This summary aims to give you an overview of the information contained in this circular. As it is a summary, it does not contain all the information that may be important to you. You should read the whole circular before making a decision as to how you would cast your votes at the EGM in relation to the De-SPAC Transaction and the appropriate course of action for yourself.

There are risks associated with the De-SPAC Transaction and in any investment in the securities of the Successor Company. Some of the particular risks are set out in the section headed "Risk Factors". You should read that section carefully before making a decision on the De-SPAC Transaction.

In this section, "we", "us" or "our" refer to the Target Company, its subsidiaries and its Consolidated Affiliated Entities.

OVERVIEW OF THE DE-SPAC TRANSACTION

On December 8, 2023, Vision Deal signed agreements relating to the De-SPAC Transaction consisting of (i) the PIPE Investment Agreements with Quwan Holding Limited (being the Target Company and the Successor Company upon completion of the De-SPAC Transaction) and the PIPE Investors in relation to the PIPE Investments, (ii) the Share Transfer Agreements with the Target Company and the Target Disposing Shareholders in relation to the Share Transfer, and (iii) the Business Combination Agreement with the Target Company and the Target Merger Sub (a wholly-owned subsidiary of Target Company) in relation to the Merger.

The De-SPAC Transaction will result in the merger of Vision Deal with the Target Group and the listing of shares of the Target Company as the Successor Company on the Stock Exchange.

Parties to the De-SPAC Transaction

Vision Deal

Vision Deal is a SPAC that does not have any operating business. It is newly formed on January 20, 2022 to effectuate a merger with one or more businesses in any business, industry or geographical region. Vision Deal's business strategy is to generate attractive returns for the SPAC Shareholders by selecting a high-quality De-SPAC target. Vision Deal completed the SPAC IPO comprising 100,100,000 SPAC Class A Shares at an offer price of HK$10.00 per SPAC Class A Share and 50,050,000 SPAC Listed Warrants on June 10, 2022.

The Target Group

The Target Group is a leading interest-driven mobile social platform in the PRC that endeavors to engage, link and connect Generation Z users. With its diversified product features and functions, the Target Group encourages relationship building and social interactions among its users who are primarily game lovers, by offering services and functions that improve gameplay experience. Through its voice-based and other real-time interactions and entertainment offerings, the Target Group further enhances the formation of social connections among its users. The Target Group is the largest mobile voice-based social network platform in the PRC and the largest mobile gamer-based social network platform in the PRC, each in terms of revenue in 2022, according to Frost & Sullivan.

Target Merger Sub

Target Merger Sub is a newly incorporated Cayman Islands exempted company and a wholly-owned subsidiary of the Target Company. Target Merger Sub was incorporated solely for the purpose of effecting the Merger and has not carried on any activities other than those in connection with the Merger.

PIPE Investments

Vision Deal and the Target Company have entered into PIPE Investment Agreements with the PIPE Investors. These PIPE Investors are Zheshang International, Orient Asset Management, Guangdong Finance Investment International, China Arbitrage Fund, Taizhou TS First Fortune, 37 Starseek, Bluefocus International, SensePower Management, Modern Leaves, Galaxy Link, Admeliora Limited, Chinese Culture Investment and PIPE Individual Investors.

Pursuant to the PIPE Investment Agreements, the PIPE Investors have conditionally agreed to, by themselves or through their respective Qualified Investment Schemes, subscribe for, and Vision Deal has conditionally agreed to issue 57,620,000 PIPE Investment Shares (subject to adjustment to up to 61,020,000 PIPE Investment Shares upon determination of final Negotiated Value of Target) in an aggregate purchase price of approximately HK$576 million (subject to adjustment to up to approximately HK$610 million upon determination of final Negotiated Value of Target) at the price of HK$10.0 per PIPE Investment Share. Vision Deal has reached an agreement with Taizhou TS First Fortune with respect to the aforementioned adjustment. The gross proceeds will be approximately HK$576 million to approximately HK$610 million depending on the adjustment to be made when the final Negotiated Value of Target being determined before the Closing.

