**WINKING STUDIOS LIMITED**
(Company Registration No. 159882)
(Incorporated in the Cayman Islands)

17 January 2025

# Proposed Acquisition of One of the Leading Game Art Outsourcing and Development Studios in Asia

*M&A Strategy Gains Momentum with the Group's Largest M&A Transaction to date*

Winking Studios Limited (AIM / SGX:WKS) (the "**Company**" and together with its subsidiaries, the "**Group**"), one of Asia's largest AAA game art outsourcing studios and an established game development company, is pleased to announce the proposed conditional acquisition of Shanghai Mineloader Digital Technology Co., Ltd. (the "**Target**", "**Mineloader**" or "**上海皿鎏數字科技有限公司**" and together with its subsidiaries, the "**Target Group**"), one of Asia's leading game art outsourcing and development studios (the "**Proposed Acquisition**").

Funded from the Company's internal cash resources, the consideration payable for the acquisition is approximately RMB 146 million (or approximately S$27.2 million or £16.3 million), of which the upfront payment is approximately RMB131.4 million (or approximately S$24.5 million or £14.7 million), with the balance to be paid on the fifth anniversary following completion of the Proposed Acquisition subject to the satisfaction of certain conditions and performance targets.

- With its business roots tracing back to 2003 when the Target Group established its first studio, Mineloader is currently headquartered in Shanghai and has developed integrated capabilities across three major gaming platforms and expanded its workforce to 466 employees (as at 30 November 2024) across three studios in Asia
- In its latest full audited period, Mineloader delivered EBITDA of approximately S$3.6 million for the financial year ended 31 December 2023 ("**FY2023**")[1]
- The majority of Mineloader's revenue is generated from game art outsourcing services (an average of approximately 90% for FY2022 and FY2023) and its strength in console platform games can provide more revenue diversity for the Group
- With a reputable track record within the global gaming services industry, Mineloader has established enduring working relationships with blue-chip gaming clients globally, gaining more traction in Western markets in recent years
- Spearheaded by industry veterans with extensive past experience at renowned Japanese gaming companies, who will continue to lead the business of the Target Group while benefitting from the Group's central resources and expertise
- The Proposed Acquisition is expected to deliver increased scale across Asia, new Western clients, and increased resources to deliver on the Group's global ambitions
- Completion of the Proposed Acquisition is subject to certain conditions precedent, as detailed below, which are expected to be satisfied before the end of the second quarter of 2025

[1] The financial results of Mineloader for FY2023 is audited based on China generally accepted accounting principles ("**PRC GAAP**"). As such, this may be subject to adjustments based on International Financial Reporting Standards ("**IFRS**") which is currently adopted by the Company.

**Accelerating Growth and Innovation with its M&A Strategy**

Since its listing on the Catalist of the Singapore Stock Exchange in November 2023 and as detailed in its AIM Admission Document in November 2024, the Group has embarked on an M&A strategy aimed at increasing its global presence through the acquisition of companies that align with its sales growth, capability enhancement, and global market expansion goals.

The Proposed Acquisition follows the two acquisitions completed in 2024 of Taipei-based art outsourcing studio On Point Creative Co., Ltd. and Kuala Lumpur-based Pixelline Production Sdn. Bhd, which together significantly enhance the Group's resource base, service offerings and market reach.

**Commenting on the Proposed Acquisition, Executive Director and Chief Executive Officer (Founder) of Winking Studios Limited, Mr Johnny Jan (詹承翰), commented:**

*"This marks our largest acquisition to date and represents a pivotal step that augments our position in the global video games industry, unlocking new horizons for growth and innovation."*

*"Game art is essential in a video game's development, serving as the visual foundation and creative ingenuity that engages players and shapes their gaming experience. Together with a reputable track record and a speciality in game art production, Mineloader's team of more than 460 employees will be a valuable addition to our Group's existing headcount of over 800, boosting our service offerings in this segment and adding new clients. Mineloader's established experience and presence in the Japanese market is also a notable value add to our Group's business networks."*

*"Complementing Winking Studios' capabilities in online platform games, Mineloader's strengths in console platform games can provide revenue diversity. There are also opportunities for increased business synergies and cross-selling, driving enhanced economies of scale and scalability."*

*"Driven by our global ambitions, we will continue to proactively explore new M&A opportunities to enhance our value propositions across the value chain of the global gaming services industry, delivering cost-effective solutions for our Western and Asian gaming clients in different market segments."*

**Enquiries**


| **Singapore** | **UK** |
|---|---|
| **Winking Studios Limited**<br>Johnny Jan, Executive Director and Chief Executive Officer (Founder)<br>Oliver Yen, Finance Director and Group Chief Financial Officer | Via Alma |
| **8PR Asia (Investor Relations)**<br>Alex Tan<br>+65 9451 5252<br>alex.tan@8prasia.com | **Alma Strategic Communications**<br>Justine James / David Ison / Emma Thompson<br>+44 (0)20 3405 0205<br>WKS@almastrategic.com |
| **PrimePartners Corporate Finance Pte. Ltd. (Continuing Sponsor)**<br>Foo Jien Jieng<br>sponsorship@ppcf.com.sg | **Strand Hanson Limited (Financial and Nominated Adviser)**<br>James Harris / James Bellman<br>+44 (0)20 7409 3494 |
| | **SP Angel Corporate Finance LLP (Broker)**<br>Stuart Gledhill / Charlie Bouverat (Corporate Finance)<br>Abigail Wayne / Rob Rees (Corporate Broking)<br>+44 (0)20 3470 0470 |

**About Winking Studios Limited (AIM and SGX: WKS)**

Headquartered in Singapore and dual-listed on the London Stock Exchange and Singapore Exchange (Trading Code: WKS), Winking Studios Limited is one of Asia's largest AAA game art outsourcing studios and an established game development company.

