

# CORPORATE GOVERNANCE REPORT

## INTRODUCTION

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

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

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

## BOARD MATTERS

### The Board’s Conduct of Affairs

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

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

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

- (i) provide entrepreneurial leadership, set strategic objectives, and ensure that the necessary financial and human resources are in place for the Group to meet its objectives;
- (ii) establish a framework of prudent and effective controls which enables risk to be assessed and managed, including safeguarding of shareholders’ interests and the Company’s assets;
- (iii) review performance of Management, the Company’s financial performance, risk management processes and systems, human resource requirements and corporate governance practices;
- (iv) identify the key stakeholder groups and recognise that their perceptions affect the Company’s reputation;

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- (v) set the Group's values and standards (including ethical standards), and ensure that obligations to the shareholders and other stakeholders are understood and met; and
- (vi) consider sustainability issues, e.g. environmental and social factors, as part of its strategic formulation.

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

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

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

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

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

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

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

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

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

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

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

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

\* n.a: not applicable

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

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

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

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

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

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

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

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

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

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## Board Composition and Guidance

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

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

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

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

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

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

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

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

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

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

## **Executive Chairman and Chief Executive Officer**

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

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

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

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

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

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

## Board Membership

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

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

Mr Yang Wu Te (Chairman)

Mr Lim Heng Choon (Member)

Mr Chang Yi-Hao (Member)

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

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

The roles and functions of the NC are:

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



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- 2) reviewing and determining annually, and as and when circumstances require, if a Director is independent, in accordance with the Code and any other salient factors;
- 3) reviewing the composition of the Board annually to ensure that the Board and the Board committees are of an appropriate size, comprise Directors who as a group provide an appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate, and are of an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company and provide core competencies such as accounting or finance, business or management experience, industry knowledge, strategic planning experience and customer-based experience and knowledge;
- 4) setting the objectives for achieving board diversity and reviewing the Company's progress towards achieving these objectives;
- 5) ensuring that Non-Executive Independent Directors disclose their relationships with the Company, related corporations, substantial shareholders or officers, if any, which may affect their independence and review such disclosures from the Directors and highlight these to the Board as required;
- 6) ensuring that newly appointed Directors are aware of their duties and obligations, as well as deciding whether a Director is able to and has been adequately carrying out his/her duties as a Director. Where a Director holds a significant number of listed company directorships and principal commitments which involve significant time commitment, to provide a reasoned assessment of the ability of the Director to diligently discharge his/her duties, taking into consideration the Director's number of listed company board representation and other principal commitments; and
- 7) reviewing and approving the new employment of employees of the Group who are relatives of any of the Directors, Chief Executive Officer or Substantial Shareholders and their proposed terms of their employment.

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

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

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

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

Currently, no Alternate Director is appointed on the Board.

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

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Key information regarding the Directors is set out below:

Name of Director	Date of First Appointment	Date of Last Re-election	Present Directorships or Chairmanships in Other Listed Companies and Principal Commitment	Past Directorships or Chairmanships in Other Listed Companies and Principal Commitment over the preceding five (5) years
Mr Johnny Jan	17 May 2023	–	<ul style="list-style-type: none"> <li>• Winking Art Pte. Ltd.</li> <li>• Winking Art Limited</li> <li>• Winking Entertainment Corporation</li> <li>• Winking Skywalker Entertainment Limited</li> <li>• Shanghai Winking Entertainment Ltd</li> <li>• Shanghai Wishing Entertainment Ltd</li> </ul>	<ul style="list-style-type: none"> <li>• Jiangsu Nuanyi Information Technology Co., Ltd.</li> <li>• Winking 23 Ching Corp</li> <li>• Yahyel Future Entertainment Inc</li> <li>• Winking Entertainment Investment Limited</li> <li>• Nanjing Winking Entertainment Ltd</li> <li>• Winking Entertainment (HK) Limited</li> </ul>
Mr Kao Shu-Kuo	17 May 2023	–	<ul style="list-style-type: none"> <li>• Acer Gadget Inc.</li> <li>• Acer Gaming Inc.</li> </ul>	<ul style="list-style-type: none"> <li>• GadgeTek Inc.</li> <li>• AcerGerontechnology Inc.</li> <li>• StarVR France SAS</li> </ul>
Mr Chang Yi-Hao	17 May 2023	–	<ul style="list-style-type: none"> <li>• Big Data Co., Ltd.</li> <li>• Treasure Sage Sabah Sdn Bhd</li> <li>• Rainbow Path Global Ltd</li> <li>• Treasure Sage Ltd</li> <li>• Insight Digital World Co., Ltd.</li> <li>• Howard Digital Marketing Co., Ltd.</li> </ul>	–
Mr Yang Wu Te	17 May 2023	–	–	–
Mr Lim Heng Choon	17 May 2023	–	<ul style="list-style-type: none"> <li>• Centific Global Solutions, Inc</li> <li>• edgeTech Venture Ltd</li> <li>• Esports Business Network Sdn Bhd</li> <li>• Global Vision Holdings</li> <li>• Hyperion Connect Ltd</li> <li>• International Liquid Packaging Solutions Pte Ltd</li> <li>• KDH Design Inc</li> <li>• KDH Design Co Ltd</li> <li>• Liho Besuto Sdn Bhd</li> <li>• Awesome Realty Sdn Bhd</li> <li>• Ritamix Global Limited Pte Ltd</li> </ul>	<ul style="list-style-type: none"> <li>• Go Game Malaysia Sdn Bhd</li> <li>• IG-Interactive Pte Ltd</li> <li>• IG-Interactive Sdn Bhd</li> </ul>