Further details of the terms of the PIPE Investments are set out in "Letter from the Vision Deal Board – F. PIPE Investments".

From the date of the Business Combination Agreement until the Listing Date, Vision Deal and the Target Company may execute one or more permitted equity subscription agreements in substantially the same form as the PIPE Investment Agreements with one or more investors that would constitute a Permitted Equity Financing (if any). Details of any Permitted Equity Financing will be announced by Vision Deal.

Share Redemption

Prior to the implementation of the Share Transfer, pursuant to the Vision Deal Articles, Vision Deal will redeem the SPAC Class A Shares from Redeeming SPAC Shareholders. Each Redeeming SPAC Share will be automatically canceled and cease to exist in exchange for the right to receive the Redemption Price.

Prior to an EGM to approve the De-SPAC Transaction, pursuant to Vision Deal Articles, Vision Deal will provide the SPAC Class A Shareholders with the opportunity to redeem all or a portion of their SPAC Class A Shares at a per-share price not less than HK$10 payable in cash, equal to the aggregate amount then on deposit in the Escrow Account calculated as at two Business Days prior to the EGM (including interest or other income earned on the funds held in the Escrow Account and not previously released to Vision Deal to pay its expenses or taxes), divided by the number of the then issued and outstanding SPAC Class A Shares, subject to the limitations and on the conditions described in the Offering Circular. In accordance with the Vision Deal Articles, the Redemption Price per share price will not be lower than HK$10. Should the interest income be depleted by the time SPAC Class A Shareholders submit redemption requests, such Redeeming SPAC Shareholders may not be able to receive more than HK$10.00 but only the Redemption Price of HK$10.00 per SPAC Class A Share, which is the original amount of their investment. The amount in the Escrow Account is initially anticipated to be HK$1,001,000,000, representing the issuance of 100,100,000 SPAC Class A Shares at a price of HK$10.00 per SPAC Class A Share. On this basis, the Redemption Price in any case will not be less than HK$10.00.

There is no limit on the number of SPAC Class A Shares which a SPAC Class A Shareholder (alone or together with their close associates) may elect to redeem. SPAC Class A Shareholders may elect to redeem their SPAC Class A Shares irrespective of whether they vote for or against the De-SPAC Transaction at the EGM.

The election period for the Share Redemption starts on the date of the notice of the EGM and ends on the date and time of commencement of the EGM. The payment of the Redemption Price to the Redeeming SPAC Shareholders will be completed within five Business Days following Closing.

A Share Redemption election will not be accepted unless the duly completed and executed Redemption Election Form is accompanied by the delivery of the share certificate(s) representing the relevant number of SPAC Class A Shares to the Hong Kong Share Registrar of Vision Deal by the end of the Election Period. The Redemption Election Form is dispatched to SPAC Class A Shareholders together with the notice of EGM and this circular. Further announcement(s) will be made by Vision Deal in relation to the effective date and the amount of Share Redemption as required under Listing Rule 18B.63.

Further details of the election procedures for the Share Redemption are set out in "Important Notice to SPAC Shareholders and Actions to be Taken – B. Vision Deal Redemption Right".

Share Transfer

Vision Deal, the Target Company and each of the Target Disposing Shareholders have entered into the respective Share Transfer Agreements pursuant to which the Target Disposing Shareholders have agreed to sell and Vision Deal has agreed to acquire an aggregate of 6,286,210 Target Company Shares (35,520,546 Target Company Ordinary Shares after giving effect of the Target Capital Restructuring and the Target Company Shares Conversion), representing approximately 4.32% of the entire issued share capital of the Target Company as at the time of conducting the Share Transfer, at an aggregate consideration of HK$298 million.

Prior to the completion of the Share Transfer, the Target Company will implement the Target Company Shares Conversion, pursuant to which the Target Disposing Shares that were originally Target Company Preferred Shares will be converted into Target Company Ordinary Shares.

The consideration of the Target Disposing Shares is HK$298 million and it will be satisfied by primarily proceeds from the PIPE Investments and proceeds from the SPAC IPO (other than the amount paid to the Redeeming SPAC Shareholders and the Dissenting SPAC Shareholders).