With over 20 years of experience and established track record, the Group provides end-to-end art outsourcing, game development services and other gaming services across various platforms for the global gaming industry via its three business segments of Art Outsourcing, Game Development and Global Publishing & Other Services.

The Group has nine studios across Singapore, Kuala Lumpur, Taipei, Shanghai, Nanjing and Suzhou with over 800 highly skilled employees serving a global customer base that includes 22 of the top 25 game publishers in the world.

For more information, please visit www.winkingworks.com.

---

**PROPOSED ACQUISITION OF 100% OF THE EQUITY INTEREST OF SHANGHAI MINELOADER DIGITAL TECHNOLOGY CO., LTD. (上海皿鎏數字科技有限公司)**

---

## 1. INTRODUCTION

1.1 The Board of Directors (the "**Board**" or "**Directors**") of Winking Studios Limited (the "**Company**", and together with its subsidiaries, the "**Group**") is pleased to announce that the Company's wholly owned subsidiary, Shanghai Winking Entertainment Ltd (上海唯晶信息科技有限公司) (the "**Purchaser**") has on 17 January 2025 entered into conditional equity purchase agreements (the "**Equity Purchase Agreements**") with Shanghai Mineloader Digital Technology Co., Ltd. (上海皿鎏數字科技有限公司) (the "**Target**" and together with its subsidiaries, the "**Target Group**"), and each of the existing 17 current shareholders of the Target, namely Su Fang (苏方), Shanghai Dao Zhen Business Consulting Co., Ltd.(上海道珍商务咨询有限公司), Huang Yingyi （黄盈怡）, Dongtai Runkun Tianlu Equity Investment Partnership (Limited Partnership) (东台润昆天禄股权投资合伙企业（有限合伙）), Changshu Bothwin Investment Center (General Partner) (常熟市博盈投资中心（普通合伙）), Guo Zanhua（郭赞华）, Cai Shiguang（蔡士光）, Shanghai Mineloader Investment Management Co., Ltd (上海皿鎏投资管理有限公司), Xu Zhen（徐臻）, Kang Tianhao（康添豪）, Wang Wei（王威）, Li Shen（李申）, Zhu Xinmiao（朱欣苗）, Zhang Yang（张洋）, Zhang Yanyan（张艳艳）, Guo Cong（郭丛）and Chang Ning（常宁）(collectively, the "**Vendors**" and together with the Purchaser, the "**Parties**"), in connection with the proposed acquisition of 100% of the equity interest of the Target (the "**Proposed Acquisition**").

1.2 In connection with but separate from the Proposed Acquisition, the Company and the Purchaser have also on 17 January 2025 entered into performance commitment and incentive agreements (the "**Incentive Agreements**") with 10 of the individual Vendors who are also key management personnel of the Target ("**Key Management Personnel**"), pursuant to which new incentive shares in the capital of the Company (the "**Incentive Shares**") amounting to a value of up to RMB23,992,100 (or approximately S$4.5 million[2] or £2.7 million[3]) in aggregate, will be issued over the financial years ending 31 December 2025 to 31 December 2030, subject to the fulfilment of performance targets and terms as prescribed under the Incentive Agreements, further details of which are set out in section 3(b) of this announcement (the "**Announcement**") below ("**Incentive Arrangements**").

[2] Based on the exchange rate of RMB1:S$0.1865 as at 16 January 2025 as extracted from the Monetary Authority of Singapore's ("**MAS**") website.
[3] Based on the exchange rate of RMB1: £0.1118 as at 16 January 2025 as extracted from the MAS website.

1.3 The Proposed Acquisition is conditional upon the satisfaction of certain conditions precedent set out in section 3(d) of this Announcement below. A further announcement will be made at the time such conditions are satisfied.

## 2. INFORMATION ON THE TARGET

The Target is a private company limited by shares incorporated in the People's Republic of China (the "**PRC**") on 3 April 2019 with the unified social credit code[4] 91310110MA1G8Y6WXJ and its principal business address being Room 301-304, No. 688, Dalian Road, Yangpu District, Shanghai, the PRC. The Target Group provides a wide range of services to major game developers globally, and such services include full level game production, game development, 3D animation, and development of 3D assets and 3D characters.

With its business roots tracing back to 2003 when the Target Group established its first studio, Mineloader is currently headquartered in Shanghai and has developed integrated capabilities across three major gaming platforms and expanded its workforce to 466 employees (as at 30 November 2024) across three studios in Asia.

The majority of Mineloader's revenue is generated from game art outsourcing services (an average of approximately 90% for the financial years ended 31 December 2022 and 31 December 2023 ("**FY2023**")) and its strength in console platform games can provide more revenue diversity for the Group.