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## Additional Information on Directors Seeking Re-election

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

Name of Director	Mr Johnny Jan	Mr Kao Shu-Kuo	Mr Lim Heng Choon	Mr Chang, Yi-Hao	Mr Yang Wu Te
Date of appointment	17 May 2023	17 May 2023	17 May 2023	17 May 2023	17 May 2023
Date of last re-appointment	N.A.	N.A.	N.A.	N.A.	N.A.
Age	48	54	54	49	66
Country of principal residence	Republic of China ("Taiwan")	Republic of China ("Taiwan")	Malaysia	Republic of China ("Taiwan")	Singapore
The Board's comments on the NC's recommendation for re-election	The Board has accepted the NC's recommendation, who has reviewed and considered Mr. Johnny Jan's performance as the Executive Chairman and Chief Executive Officer of the Company.	The Board has accepted the NC's recommendation, who has reviewed and considered Mr. Kao Shu-Kuo performance as the Non-Executive Director of the Company.	The Board has accepted the NC's recommendation, who has reviewed and considered Mr Lim Heng Choon's performance as an Lead Independent Director of the Company.	The Board has accepted the NC's recommendation, who has reviewed and considered Mr Chang, Yi-Hao's performance as an Independent and Non-Executive Director of the Company.	The Board has accepted the NC's recommendation, who has reviewed and considered Mr Yang Wu Te's performance as an Independent and Non-Executive Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Executive. Responsible for overseeing the strategic planning and growth of the Group.	Non-Executive	Non-Executive	Non-Executive	Non-Executive
Job title	Executive Chairman and Chief Executive Officer	Non-Executive Director	Lead Independent and Non-Executive Director, Chairman of the Audit Committee, and Member of the Remuneration Committee and Nominating Committee.	Independent and Non-Executive Director, Chairman of the Remuneration Committee, and Member of the Audit Committee and Nominating Committee.	Independent and Non-Executive Director, Chairman of the Nominating Committee, and Member of the Audit Committee and Remuneration Committee.
Professional qualifications	Bachelor's Degree – Business Administration	Masters of Business Administration	Master in Business Administration, Major in Finance & Strategy	Master of Business Administration	Business and Industrial Administration
Working experience and occupation(s) during the past 10 years	<ul style="list-style-type: none"> <li>January 2004 to Present – Shanghai Winking Entertainment Ltd People's Republic of China – Executive Chairman and CEO</li> <li>October 2022 to Present – Winking Art Pte. Ltd.; Singapore – Chief Executive Officer and Executive Chairman</li> </ul>	<ul style="list-style-type: none"> <li>June 1995 to Present – COO of Acer Inc. – President of IT Products Business, Acer Inc.</li> </ul>	<ul style="list-style-type: none"> <li>June 2022 to Present – Centific Global Solutions, Inc. – Chief Financial Officer and Executive Director</li> <li>November 2018 to Present – Hyperion Connect Pte. Ltd. Singapore – Founder and Managing Director</li> </ul>	<ul style="list-style-type: none"> <li>January 2024 to Present – Insight Digital World Co., Ltd. – Executive Chairman and Chief Executive Officer</li> <li>September 2018 to Present – Howard Digital Marketing Co., Ltd. – Executive Chairman and Chief Executive Officer</li> <li>August 2012 to March 2017 – Kunlun Tech Co Ltd – President, Kunlun Gaming</li> </ul>	<ul style="list-style-type: none"> <li>May 2013 to Dec 2020 – Bank Julius Baer &amp; Co. Ltd. Singapore Branch N-Executive Director</li> <li>Sep 1999 to May 2013 – Merrill Lynch International Bank Limited Singapore Branch – First Vice President</li> </ul>