The Share Transfer Total Equity Value, which is approximately HK$6,892 million, was determined through arm's length negotiation with the Target Disposing Shareholders with reference to (i) the Target Disposing Shareholders are selling their minority shareholding interest of approximately 4.32% in the Target Company to Vision Deal; (ii) the Target Disposing Shareholders' investment background, including the timing of investments, the expected return on investment, internal policies adopted for investment as passive investors and the aggregate investment amount of the Target Disposing Shareholders; (iii) the commercial decision of the Target Disposing Shareholders to realize their equity interest for cash in order to meet their immediate financial needs; (iv) the willingness of the Target Disposing Shareholders to sell their Target Disposing Shares at a lower valuation in exchange for receiving immediate cash as consideration; and (v) the absence of any lock-up restrictions on the Target Disposing Shares, which would otherwise be imposed on the Target Disposing Shares if the shares were not disposed.

Target Company Ordinary Shares acquired by Vision Deal in the Share Transfer will be surrendered by Vision Deal to the Successor Company for cancellation for nil consideration upon the Effective Time as the SPAC Class A Shareholders (other than the Redeeming SPAC Shareholders and the Dissenting SPAC Shareholders) and the PIPE Investors will receive, as part of the Merger consideration, newly issued Successor Company Ordinary Shares based on their beneficial ownership of such Target Company Ordinary Shares.

Further details of the terms of the Share Transfer Agreements are set out in "Letter from the Vision Deal Board – H. Share Transfer".

Target Capital Restructuring

As part of the Target Capital Restructuring, prior to the Effective Time and the Merger, the Target Company will allot and issue a number of fully paid Target Company Ordinary Shares and Target Company Preferred Shares at par value by way of capitalizing all or any part of such amount for the time being standing to the credit of the share premium account of the Target Company and will implement a redesignation and reclassification of its share capital to Ordinary Shares.

Further details of the recapitalization of the Target Company are set out in "Letter from the Vision Deal Board – I. Target Capital Restructuring".

The Business Combination Agreement

Pursuant to the terms of the Business Combination Agreement, the De-SPAC Transaction will be effected through the Merger of Vision Deal and the Target Merger Sub, following which the separate existence of the Target Merger Sub will cease and Vision Deal will continue as the surviving entity and become a direct, wholly-owned subsidiary of the Successor Company.

Upon completion of the De-SPAC Transaction, (i) current SPAC Class A Shareholders (other than the Redeeming SPAC Shareholders and the Dissenting SPAC Shareholders) will become shareholders of the Successor Company together with the PIPE Investors, investors of the Permitted Equity Financing (if any), and the Target Remaining Shareholders, (ii) holders of the SPAC Warrants will become holders of the applicable Successor Company Warrants, (iii) listing status of Vision Deal will be withdrawn, and (iv) the Target Company will become the Successor Company, shares of which will be listed on the Stock Exchange.

The Target Merger Total Equity Value, which is HK$8,215 million, was determined through arm's length negotiation with the PIPE Investors (who have undertaken independent due diligence on the Target Company) with reference to: (i) most recent round of pre-listing investment, (ii) business development and performance after the most recent round of pre-listing investment, and (iii) business prospects of the Target Group.

The consideration which the SPAC Shareholders will receive pursuant to the De-SPAC Transaction is as follows:

(A) Upon Effective Time, each SPAC Class B Share held by the Promoters which are issued and outstanding will automatically cease to exist and will be converted into one fully paid SPAC Class A Share in accordance with the terms of the Vision Deal Articles and upon such conversion, all of the SPAC Class B Shares will no longer be issued and outstanding. By virtue of the Merger, each SPAC Class A Share issued in connection with the SPAC Class B Conversion will be automatically canceled and cease to exist in exchange for the right to receive one newly issued Successor Company Ordinary Share.