The Target Group is spearheaded by industry veterans with extensive past experience at renowned Japanese gaming companies, who will continue to lead the business of the Target Group, while benefitting from the Group's central resources and expertise. The Target has built up a reputable track record within the global gaming services industry, and has established enduring working relationships with blue-chip gaming clients and gaining greater traction in Western markets in recent years.

None of the Target, its subsidiaries or any of their respective directors and shareholders, are related to any of the Directors, controlling shareholders, Chief Executive Officer of the Company and/or their respective associates. As at the date of this Announcement, none of the Target, its subsidiaries, their respective directors or shareholders, holds shares, directly or indirectly, in the Company.

## 3. DETAILS IN RELATION TO THE PROPOSED ACQUISITION AND THE INCENTIVE ARRANGEMENTS

### (a) Purchase Consideration

The aggregate purchase consideration payable by the Company in connection with the Proposed Acquisition is up to RMB146,007,900 (or approximately S$27.2 million[5] or £16.3 million[6]), comprising the following:

(i) Pursuant to the Equity Purchase Agreements, an upfront cash payment of RMB131,407,110 (or approximately S$24.5 million[7] or £14.7million[8]) ("**Upfront Cash Consideration**"), shall be paid by the Company to the Vendors on the date of completion (the "**Completion**", and the date on which Completion takes place, the "**Completion Date**"); and

[4] The unified social credit code serves as a legal entity's unique identification number in the PRC.
[5] See footnote 2.
[6] See footnote 3.
[7] See footnote 2.
[8] See footnote 3.

(ii) The balance purchase price of up to RMB14,600,790 (or approximately S$2.7 million[9] or £1.6 million[10]) (the "**Balance Purchase Price**") shall be paid to the Vendors after the 5th anniversary of the Completion Date. The payment of the Balance Purchase Price is however, subject to the Purchaser's right to deduct monies payable from the Balance Purchase Price in the event the Target suffers losses, penalties or liabilities, as prescribed under the terms of the Equity Purchase Agreements,

(collectively, the "**Purchase Consideration**").

**(b) Incentive Arrangements**

(i) Pursuant to the Incentive Agreements, Incentive Shares amounting up to a value of RMB23,992,100 (or approximately S$4.5 million[11] or £2.7 million[12]) in aggregate shall be issued to the Key Management Personnel based on the proportion specified in the Incentive Agreements, and subject to, *inter alia*, the satisfaction by the Target and the Key Management Personnel of performance criteria prescribed under the Incentive Agreements, including targets relating to the annual net profit of the Target Group for the financial years ending 31 December 2025 to 31 December 2029.

(ii) The issue price of each Incentive Share shall be determined as follows:

I. The weighted average share price of the Company's shares ("**Shares**") trading on AIM of the London Stock Exchange denominated in GBP across the period of 5 market days from the day immediately following the date of the Company's announcement of the Proposed Acquisition on AIM of the London Stock Exchange[13] (the "**Announcement Date**") (inclusive of the day immediately following the Announcement Date) shall be ascertained as mutually agreed amongst the Parties.[14] In addition, the Issue Price shall be subject to:

1. the upper limit of 140% of the weighted average share price of the Company's Shares trading on AIM of the London Stock Exchange denominated in GBP for the market day immediately preceding the Announcement Date, and

2. the lower limit of: (A) 60% of the weighted average share price of the immediately preceding market day on AIM of the London Stock Exchange before the Announcement Date; and (B) 90% of the weighted average share price in SGD based on the trades done on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on the immediately preceding market day up to the time the Incentive Agreements are signed[15], pursuant to Rule 811 of

---

[9] See footnote 2.
[10] See footnote 3.
[11] See footnote 2.
[12] See footnote 3.
[13] The weighted average share price for trades on AIM of the London Stock Exchange as referred to in the Incentive Agreements shall be extracted from the daily weighted average share price published by the London South East website at the URL: https://www.lse.co.uk as mutually agreed amongst the Parties.
[14] The exchange rate to be used for the conversion of the weighted average share price in GBP to RMB shall be based on the midpoint exchange rate of GBP against RMB on the 5th market day from the immediately following market day after the Announcement Date, as extracted from the China Foreign Exchange Trading Center at the URL: https://www.safe.gov.cn/big5/big5/www.safe.gov.cn/safe/rmbhlzjj/index.html
[15] The weighted average share price for trades on the Catalist of the SGX-ST shall be extracted from Bloomberg. The exchange rate to be used for the conversion of the weighted average share price in SGD to RMB shall be

the Listing Manual Section B: Rules of Catalist of the SGX-ST (the “**Catalist Rules**”) of the SGX-ST, whichever of (A) or (B) is the higher (“**Lower Limit Issue Price**”).

II. For the avoidance of doubt, the weighted average share price should be calculated as follows: the total market value of the transactions in the Company's Shares divided by the total transaction volume.

The Incentive Shares, if and when allotted and issued, shall rank *pari passu* with all the existing Shares, save for any dividends, rights, allotments or other distributions, the record date for which falls before the date of issue of the Incentive Shares.

(iii) The Company will rely on the prevailing general share issue mandate at the relevant time prior to the issuance of the Incentive Shares, which is subject to renewal at the annual general meeting ("**AGM**"). In the event that the general share issue mandate is not approved at an AGM or is insufficient for any such issuance of Incentive Shares, the Company will then seek specific approval from its shareholders ("**Shareholders**") for the issuance of the Incentive Shares.

