person(s) are fair and reasonable, having regard to the Office Space Factors as well as costs and benefits to the Group for entering into the Mandated Transaction(s).

LETTER TO SHAREHOLDERS

- (b) The following approval thresholds will apply to the Mandated Transactions:
- (i) All Mandated Transaction(s) will be subject to review and prior approval by the Chief Executive Officer or the Chief Financial Officer or, in the event the Chief Executive Officer and Chief Financial Officer have an interest in the Mandated Transaction(s) or are nominees of the Mandated Interested Person(s), an officer of similar or equivalent rank (who must have no interest, direct or indirect, in the transaction) (the “**Relevant Authorised Persons**”);
 - (ii) If all of the Relevant Authorised Persons have an interest in the transaction, are nominees for the time being of the Mandated Interested Person or have associates (as defined in the Catalist Rules) involved in the decision making process on the part of the Mandated Interested Person, the review and approval process shall be undertaken by the Chairman of the Audit Committee or another member of the Audit Committee (who is not a nominee of the Mandated Interested Person, has no interest in the transaction and is not subject to such conflicts of interest) designated by the Chairman of the Audit Committee from time to time for such purpose;
 - (iii) For all Mandated Transaction(s), where the value of each Mandated Transaction (either individually or cumulative during the same financial year) is equal to or exceeding 3.0% of the value of the Group’s latest audited NTA, such Mandated Transaction(s) will be subject to review and prior approval of the Audit Committee;
 - (iv) For the avoidance of doubt, Mandated Transaction(s) which have already been reviewed and approved by the Audit Committee will not be included in such calculations;
 - (v) If a member of the Audit Committee has an interest in a transaction or is a nominee for the time being of the Mandated Interested Person, or if any associate (as defined in the Catalist Rules) of a member of the Audit Committee is involved in the decision making process on the part of the Mandated Interested Person, he shall abstain from participating in the review and approval process of the Audit Committee in relation to that transaction;
 - (vi) If a member of the Audit Committee (who is not a nominee of the Mandated Interested Person, has no interest in the transaction and is not subject to such conflicts of interest) also serves as an independent non-executive director on the board of directors or (as the case may be) an audit or other board committee of the Mandated Interested Person, and he participates in the review and approval process of the Audit Committee in relation to a transaction with that Mandated Interested Person, he will abstain from participating on any decision before the board or committee of that Mandated Interested Person with respect to such transaction;

LETTER TO SHAREHOLDERS

- (vii) Any of the Relevant Authorised Persons, and the Audit Committee, may, as he deems fit, request for additional information pertaining to the transaction under review from independent sources or advisers, including requesting for an independent financial adviser's opinion and/or the obtaining of valuations from independent professional valuers; and
- (viii) For the avoidance of doubt, the value of Mandated Transaction in relation to leasing of office space and obtaining of related facilities and services from the Mandated Interested Person is based on the total amount payable for the duration of the contract and excludes any option to renew the contract;
- (c) The Company will maintain a register of all Interested Person Transactions, including the Mandated Transactions (the "**IPT Register**"). The IPT Register shall include information pertinent to all the Mandated Transactions, such as but are not limited to, the names of the Mandated Interested Persons, the nature of the Mandated Transactions, the value of the Mandated Transactions, the basis and rationale for determining the transaction prices, material terms and conditions and the supporting documents obtained to substantiate the terms. For the avoidance of doubt, all Mandated Transactions including those below S\$100,000 shall be recorded in the IPT Register;
- (d) The Company will also file the documents relating to the Mandated Transaction(s) separately, including the contract entered into with the Mandated Interested Person(s), the relevant supporting documents and approval forms for ease of review by the internal auditors, the Audit Committee and/or any senior management staff designated by the Audit Committee to conduct such review;
- (e) The Audit Committee will review the IPT Register and the file relating to the Mandated Transaction(s) on a half-yearly basis;
- (f) The Group will maintain an updated list of Interested Persons and will disclose the list to relevant key personnel within the Group (including after each update to the list) to enable the identification of Interested Persons and Interested Person Transactions. This master list of Interested Persons shall be reviewed on a half-yearly basis by the Audit Committee;
- (g) The annual internal audit plan will incorporate a review of the Mandated Transaction(s) entered into, pursuant to the IPT General Mandate to ensure that the methods and procedures in respect of the Mandated Transaction(s) have been adhered to;
- (h) The Audit Committee will review the internal audit reports on Mandated Transaction(s) to ascertain that the methods and procedures for Mandated Transaction(s) have been complied with; and

LETTER TO SHAREHOLDERS

- (i) The Board of Directors will also ensure that all disclosures, approvals and other requirements on interested person transactions, including those required by prevailing legislation, the Catalist Rules (in particular Chapter 9 thereof) and relevant accounting standards, are complied with. The Company will also comply with the Principles set out in the Code of Corporate Governance 2018 and endeavour to comply with the provisions in the Code of Corporate Governance 2018.