(B) Upon the Effective Time:

(1) by virtue of Merger, each SPAC Class A Share (excluding the SPAC Class A Shares issued in connection with the SPAC Class B Conversion, the Redeeming SPAC Shares and the Dissenting SPAC Shares) will be canceled and cease to exist in exchange for the right to receive "N" newly issued Successor Company Ordinary Share based on the formula accounted ratio attributable to beneficially owned Target Disposing Shares and attributable to Merger consideration. See section under "*J. The Business Combination Agreement – 1. Principal terms of the Business Combination Agreement – (iv) Merger consideration – (ii) SPAC Class A Shareholders' interest in the Successor Company*" for the calculation of "N".

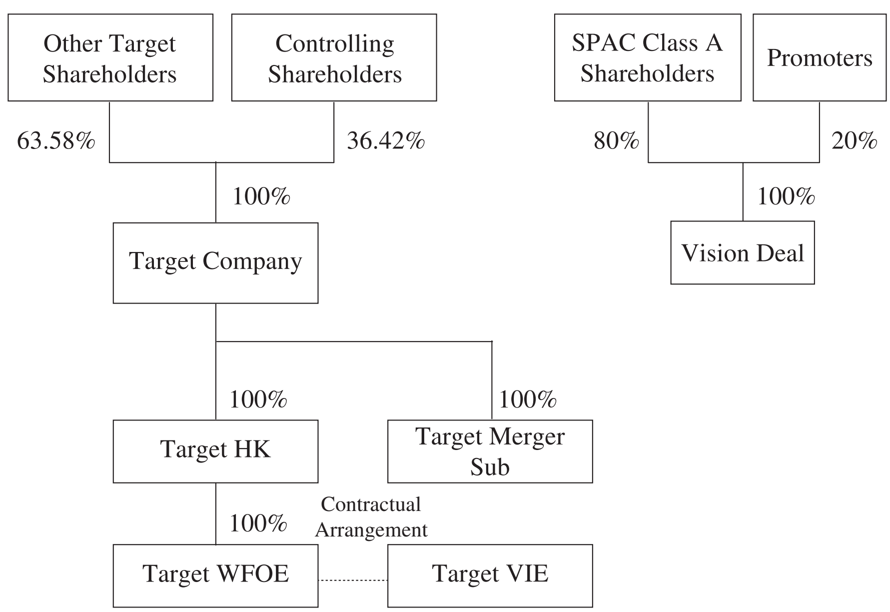
(2) each Dissenting SPAC Share issued and outstanding immediately prior to the Effective Time held by a Dissenting SPAC Shareholder will be automatically canceled and cease to exist and will thereafter represent only the right to be paid the fair value of such Dissenting SPAC Share and such other rights as are granted by the Cayman Companies Act, or (unless and until such Dissenting SPAC Shareholder fails to perfect or withdraws or otherwise loses his, her or its Appraisal Right under the Cayman Companies Act) one newly issued Successor Company Share; and

(C) by virtue of the Merger, (i) each SPAC Listed Warrant that is outstanding immediately prior to the Effective Time will be automatically canceled and cease to exist in exchange for one Successor Company Listed Warrant; and (ii) each SPAC Promoter Warrant that is outstanding immediately prior to the Effective Time will be automatically canceled and cease to exist in exchange for one Successor Company Promoter Warrant.

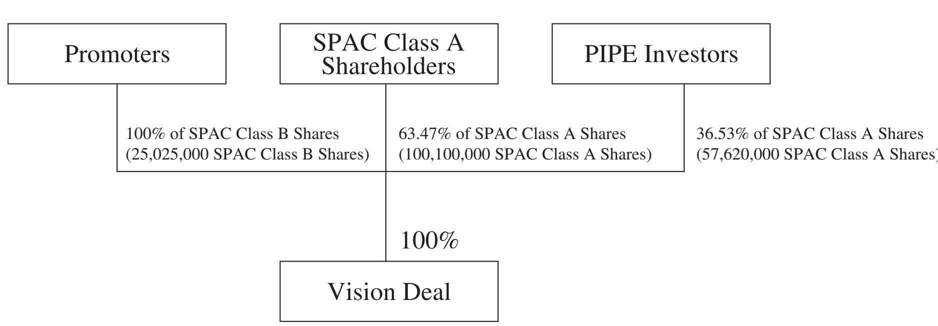
Further details of the terms of the Business Combination Agreement are set out in "Letter from the Vision Deal Board – J. The Business Combination Agreement".