For illustrative purposes, assuming the fulfilment of all the performance targets and terms of the Incentive Agreements, the Company will issue Incentive Shares amounting to a value of up to RMB23,992,100 (or approximately S$4.5 million[16] or £2.7 million[17]) in aggregate. Assuming an indicative issue price of S$0.2735 (or approximately RMB1.4665[18] or £0.1640[19]) per Incentive Share (which is not more than 90% of the weighted average share price in SGD based on the trades done on the SGX-ST on the immediately preceding market day up to the time the Incentive Agreements are signed based on the Lower Limit Issue Price as set out in section 3(b)(ii) of this announcement) (the "**Illustrative Issue Price**"), 16,360,336 Incentive Shares will be issued by the Company, representing approximately 3.58% of the enlarged issued and paid-up share capital of the Company following the Proposed Acquisition and the issuance of the Incentive Shares.

(iv) The Company will apply to the SGX-ST through its sponsor, PrimePartners Corporate Finance Pte. Ltd. for, *inter alia*, the dealing in, listing and quotation of the Incentive Shares on the Catalist of the SGX-ST. The Company will make the necessary announcements upon receipt of the listing and quotation notice from the SGX-ST. In addition, an application will be made at the relevant time for such shares to be admitted to trading on AIM.

**(c) Basis of the Purchase Consideration and Incentive Arrangements**

The Purchase Consideration and Incentive Arrangements were negotiated between the Company and the Vendors at arms' length and arrived at on a willing buyer-willing seller basis, taking into account, amongst other things:

(i) the book value of the Target as at 30 November 2024, along with the historical financial performance and growth potential of the Target and its subsidiaries, noting that the Target delivered an EBITDA of approximately S$3.6 million and

---

based on the exchange rate of SGD against RMB on the 5th market day from the immediately following market day after the Announcement Date, as extracted from the MAS website at the URL: https://eservices.mas.gov.sg/Statistics/msb/ExchangeRates.aspx

[16] See footnote 2.

[17] See footnote 3.

[18] Based on the exchange rate of S$1: RMB5.3619 as at 16 January 2025 as extracted from the MAS website.

[19] Based on the exchange rate of S$1: £0.5995 as at 16 January 2025 as extracted from the MAS website.

EBIT of approximately S$3.2 million for FY2023, being its latest audited consolidated financial statements[20];

(ii) the fair value of the Target as set out in the Valuation Report (as defined below);

(iii) the outcome of the legal, financial and tax due diligence conducted by the Group on the Target and its subsidiaries; and

(iv) the prevailing market conditions in respect of the art outsourcing and game development industries globally. For further details, please refer to the section entitled "Market and Regulatory Overview" of the AIM Admission Document released by the Company on SGXNet on 11 November 2024 ("**AIM Admission Document**").

**(d) Conditions Precedent to the Proposed Acquisition**

Completion of the Proposed Acquisition is conditional upon satisfaction of the conditions precedent set out in the Equity Purchase Agreements, which include, *inter alia*, the following:

(i) The issued share capital of the Target and its subsidiaries having been fully paid up;

(ii) The shareholders of the Target having passed a resolution to approve the Proposed Acquisition;

(iii) The Vendors having executed confidentiality and non-competition agreements and intellectual property ownership agreements to the satisfaction of the Purchaser;

(iv) All shareholders of the Target having waived their rights of first refusal in relation to the transfers of equity interests under the Proposed Acquisition;

(v) The Vendors notifying the relevant customers of the Target Group of the Proposed Acquisition and providing the notification documents to the Purchaser;

(vi) The Purchaser having been registered as the sole shareholder of the Target with the local companies registry;

(vii) The changes in the board members, legal representative, supervisor(s) and management personnel of the Target, as specified by the Purchaser, having been completed;

(viii) As at the Completion Date, the representations and warranties made by the Vendors and the Target being true and accurate;

(ix) As at the Completion Date, no event has occurred which has a material adverse effect on the financial condition, operating results, business operations or assets of the Target;

(x) As at the Completion Date, there are no court judgments, government agency rulings or legal provisions that (a) restrict, prohibit, delay or otherwise prevent or seek to prevent the completion of the Proposed Acquisition; (b) cause the Target, the Vendors and/or the Purchaser to suffer fundamental major penalties or bear major legal liabilities; or (c) restrict the operations of the Target and thereby constitute a major adverse change; and

[20] See footnote 1.

(xi) Such other standard administrative prerequisites for the payment of the Purchase Consideration,

(collectively, the "**Conditions Precedent**").

Completion shall take place as the parties to the Equity Purchase Agreements may agree.

The allotment and issuance of the Incentive Shares shall only take effect after completion of the Proposed Acquisition and after approval of the Directors for the allotment and issuance of the Incentive Shares has been obtained.

**(e) Value of the Equity Interest in the Target**

Based on the latest unaudited accounts of the Target as at 30 November 2024, the book value of the Target's assets were RMB60,040,019 (or approximately S$11.2 million[21] or US$8.19 million[22] or £6.71 million [23]) and the net tangible asset value of the Target as at 30 November 2024 was RMB54,834,473 (or approximately S$10.2 million[24] or US$7.48 million[25] or £6.13 million[26]). There is no open market value for the equity interest in the Target.