If during any of the reviews by the Audit Committee, the Audit Committee is of the view that the methods and procedures for the Mandated Transaction(s) have become inappropriate or insufficient in the event of changes to the nature of, or manner in which, the business activities of the Group or the Mandated Interested Person(s) are conducted, the Company will seek a fresh general mandate from the Shareholders based on new methods and procedures so that Mandated Transaction(s) will be carried out on an arm's length basis and on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders. In the interim, the Audit Committee will review every Mandated Transaction pending the grant of the fresh mandate, which will be in accordance with the requirements of the relevant provisions of Chapter 9 and/or other applicable provisions of the Catalist Rules (as may be amended, supplemented or modified from time to time).

2.6.8 Review of Other Interested Person Transactions and Review by the Audit Committee

To ensure that future transactions with interested persons other than Mandated Transactions are undertaken on normal commercial terms and are consistent with the Group's usual business practices and policies, which are generally no more favourable than those extended to unrelated third parties, the following procedures will be implemented by the Group:

All interested person transactions above S\$100,000 are to be approved by a Director. Any contracts to be made with an interested person shall not be approved unless the pricing is determined in accordance with the Company's usual business practices and policies, consistent with the usual margin given or price received by us for the same or substantially similar type of transactions between us and unrelated parties and the terms are no more favourable than those extended to or received from unrelated parties.

For the purposes above, where applicable, contracts for the same or substantially similar type of transactions entered into between us and unrelated third parties will be used as a basis for comparison to determine whether the price and terms offered to or received from the interested person are no more favourable than those extended to unrelated parties. In addition, we shall monitor all interested person transactions entered into by us categorising the transactions as follows:

- (a) a "category one" interested person transaction is one where the value thereof is in excess of 3.0% of the NTA of the Group; and
- (b) a "category two" interested person transaction is one where the value thereof is below or equal to 3.0% of the NTA of the Group.

LETTER TO SHAREHOLDERS

“Category one” interested person transactions must be approved by the Audit Committee prior to entry. “Category two” interested person transactions need not be approved by the Audit Committee prior to entry but shall be reviewed on a half-yearly basis by the Audit Committee.

Before any agreement or arrangement with an interested person that is not in the ordinary course of business of the Group is transacted, prior approval must be obtained from the Audit Committee. In the event that a member of the Audit Committee is interested in any interested person transactions, he will abstain from reviewing that particular transaction. Any decision to proceed with such an agreement or arrangement would be recorded for review by the Audit Committee.

The Company will also comply with the provisions in Chapter 9 of the Catalist Rules in respect of all future interested person transactions, and if required under the Catalist Rules or the SFA, the Company will seek independent Shareholders’ approval for such transactions.

3. DIRECTORS’ AND SUBSTANTIAL SHAREHOLDERS’ INTERESTS

3.1 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 SFA.

(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 SFA.

LETTER TO SHAREHOLDERS

3.2 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 Incorporated ⁽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 SFA.
- (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 SFA.
- (4) As at the Latest Practicable Date, Acer SoftCapital Incorporated 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 SFA.
- (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 SFA.
- (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 SFA.

3.3 Save as disclosed in this Appendix, none of the Directors, Substantial Shareholders and their associates have any interests in the proposed renewal of the IPT General Mandate.

4. DIRECTORS' RECOMMENDATIONS

Mr. Kao Shu-Kuo, a Non-Executive Director of the Company, is presently the Chairman of the board of directors of Acer Gaming. Accordingly, Mr. Kao Shu-Kuo will abstain from making any recommendation to Shareholders on the proposed renewal of the IPT General Mandate in his capacity as a Director.

Having considered, *inter alia*, the rationale for the proposed renewal of the IPT General Mandate, the Non-Interested Directors are of the opinion that the entry by the EAR Group into the Mandated Transactions with the Mandated Interested Persons will enhance the

LETTER TO SHAREHOLDERS

efficiency of the EAR Group, and is in the interests of the Company. Accordingly, the Non-Interested Directors recommend that Shareholders vote in favour of the Ordinary Resolution relating to the proposed renewal of the IPT General Mandate to be proposed at the AGM.

5. ANNUAL GENERAL MEETING

The AGM will be held at Singapore Business Federation, 160 Robinson Road, #06-01 SBF Center, Singapore 068914, on Tuesday, 30 April 2024 at 10:00 AM for the purpose of considering and, if thought fit, passing with or without modifications, the resolutions set out in the Notice of AGM.

Printed copies of this Appendix will not be sent by post to Shareholders. Instead, this Appendix will be sent to Shareholders by electronic means via publication on the Company's website at the URL <https://www.winkingworks.com/en-US/> and on the website of the SGX-ST at the URL <https://www.sgx.com/securities/company-announcements> on 15 April 2024. A Shareholder will need an Internet browser and PDF reader to view this Appendix on the Company's website and on the website of the SGX-ST. For Shareholders who prefer to receive a printed copy of this Appendix, please email the request to sg.is.proxy@sg.tricorglobal.com by 10:00 AM on 22 April 2024.

A Depositor shall not be regarded as a Shareholder of the Company entitled to attend the AGM and to speak and vote thereat unless his name appears on the Depository Register at least seventy-two (72) hours before the time fixed for the AGM.