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Name of Director	Mr Johnny Jan	Mr Kao Shu-Kuo	Mr Lim Heng Choon	Mr Chang, Yi-Hao	Mr Yang Wu Te
Shareholding interest in the listed issuer and its subsidiaries	21,26,929 shares (direct interest) 2,304,731 shares (deemed interest)	300,000 shares (direct interest)	Nil	Nil	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	Nil	Nil	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil	Nil	Nil	Nil
Undertaking (in the format set out in Appendix 7H) under Catalyst Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes	Yes	Yes
Other Principal Commitments Including Directorships	Present principal Commitment <ul style="list-style-type: none"> <li>• Winking Art Pte. Ltd.</li> <li>• Shanghai Winking Entertainment Ltd.</li> <li>• Winking Entertainment Corporation</li> <li>• Winking Skywalker Entertainment Limited.</li> <li>• Shanghai Wishing Entertainment Ltd.</li> <li>• Winking Art Limited.</li> </ul> Past Principal Commitment (for the past 5 years) <ul style="list-style-type: none"> <li>• Nanjing Winking Entertainment Ltd.</li> </ul>	Present principal Commitment <ul style="list-style-type: none"> <li>• Winking Studios Limited</li> <li>• Acer Global Merchandise Philippines Inc.</li> <li>• Acer Gadget Inc.</li> <li>• Altos Computing Inc.</li> <li>• Acer Gaming Inc.</li> </ul> Past Principal Commitment (for the past 5 years) <ul style="list-style-type: none"> <li>• GadgeTek Inc.</li> </ul>	Present principal Commitment <ul style="list-style-type: none"> <li>• Centific Global Solutions, Inc.</li> <li>• Hyperion Connect Pte. Ltd. Singapore</li> </ul> Past Principal Commitment (for the past 5 years) <ul style="list-style-type: none"> <li>• June 2011 to June 2022</li> </ul> International Liquid Packaging Solution Pte Ltd, Founder and Chief Financial officer	Nil	Nil

# CORPORATE GOVERNANCE REPORT

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

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

# CORPORATE GOVERNANCE REPORT

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

# CORPORATE GOVERNANCE REPORT

## Board Performance

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

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

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

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

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

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

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



# CORPORATE GOVERNANCE REPORT

## REMUNERATION MATTERS

### PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

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

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

Mr Chang Yi-Hao (Chairman)

Mr Lim Heng Choon (Member)

Mr Yang Wu Te (Member)

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

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

The roles and functions of the RC are:

- 1) reviewing and recommending to the Board, in consultation with the Chairman of the Board, for endorsement, a comprehensive remuneration policy framework and guidelines for remuneration of the Directors and other persons having authority and responsibility for planning, directing and controlling the activities of the Company ("**Executive Officers**");
- 2) reviewing and recommending to the Board, for endorsement, the specific remuneration packages for each of the Directors and Executive Officers;
- 3) considering all aspects of remuneration (including but not limited to directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, benefits-in-kind and termination payments), including termination terms, to ensure they are fair and reasonable;
- 4) ensuring that the level and structure of remuneration of the Board and Executive Officers are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives;
- 5) ensuring that a significant and appropriate proportion of the Executive Directors' and Executive Officers' remuneration is structured so as to link rewards to corporate and individual performance, and that performance related remuneration is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the Company;

# CORPORATE GOVERNANCE REPORT

- 6) ensuring that the remuneration of the Non-Executive Directors is appropriate to their level of contribution, taking into account factors such as effort, time spent and responsibilities;
- 7) reviewing the remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation and the statements in the annual report with a view to achieving clear disclosure of the same;
- 8) reviewing and approving the design of all share option plans, employee share option schemes and/or other equity based plans and benefits-in-kind;
- 9) in the case of service contracts and employment contracts, reviewing the Company's obligations arising in the event of termination of the Executive Directors' or Executive Officers' contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous, with a view to being fair and avoiding the reward of poor performance;
- 10) approving performance targets for assessing the performance of each of the Executive Officer and recommend such targets as well as employee specific remuneration packages for each of such Executive Officer, for endorsement by the Board; and
- 11) conducting an annual review of and approving the remuneration of employees of the Group who are relatives of any of the Directors, Chief Executive Officer or Substantial Shareholders (including bonuses, increments and/or promotions) and to ensure that their remuneration packages are in line with the staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities.