The Purchaser had commissioned an independent valuation in respect of 100% of the equity interest of the Target for the purposes of the Proposed Acquisition. Based on a valuation report dated 6 January 2025 prepared by ClientView Management Consulting Co., Ltd. (客观企业管理顾问股份有限公司) (the "**Valuation Report**"), the fair value of 100% of the equity interest of the Target as at 30 November 2024 is a range of RMB143,173,316 (or approximately S$26.7 million [27] or £16 million [28] ) to RMB152,312,084 (or approximately S$28.41 million [29] or £17.03 million [30]) (the "**Fair Value of the Target**"). The Fair Value of the Target was mainly derived from the income method of valuation, which is based on the future income flow, including expected dividends, cash flows or surpluses.

## 4. RATIONALE FOR AND BENEFITS OF THE PROPOSED ACQUISITION AND INCENTIVE ARRANGEMENTS

The Directors believe that the Proposed Acquisition is in line with the Group's business strategy to pursue strategic acquisitions to increase its revenue and expand its capabilities so as to increase its market presence globally, which is in line with its business strategies as disclosed in the section entitled "*General Information on our Group – Business Strategies and Future Plans*" of the offer document issued by the Company dated 8 November 2023 (the "**Offer Document**"), in the Company's annual report for FY2023, and in the Company's circular to its Shareholders dated 15 April 2024 (the "**Placement Circular**").

In addition, the Directors believe that the Proposed Acquisition will allow the Group to scale up its presence across different market segments within the global gaming services industry, which is in line with the Company's business strategies of pursuing growth through acquisitions.

[21] See footnote 2.
[22] Based on the exchange rate of RMB1: US$0.1364 as at 16 January 2025 as extracted from the MAS website.
[23] See footnote 3.
[24] See footnote 2.
[25] See footnote 22.
[26] See footnote 3.
[27] See footnote 2.
[28] See footnote 3.
[29] See footnote 2.
[30] See footnote 3.

Together with the addition of the Target's team of more than 460 employees to the Group's team of more than 800 employees, the Proposed Acquisition is also expected to provide the Group with increased resources, including assets and know-how, so as to achieve an overall increased capacity for its service offerings. The Target's established experience and presence in the Japanese market is also a notable value add to the Group's business networks.

The Proposed Acquisition is expected to expand the pool of clients for both the Target and the Group, hence there are also opportunities for increased business synergies and cross-selling, driving enhanced economies of scale and scalability.

The Proposed Acquisition will also enable the Group to capitalise on the Target's strength in console platform games, which is a good complement to the Group's capabilities in online platform games, enhancing its value propositions across the value chain of the global gaming services industry to deliver cost-effective solutions for its Western and Asian gaming clients in different market segments.

The Incentive Arrangements serve as a means to incentivise the Key Management Personnel to, *inter alia*, achieve the performance targets set out in the Incentive Agreements, remain in the Target Group and to further the growth of the Target Group.

The Proposed Acquisition and the Incentive Arrangements will be financed through the Company's internal resources, which include proceeds from the Placement (as defined in the Offer Document) and the Cornerstone Tranche (as defined in the Offer Document) and the Placement Net Proceeds (as defined in the Placement Circular). Further details on the utilisation of the proceeds raised from the Placement and the Cornerstone Tranche as well as the Placement Net Proceeds are set out in section 7 of this Announcement below.

Having considered the terms of the Proposed Acquisition and the Incentive Arrangements and the benefits of the Proposed Acquisition and the Incentive Arrangements to the Group, the Directors are of the view that the Proposed Acquisition and the Incentive Arrangements are in the best interests of the Company.

## 5. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION AND THE INCENTIVE ARRANGEMENTS

The proforma financial effects are presented purely for illustrative purposes only and are therefore not necessarily indicative of the actual financial performance or position of the Group after completion of the Proposed Acquisition and the Incentive Arrangements.

The proforma financial effects of the Proposed Acquisition and the Incentive Arrangements on the net tangible assets ("**NTA**") attributable to the owners of the Company per Share and the earnings per share ("**EPS**"), and gearing of the Group are set out below. The proforma financial effects have been prepared based on the latest audited consolidated financial statements of the Group as at 31 December 2023, and on the following key bases and assumptions:

(i) the financial effects of the Proposed Acquisition and the Incentive Arrangements on the NTA per Share of the Company for FY2023 are computed assuming that the Company's placement exercise of S$27.0 million and dual listing placing exercise of S$13.5 million (collectively, the "**2024 Placement Exercises**") had been completed on 31 December 2023;

(ii) the financial effects of the Proposed Acquisition and the Incentive Arrangements on the EPS of the Company for FY2023 are computed assuming that the 2024 Placement Exercises had been completed on 1 January 2023; and

(iii) the computation does not take into account any expenses that may be incurred in relation to the Proposed Acquisition and the Incentive Arrangements.

It is noted that the financial results of Mineloader for FY2023 is audited based PRC GAAP. As such, this may be subject to adjustments based on IFRS which is currently adopted by the Company.

