

Date: 12 February 2025

Tax Governance Framework

Objective and Scope

This Singapore Tax Governance Policy (“the Policy”) sets out our approach towards conducting our Singapore tax affairs and covers all taxes including corporate income tax, goods and services tax and transfer pricing matters.

H2 Games Group (“the Group”) is committed to complying with tax laws and regulations. The Policy emphasises the importance of tax compliance and tax governance, outlining the Group’s view on tax, including the Group’s governance structure for managing tax risks and its approach to tax risk management.

The Policy applies to all Singapore entities of the Group.

Singapore Tax Governance Structure and Tax Compliance

The ultimate governance responsibility and accountability for all tax matters rests with the Board of Directors (“the Board”) of each entity within the Group. The Directors have the primary responsibility for corporate governance and strategy of Singapore and is the primary oversight and escalation point for all businesses and support functions. The Group’s Head of Tax, who is the overall in-charge of the tax matters of the Group, is responsible for reporting and escalating to the Board on the tax affairs of the Group and significant tax risks arising throughout the year. The Head of Tax is also responsible for reviewing the Policy on a periodic basis and approving the appropriate amendments. The Head of Tax is supported by a dedicated Singapore tax function.

The Singapore tax function is responsible for supporting the Head of Tax on the Group’s tax matters, including working closely with the Singapore General Manager and Finance function, to ensure compliance with the requirements of the Policy. The Singapore tax function is also responsible for corporate tax compliance matters, including managing communications with external tax advisors and the tax authorities.

We respect the intent of the relevant laws and regulations and are committed to a high standard of compliance with the laws and regulations in all countries in which we operate and do business, including relevant tax laws and regulations.

Tax Governance Framework (Cont'd)

Singapore Tax Governance Structure and Tax Compliance (Cont'd)

We maintain a sound system of risk management and internal controls to comply with all tax related matters, including preparing and filing local tax returns in a timely and accurate manner. To maintain our high standard of compliance with the relevant tax laws and regulations, the Group is diligent in keeping abreast of changes in tax rules and regulations through seminars conducted by professional consultants and tax updates issued by the tax authority.

When there is significant tax uncertainty or complexity, we seek external professional advice or, where applicable, consult with the relevant tax authority. We also have robust human resources procedures to ensure that staff are qualified and competent, including tax staff to support tax compliance and advisory, and encourage individual membership of relevant professional bodies.

Approach to Managing Tax Risk

The Group's tax function identifies key operational risks inherent in their activities, evaluate the effectiveness of relevant controls in place to mitigate identified risks, and defines actions to reduce residual risk.

The Group strives to minimise its tax risk to comply with relevant tax laws and regulation. When interpretation of the law is uncertain or a complex issue arise, the Group will seek to discuss the issue with the tax authorities and/or seek external advice from qualified advisors.

Standard operating procedures in relation to our Singapore taxation processes are prepared and periodically reviewed in order to ensure the reliability and completeness of our Singapore tax returns and minimise the risk of non-compliance.

Approach to Tax Planning

The Group always seeks to pay tax in Singapore consistent with the applicable tax laws and has zero-tolerance towards tax evasion and facilitation of tax evasion by its employees, agents and third parties acting on its behalf. The Group will not use artificial structures that are intended solely for tax avoidance without bona fide business purposes, have no commercial substance or do not meet the generally understood intention of any prevailing domestic or international law.

Tax Governance Framework (Cont'd)

Approach to Tax Planning (Cont'd)

The Group adopts a prudent and low-risk approach to tax planning, therefore, we will only utilise tax planning measures and opportunities to optimise tax efficiency, to the extent that these comply with the prevailing tax laws and regulations, and are aligned with the commercial and economic activities of the Group. When required, the Group will seek external advice from qualified advisors.

Approach to Working with Tax Authorities

The Group emphasises on the importance of building a professional, transparent and constructive relationship with the tax authorities. We respond to all correspondences from tax authorities in a timely and transparent manner, proactively engage with them as appropriate to discuss and resolve relevant material tax issues, and provide accurate disclosure of the necessary and relevant facts in our correspondences with the tax authorities. In addition, voluntary disclosures are made on a timely basis to the tax authorities on errors identified in the tax returns.

The Group meets its tax reporting obligations, including timely submission of tax computation and tax returns. Depending on the degree of tax risks and/or nature of the transaction involved, any action or decision on dispute resolution may be referred to the Board for approval and guidance.

Retention of Accounting and Tax Documents

All electronic tax filings, working papers and documents are stored on a secured server by the Group. Access rights will be reviewed periodically, as necessary.

All tax records and documents are retained for at least 5 years, as required by current regulation. Where relevant, personal data is collected, stored, maintained, shared and removed according to current regulation.