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

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

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

# CORPORATE GOVERNANCE REPORT

## Level and Mix of Remuneration

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

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

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

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

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

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

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

# CORPORATE GOVERNANCE REPORT

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

## Disclosure of Remuneration

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

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

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

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

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

<sup>1</sup> Remuneration bands:

“A” refers to remuneration of up to S\$250,000 per annum.

“B” refers to remuneration from S\$250,001 to S\$500,000 per annum.

“C” refers to remuneration from S\$500,001 to S\$750,000 per annum.

“D” refers to remuneration from S\$750,001 to S\$1,000,000 per annum.

<sup>2</sup> Directors' fees were pro-rated for FY2023.

# CORPORATE GOVERNANCE REPORT

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

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

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

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

- (a) to retain key employees and executive directors of our Group whose contributions are essential to the long-term growth and profitability of our Group;
- (b) to instill loyalty to, and a stronger identification by the Participants with the long-term goals of, our Company;
- (c) to attract potential employees with relevant skills to contribute to our Group and to create value for our Shareholders; and
- (d) to align the interests of the Participants with the interests of our Shareholders. The Winking Studios Performance Share Plan complies with the relevant rules as set out in Chapter 8 of the Catalist Rules. As at the date of this annual report, the Company had not granted share awards to any participants under Winking Studios Performance Share Plan.

# CORPORATE GOVERNANCE REPORT

## ACCOUNTABILITY AND AUDIT

### Risk Management and Internal Controls

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

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

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

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

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

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

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

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

# CORPORATE GOVERNANCE REPORT

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

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

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

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

## **Audit Committee**

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

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

Mr. Lim Heng Choon (Chairman)

Mr. Chang Yi-Hao (Member)

Mr. Yang Wu Te (Member)

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

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

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

# CORPORATE GOVERNANCE REPORT

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

The role and functions are:

- 1) assisting the Board in discharging its statutory responsibilities on financing and accounting matters;
- 2) reviewing the assurance from the CEO and CFO on the financial records and financial statements of the Company;
- 3) reviewing significant financial reporting issues and judgements so as to ensure the integrity of the financial statements, which includes reviewing and discussing with the external auditors any issues and concerns arising from the audits, any suspected fraud, irregularity or infringement of any relevant laws, rules and regulations, which has or is likely to have a material impact on the Group's financial performance or financial position and the Management's response to such issues;
- 4) reviewing any formal announcements relating to the financial performance and ensuring that the outcome of the review the Group's key financial risk areas are disclosed in the annual reports, and if the findings are material, to be announced via SGXNet in accordance with the Catalyst Rules;
- 5) reviewing the adequacy, effectiveness, independence, scope and results of the external audit and its cost effectiveness, and the independence and objectivity of the external auditors;
- 6) reviewing the external auditors' audit plan and audit report, and the external auditors' evaluation of the system of internal financial controls, as well as reviewing the Company's implementation of any recommendations to address any control weaknesses highlighted by the external auditors;
- 7) reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on, and in particular, ensuring the Company publicly discloses and clearly communicates to the employees the existence of a whistle-blowing policy and procedures for raising such concerns;
- 8) reviewing the key financial risk areas, the risk management structure and any oversight of the risk management process and activities to mitigate and manage risk at acceptable levels determined by the Board;
- 9) reviewing at least annually the adequacy and effectiveness of the risk management and internal controls systems, including financial, operational, compliance and information technology controls, and, where necessary and appropriate, provide a statement on the Board's comment on the adequacy and effectiveness of the Company's internal controls;