**(a) Effect on NTA per Share**

For illustrative purposes only, the proforma financial effects of the Proposed Acquisition and the Incentive Arrangements on the Group's NTA per Share, assuming that the Proposed Acquisition and the Incentive Arrangements had been completed on 31 December 2023, being the end of the most recently audited and completed financial year, are set out below:

| | As at 31 December 2023 | After the 2024 Placement Exercises, but before the completion of the Proposed Acquisition and the Incentive Arrangements* | After the 2024 Placement Exercises, and the completion of the Proposed Acquisition and the Incentive Arrangements |
|---|---|---|---|
| NTA (US$'000) | 18,699 | 47,995[(1)] | 53,570[(3)] |
| Number of issued Shares (excluding treasury shares) ('000) | 279,698 | 440,365[(2)] | 456,725[(4)] |
| NTA per Share (US cents) | 0.07 | 0.11 | 0.12 |

**Notes:**

(1) The NTA of the Group is computed based on the net assets (after deducting intangible assets and rights-of-use assets) of the Group as at 31 December 2023 and the increase in NTA as a result of the 2024 Placement Exercises.

(2) Based on the total number of issued Shares of the Company as at 31 December 2023 and the increase in the total number of issued Shares as a result of the 2024 Placement Exercises.

(3) The NTA after the Proposed Acquisition and the Incentive Arrangements is computed by aggregating the NTA of the Target Group with the Company's NTA as at 31 December 2023.

(4) Based on the total number of issued Shares of the Company as at 31 December 2023 and the increase in total number of issued Shares as a result of the 2024 Placement Exercises and assuming that the full issuance of all the Incentive Shares at the Illustrative Issue Price of S$0.2735 (or approximately RMB1.4665[31] or £0.1640[32]) per Incentive Share.

[31] See footnote 18.

[32] See footnote 19.

*This column merely includes the number of issued Shares and the funds raised from the 2024 Placement Exercises (where applicable).

**(b) Effect on EPS**

For illustrative purposes only, the proforma financial effects of the Proposed Acquisition and the Incentive Arrangements on the consolidated earnings of the Group, assuming that the Proposed Acquisition and the Incentive Arrangements had been completed on 1 January 2023, being the beginning of the most recently audited and completed financial year, are set out below:

| | As at 31 December 2023 | After the 2024 Placement Exercises, but before the completion of the Proposed Acquisition and the Incentive Arrangements* | After the 2024 Placement Exercises, and the completion of the Proposed Acquisition and the Incentive Arrangements |
|---|---|---|---|
| Net profits(1) (US$'000) | 1,780 | 1,780 | 4,067(3) |
| Weighted average number of Shares ('000) | 243,881(2) | 404,048(2) | 448,657(4) |
| EPS (US cents) | 0.73 | 0.44 | 0.91 |

**Notes:**

(1) Net profit means profit attributable to owners of the parent.

(2) The weighted average number of ordinary Shares for FY2023 of 243,381,211 and adjusted for the increase in the number of ordinary Shares to 404,047,878 assuming the completion of the 2024 Placement Exercises.

(3) The net profits after the Proposed Acquisition and the Incentive Arrangements is computed by aggregating the net profit of the Target Group of approximately US$2.3 million for FY2023 with the Company's net profit for FY2023.

(4) The weighted average number of ordinary Shares for FY2023 of 243,381,211 and adjusted for the increase in the number of ordinary Shares to 404,047,878 as a result of the 2024 Placement Exercises and assuming the full issuance of all the Incentive Shares at the Illustrative Issue Price of S$0.2735 (or approximately RMB1.4665[33] or £0.1640[34]) per Incentive Share.

*This column merely includes the number of issued Shares and the funds raised from the 2024 Placement Exercises (where applicable).

**(c) Effect on share capital of the Company**

The effect of the Proposed Acquisition and the Incentive Arrangements on the issued and paid-up share capital of the Company is set out below:

[33] See footnote 18.
[34] See footnote 19.

| | As at 31 December 2023 | Before the completion of the Proposed Acquisition and the Incentive Arrangements | After the completion of the Proposed Acquisition and the Incentive Arrangements(1) |
|---|---|---|---|
| Issued and paid-up share capital | S$11,187,931 represented by 279,698,275 Shares | S$17,614,598 represented by 440,364,942 Shares | S$18,269,011.12(2) represented by 456,725,278 Shares |

**Notes:**

(1) Assuming the issuance of 16,360,336 Incentive Shares, at the Illustrative Issue Price of S$0.2735 (or approximately RMB1.4665[35] or £0.1640[36]) per Incentive Share, being the weighted average price for trades done on the SGX-ST for the preceding market day up to the time the Incentive Agreements were signed.

(2) This figure is calculated by adding the existing 440,364,942 Shares in the capital of the Company to 16,360,336 Incentive Shares, assuming the full issuance of 16,360,336 Incentive Shares at the Illustrative Issue Price of S$0.2735 (or approximately RMB1.4665[37] or £0.1640[38]) per Incentive Share, and multiplying the result by S$0.04, being the par value of each Share.

**(d) Gearing**

The Proposed Acquisition and Incentive Arrangements will not have any impact on the gearing ratio on the Group as the Target Group has no gearing following the full repayment of all of its borrowings as at 30 November 2024.