6. ABSTENTION FROM VOTING

In accordance with Rule 920(1)(b)(viii) of the Catalist Rules, the Mandated Interested Persons will abstain, and have undertaken to ensure that their respective associates will abstain, from voting at the AGM in respect of the Ordinary Resolution approving the proposed renewal of the IPT General Mandate. The Mandated Interested Persons and their respective associates will also not accept appointments as proxies unless specific instructions as to voting are given.

The Chairman of the AGM will accept appointment as proxy for any Shareholder to vote in respect of the Ordinary Resolution relating to the proposed renewal of the IPT General Mandate where such Shareholder has given specific voting instructions in a validly completed and submitted Proxy Form as to voting, or abstention from voting, in respect of the said resolution.

7. ACTION TO BE TAKEN BY SHAREHOLDERS

7.1 Submission of Proxy Forms to vote

The AGM will be convened in a physical format only and there will be no option for Shareholders to participate virtually. Shareholders who are unable to attend the AGM and who wish to appoint a proxy to attend and vote at the AGM on their behalf are requested to complete, sign and return the Proxy Form attached to the Notice of AGM in accordance with the instructions printed thereon as soon as possible and by completing and submitting the duly completed Proxy Form to the Company's Share Registrar, Tricor Barbinder Share Registration Services in the following manner:

LETTER TO SHAREHOLDERS

- (a) If submitted by post, be lodged at the Company's Share Registrar, Tricor Barbinder Share Registration Services, at 9 Raffles Place, #26-01 Republic Plaza, Singapore 048619; or
- (b) If submitted electronically, be submitted via email to Tricor Barbinder Share Registration Services at sg.is.proxy@sg.tricorglobal.com,

in either case, by 10.00 a.m. on 27 April 2024, being no later than 72 hours before the time set for the AGM, and in default the Proxy Form shall not be treated as valid.

Alternatively, Shareholders may access the Proxy Form on the website of the SGX-ST at the URL <https://www.sgx.com/securities/company-announcements> and the Company's website at the URL <https://www.winkingworks.com/en-US/>, and thereafter download, complete and sign the Proxy Form, before submitting it by post to the address provided above. The completion and return of the Proxy Form by such Shareholder will not prevent him from attending and voting at the AGM in person if he so wishes.

7.2 Submission of questions in advance of the AGM

Shareholders can submit substantial and relevant questions relating to the resolutions to be tabled for approval at the AGM, in advance of the AGM, to the Company in the following manner:

- (a) Shareholders may submit their questions by post, to the registered office of the Company's Share Registrar, Tricor Barbinder Share Registration Services, at 9 Raffles Place, #26-01 Republic Plaza, Singapore 048619; or
- (b) Shareholders may submit their questions electronically via email to sg.is.proxy@sg.tricorglobal.com,

in each case, by 5:00 PM on 23 April 2024 (the "**Cut-Off Time**").

When submitting substantial and relevant questions electronically via email or by post, Shareholders must provide the Company with the following details to enable the Company to verify their status as Shareholders: (a) status: individual shareholder or corporate representative; (b) full name/full company name (as per CDP/CPF/SRS/Scrip-based records); (c) NRIC/FIN/Passport number/Registration number; (d) email address; and (e) contact number (optional).

Persons who hold Shares through Relevant Intermediaries (as defined under Section 181(6) of the Companies Act 1967 of Singapore) (other than CPF/SRS investors) should contact their respective Relevant Intermediaries through which they hold such Shares to submit their questions relating to the Resolutions to be tabled for approval at the AGM based on the abovementioned instructions. The Company will endeavour to address all substantial and relevant questions received from Shareholders prior to the AGM, before or during the AGM. The responses to substantial and relevant questions received from Shareholders by the Cut-Off Time will be posted on the website of the SGX-ST at the URL <https://www.sgx.com/securities/company-announcements> and the Company's corporate website at the URL <https://www.winkingworks.com/en-US/> before 10:00 AM on 25 April 2024, being at least forty-eight (48) hours prior to the closing date and time for the lodgement of the Proxy Form.

LETTER TO SHAREHOLDERS

The Company will address any subsequent clarifications sought, or substantial and relevant follow-up questions (relating to the Resolutions to be tabled for approval at the AGM) received after the Cut-Off Time which have not already been addressed prior to the AGM, as well as those substantial and relevant questions received at the AGM, during the AGM. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.

8. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the proposed renewal of the IPT General Mandate, and the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading. Where information in this Appendix 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 Appendix in its proper form and context.

9. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection at the Singapore headquarters of the Company at 6 Raffles Quay, #14-06, Singapore 048580 during normal business hours from the date of this Appendix up to and including the date of the AGM:

- (a) the annual report of the Company for FY2023; and
- (b) the Memorandum and Articles of Association.

Yours faithfully

For and on behalf of the Board of Directors of
WINKING STUDIOS LIMITED

Mr. Johnny Jan
Executive Chairman and Chief Executive Officer