# CORPORATE GOVERNANCE REPORT

- 10) reviewing any interested person transactions and monitoring the procedures established to regulate interested person transactions, including ensuring compliance with the Company's internal control system and the relevant provisions of the Catalist Rules, as well as all conflicts of interests to ensure that proper measures to mitigate such conflicts of interests have been put in place (please refer to the sections entitled "Interested Person Transactions – Guidelines and Review Procedures for Ongoing and Future Interested Person Transactions" and "Interested Person Transactions – Potential Conflicts of Interest" of this Offer Document for further details);
- 11) reviewing transactions undertaken by the Group which fall within the scope of Chapter 10 of the Catalist Rules;
- 12) to be the primary reporting line of the internal audit function and ensuring that the internal audit function has direct and unrestricted access to the Chairman of the Board and the Audit Committee;
- 13) ensuring that the internal audit function is adequately resourced and has appropriate standing within the Company;
- 14) reviewing the scope and results of the internal audit procedures, and at least annually, the adequacy, effectiveness, independence, scope and results of the internal audit function;
- 15) ensuring the internal audit function is independent, effective and adequately resourced, is staffed with persons with the relevant qualifications and experience, and deciding on the appointment, termination and remuneration of the head of the internal audit function;
- 16) meeting with the external auditors and internal auditors, in each case without the presence of the Management, at least annually;
- 17) reviewing the assistance, coordination and co-operation given to the Group's Management to the internal and external auditors;
- 18) reviewing the nature, extent and costs of non-audit services performed by the external auditors, to ensure their independence and objectivity;
- 19) appraising and reporting to the Board on the audits undertaken by the external auditors and internal auditors, and the adequacy of disclosure of information;
- 20) where necessary, commissioning an independent audit on internal controls and risk management systems for the assurance of the AC, or where it is not satisfied with the systems of internal controls and risk management;
- 21) making recommendations to the Board on: (i) the proposals to shareholders on the appointment, re-appointment and removal of the external auditors; and (ii) the remuneration and terms of engagement of the external auditors;
- 22) undertaking such other reviews and projects as may be requested by the Board, and reporting to the Board its findings from time to time on matters arising and requiring the attention of the AC;

# CORPORATE GOVERNANCE REPORT

- 23) monitoring the measures undertaken by the Group to mitigate and to the extent possible remediate non-compliance by the Group, including non-compliances in respect of land use issues, and having oversight of and reviewing such measures to monitor and to the extent possible prevent further recurrence of non-compliances;
- 24) reviewing changes in accounting policies and practices, major risk areas and significant adjustments arising from audits, compliance statutory and regulatory requirements including the accounting standards and the Catalist Rules, and concerns and issues arising from audits including any matters which the external auditors may wish to discuss in the absence of the Management;
- 25) reviewing and approving all hedging policies implemented by the Group (if any) and conducting periodic review of foreign exchange transactions and hedging policies and procedures;
- 26) reviewing and establishing procedures for receipt, retention and treatment of complaints received by the Group, including among others, criminal offences involving the Group or the employees, and/or questionable accounting, auditing, business, safety or other matters that impact negatively on the Group, and ensuring that arrangements are in place for the independent investigations of such matter and for appropriate follow-up; and
- 27) undertaking generally such other functions and duties as may be required by law or the Catalist Rules, and by amendments made thereto from time to time.

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

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

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

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

# CORPORATE GOVERNANCE REPORT

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

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

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

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

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

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

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

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

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

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

# CORPORATE GOVERNANCE REPORT

## SHAREHOLDER RIGHTS AND ENGAGEMENT

### Shareholder Rights and Conduct of General Meetings

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

### Engagement with Shareholders

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

## MANAGING STAKEHOLDERS RELATIONSHIPS

### Engagement with Shareholders

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

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

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

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

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

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

# CORPORATE GOVERNANCE REPORT

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

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

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

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

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

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

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

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

For enquiries, Shareholders and all other parties can contact the Company at [ir@winkingworks.com](mailto:ir@winkingworks.com).

# CORPORATE GOVERNANCE REPORT

## MATERIAL CONTRACTS

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

## INTERESTED PERSON TRANSACTIONS

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

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

## DEALING IN SECURITIES

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

- The Company had devised and adopted its own internal compliance code to provide guidance to its officers with regards to dealings by the Company and its officers in its securities;
- Officers of the Company did not deal in the Company's securities on short-term considerations; and
- The Company and its officers did not deal in the Company's shares (i) during the periods commencing one (1) month before the announcement of the Company's financial results for its half yearly and full year financial statements, ending on the date of the announcement of the relevant results, and (ii) if they are in possession of unpublished price-sensitive information of the Group.

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

# CORPORATE GOVERNANCE REPORT

## USE OF PROCEEDS

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

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

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

## NON-SPONSOR FEES

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