## 6. RELATIVE FIGURES IN RESPECT OF THE PROPOSED ACQUISITION AND THE INCENTIVE ARRANGEMENTS

The relative figures in respect of the Proposed Acquisition and the Incentive Arrangements pursuant to Rule 1006 of the Catalist Rules based on the latest announced consolidated financial statements of the Group as at 30 June 2024 are as follows:

| Catalist Rule | Bases of computation | Relative figures (%) |
|---|---|---|
| 1006(a) | The net asset value ("**NAV**") of the assets to be disposed of, compared with the Group's NAV | Not applicable(1) |

[35] See footnote 18.
[36] See footnote 19.
[37] See footnote 18.
[38] See footnote 19.

| | | |
|---|---|---|
| 1006(b) | The net profits attributable to the assets acquired or disposed of, compared with the Group's net profits | 53.40(2) |
| 1006(c) | The aggregate value of the consideration given or received, compared with the Company's market capitalisation(3) based on the total number of issued Shares excluding treasury shares | 23.70(4) |
| 1006(d) | The number of equity securities issued by the Company under the Incentive Arrangements, compared with the number of equity securities previously in issue | 3.72(5)<br><br>For the avoidance of doubt, the Incentive Shares to be issued under the Incentive Arrangements do not form part of the consideration payable for the Proposed Acquisition. |
| 1006(e) | The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil and gas assets by a mineral, oil and gas company, but not to an acquisition of such assets. | Not applicable(6) |

**Notes:**

(1) This basis is not applicable to the Proposed Acquisition and the Incentive Arrangements, which are not a disposal.

(2) Under Catalist Rule 1002(3)(b), "net profits" means profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests. Based on the latest announced consolidated financial statements of the Group for the 6-month period ended 30 June 2024, the net profits of the Group were approximately US$1,007,000 (or approximately RMB7.39 million[39] or S$1.38 million[40] or £0.8 million[41]). Based on the latest unaudited financial statements of the Target for the same financial period, the net profits attributable to the Target were approximately RMB3,942,197 (or approximately US$0.73 million[42] or £0.44 million[43]).

(3) Under Catalist Rule 1002(5), "market capitalisation" is determined by multiplying the number of issued Shares by the volume weighted average price of such Shares transacted on 16 January 2025, being the last market day whereby the Shares were traded preceding the date of the Equity Purchase Agreements.

(4) The aggregate value of the consideration and the value of the Incentive Shares (based on the Illustrative Issue Price of S$0.2735 (or approximately RMB1.4665[44] or £0.1640[45]) per Incentive Share) which may be payable by the Company to the Vendors is RMB170 million (or approximately S$31.7 million[46] or £19 million[47]) while the market capitalisation of the Company is approximately S$133,782,869, which was determined by multiplying the number of Shares of 440,364,942 by the

[39] Based on the exchange rate of US$1: RMB7.3319 as at 16 January 2025 as extracted from the MAS website.
[40] Based on the exchange rate of US$1: S$1.3674 as at 16 January 2025 as extracted from the MAS website.
[41] Based on the exchange rate of US$1: £0.8197 as at 16 January 2025 as extracted from the MAS website.
[42] See footnote 22.
[43] See footnote 3.
[44] See footnote 18.
[45] See footnote 19.
[46] See footnote 2.
[47] See footnote 3.

weighted average price of such Shares transacted on 16 January 2025 (being the market day preceding the date of the Equity Purchase Agreements) of S$0.3038 per Share.

(5) The number of Shares refers to the 16,360,336 Incentive Shares to be issued amounting to a value of RMB23,992,100 (or approximately S$4.5 million[48] or £2.7 million[49]) in aggregate based on the Illustrative Issue Price of S$0.2735[50]. Computed based on the issued Shares of the Company of 440,364,942 Shares as at 16 January 2025 (being the market day preceding the date of the Incentive Agreements).

(6) This basis is not applicable as the Company is not a mineral, oil and gas company.

For the avoidance of doubt, the Proposed Acquisition itself is undertaken in the ordinary course of business of the Company and is therefore not subject to the requirements under Chapter 10 of the Catalist Rules. However, as the Incentive Arrangements arise in connection with the Proposed Acquisition and will only come into effect following completion of the Proposed Acquisition, the value of the Proposed Acquisition is aggregated with the Incentive Arrangements for the purposes of presenting the relative figures under Rule 1006 of the Catalist Rules. On this basis, the relative figures under Rule 1006(b) and Rule 1006(c) of the Catalist Rules exceed 5% but are less than 75%.

## 7. USE OF PROCEEDS RAISED FROM PREVIOUS FUNDRAISING EXERCISES

(a) The Board also wishes to provide an update on the use of proceeds raised from the Placement (as defined in the Offer Document) and the Cornerstone Tranche (as defined in the Offer Document), the Proposed Placement (as defined in the Placement Circular) and the Placing (as defined in the AIM Admission Document) (collectively, the "**Previous Fundraising Exercises**").

(b) As at the date of this Announcement, approximately S$41,725,000 (or approximately £25.01 million[51]) out of the gross proceeds of approximately S$23,821,040 (or approximately £14.28 million[52]) raised from the Previous Fundraising Exercises have been utilised. Details of the use of the proceeds from the Previous Fundraising Exercises as at the date of this Announcement are as follows:

**Placement and the Cornerstone Tranche (as defined in the Offer Document)**

| | **Allocation (S$'000)** | **Amount utilised (S$'000)** | **Balance (S$'000)** |
|---|---|---|---|
| Expansion of the Group's operations globally, including establishing subsidiaries and offices and enhancing existing office and supporting infrastructure | 1,000 | 1,000 | 0 |

[48] See footnote 2.
[49] See footnote 3.
[50] Based on Illustrative Issue Price for each Incentive Share of S$0.2735 (or approximately RMB1.4665 or £0.1640), which is at not more than 10% discount to the weighted average price for trades done on the SGX-ST on the preceding market day up to the time the Incentive Agreements are signed based on the basis of the Lower Limit Issue Price as set out in section 3(b)(ii) of this Announcement. The actual issue price of the Incentive Shares may be higher.
[51] See footnote 19.
[52] See footnote 19.

| | | | |
|---|---|---|---|
| Acquisitions, joint ventures and/or strategic alliances | 2,240 | 2,240 | 0 |
| Exploration of the use of AI capabilities in the Group's art outsourcing segment | 1,200 | 1,070 | 130 |
| General working capital purposes | 636 | 636 | 0 |
| **Total** | 5,076 | 4,946 | 130 |

**Proposed Placement (as defined in the Placement Circular)**

| | **Allocation (S$,000)** | **Amount utilised (S$,000)** | **Balance (S$,000)** |
|---|---|---|---|
| Corporate actions such as secondary or dual listings of the Company, potential fundraising exercises, pursuing strategic acquisitions, alliances and joint ventures to grow the Group’s market share and broaden the Group’s customer base | 17,200 | 17,200 | 0 |
| Enhancement of the Group’s current operational capabilities, which include continuous exploration of the use of AI capabilities | 4,000 | 0 | 4,000 |
| Expansion and improvements to the Group’s regional offices and supporting infrastructure as the Group continues to increase its market presence globally | 2,700 | 213 | 2,487 |
| Professional and other related fees to be incurred in relation to potential corporate exercises | 1,300 | 1,300 | 0 |

| | | | |
|---|---|---|---|
| such as fundraising exercises, listings, strategic acquisitions, alliances and joint ventures | | | |
| General working capital requirements of the Group | 1,300 | 162 | 1,138 |
| **Total** | 26,500 | 18,875 | 7,625 |

**Placing (as defined in the AIM Admission Document)**

| | **Allocation**<br><br>**(S$,000)** | **Amount utilised**<br><br>**(S$,000)** | **Balance**<br><br>**(S$,000)** |
|---|---|---|---|
| To continue actively pursuing strategic acquisitions, alliances and joint ventures in Asia and Europe to grow the Group's market share and increase operational capacity | 9,537 | 0 | 9,537 |
| To establish a stronger presence and broaden the Group's customer base in the North American and European markets, including (i) increasing the Group's marketing and business development efforts; (ii) establishing a UK-based regional hub; and (iii) pursuing acquisitions of smaller studios in this region | 306 | 0 | 306 |
| Enhancement of the Group's current operational capabilities, which include continuous development and improvement of the Group's AI capabilities | 306 | 0 | 306 |

| | | | |
|---|---|---|---|
| | | | |
| **Total** | 10,149 | 0 | 10,149 |

The utilisations of the proceeds are in line with the intended uses and allocations as set out in the Offer Document, Placement Circular and AIM Admission Document respectively.

**8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

None of the Directors or substantial shareholders of the Company has any interest, whether direct or indirect, in the Proposed Acquisition and/or the Incentive Arrangements, save for their direct or indirect interests (if any) arising by way of their shareholdings and/or directorships, as the case may be, in the Company.

**9. DETAILS OF SERVICE CONTRACTS**

No person will be appointed to the Board, and no service contract will be entered into by the Company in connection with the Proposed Acquisition and/or the Incentive Arrangements.

**10. DOCUMENTS FOR INSPECTION**

Copies of the Equity Purchase Agreements, Incentive Agreements and the Valuation Report are available for inspection during normal business hours at the Singapore headquarters of the Company at 6 Raffles Quay, #14-06, Singapore 048580, for a period of 3 months commencing from the date of this Announcement.

**11. FURTHER UPDATES**

The Company will make the relevant update announcements in compliance with the Catalist Rules and the AIM Rules for Companies to inform Shareholders of any updates or developments in due course in relation to the Proposed Acquisition and/or the Incentive Arrangements, if any.

**12. CAUTION IN TRADING**

Shareholders and potential investors of the Company should exercise caution when trading in the Shares. In particular, Shareholders and potential investors of the Company should note that there is no assurance that the Proposed Acquisition and/or the Incentive Arrangements will complete or materialise. Persons who are in doubt as to the action they should take should consult their legal, financial, tax or other professional advisers.

**BY ORDER OF THE BOARD**

MR. JOHNNY JAN
Executive Director and Chief Executive Officer (Founder)

17 January 2025

---

*Winking Studios Limited (the "**Company**") was listed on Catalist of the Singapore Exchange Securities Trading Limited (the "**Exchange**") on 20 November 2023. The initial public offering of the Company was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**"). This Announcement has* *been reviewed by the Sponsor. It has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this Announcement, including the correctness of any of the statements or opinions made or reports contained in this Announcement. The contact person for the Sponsor is Ms. Foo Jien Jieng, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318,* sponsorship@ppcf.com.sg*.*

*The information contained within this Announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014 as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended by virtue of the Market Abuse (Amendment) (EU Exit) Regulations 2019.*