Structure of the De-SPAC Transaction

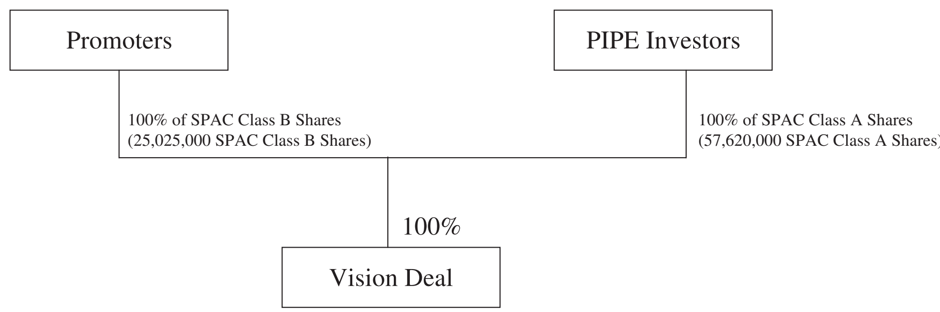
(i) The simplified corporate structure charts which show the shareholding of the Target Group and Vision Deal immediately prior to the De-SPAC Transaction are set out below:



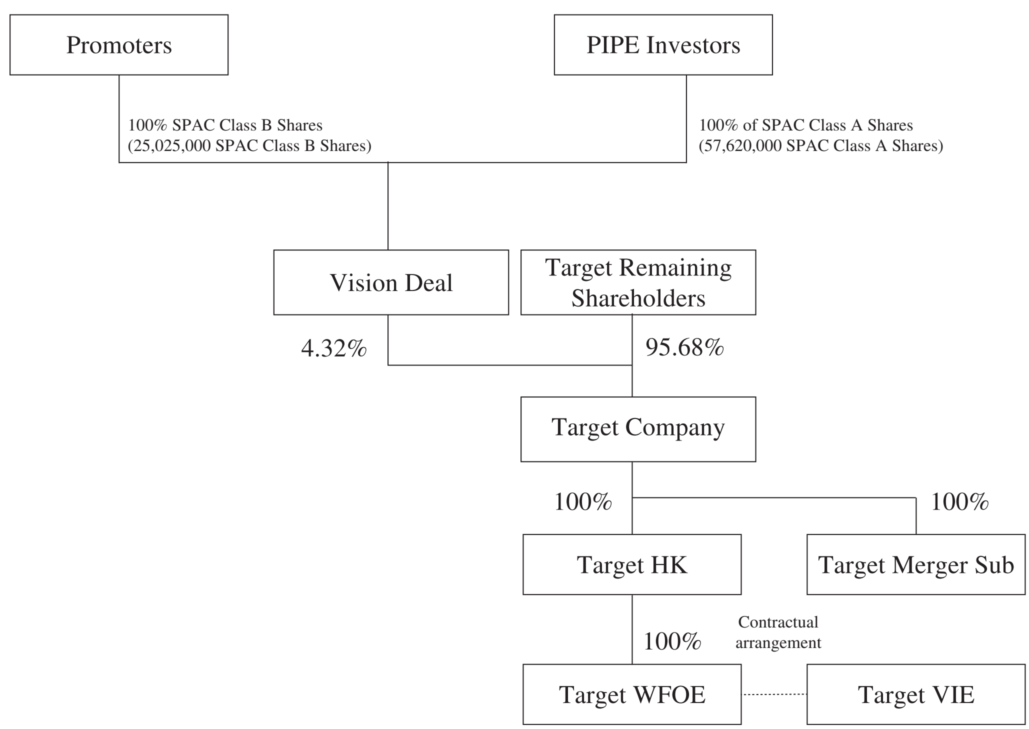
(ii) The simplified corporate structure chart of Vision Deal immediately after the implementation of PIPE Investments is set out below:



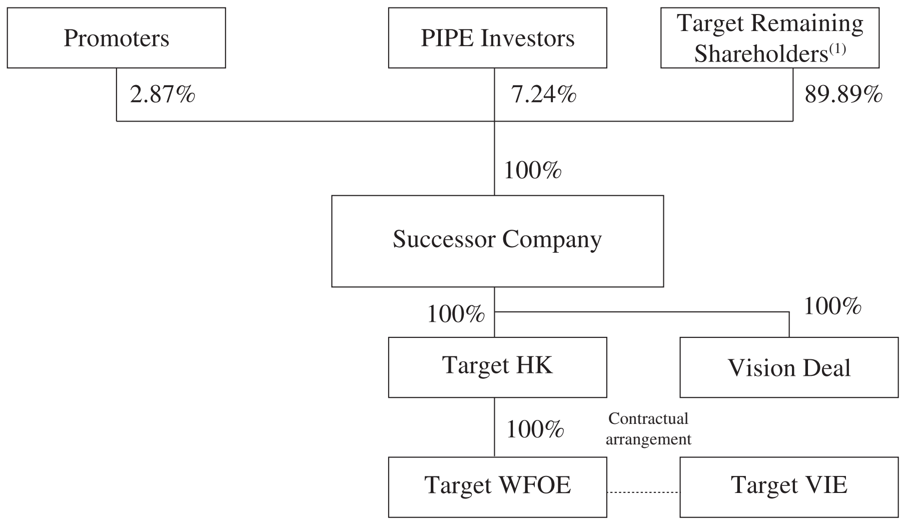
(iii) The simplified corporate structure chart of Vision Deal immediately after the implementation of the Share Redemption (assuming full redemption of SPAC Class A Shares) is set out below:



(iv) The simplified corporate structure chart of the Target Group and Vision Deal immediately after the implementation of the Share Transfer is set out below:



(v) The simplified corporate structure chart of the Successor Group following the Effective Time is set out below:



Note:

(1) Target Remaining Shareholders include Target Controlling Shareholders and other Target Shareholders, who are interested in shareholding of 34.21% and 55.68%, respectively.

(2) This is based on the assumption that (i) the Target Capital Restructuring is completed, (ii) all SPAC Class A Shareholder exercise their Redemption Right with respect to their SPAC Class A Shares, (iii) no SPAC Class A Shareholders exercise their Appraisal Right, (iv) 63,340,546 Successor Company Shares are issued to the PIPE Investors pursuant to the PIPE Investment Agreements and (v) there is no Permitted Equity Financing.

Further details of the effect of the De-SPAC Transaction on the shareholdings in Vision Deal and the Successor Company are set out in "Letter from the Vision Deal Board – L. Effect of the De-SPAC Transaction on Shareholdings in Vision Deal and the Successor Company".

REASONS FOR THE DE-SPAC TRANSACTION

As stated in the Offering Circular, Vision Deal's business strategy is to identify and complete a De-SPAC transaction with a high-quality company in China that either specializes in smart car technologies or possesses supply chain and cross-border e-commerce capabilities to benefit from domestic consumption upgrading trends. Vision Deal has taken into account the said business strategy and developed several general characteristics for evaluating prospective De-SPAC targets. Such business strategy has been taken into account by Vision Deal and adopted as one of the non-exhaustive criteria to be used when assessing the De-SPAC targets. Since the listing of Vision Deal, Vision Deal has commenced to identify, select and evaluate De-SPAC targets from the pipeline of potential De-SPAC targets which are in line with the business strategy. Vision Deal, after conducting due diligence and sourcing exercise, has identified the Target Company which engages in the provision of online voice-based social platform, online music and entertainment service. The Target Company has been focusing on facilitating decentralized social interactions and has provided each user with equal opportunities to receive engagement and interact with other like-minded users across a diversified range of social and entertainment use cases. The Vision Deal management believes that as a leading internet driven model social platform in China, the Target Company's principal business is coincided with the underlying business strategy of Vision Deal to identify De-SPAC target which possess the interchangeable ability in supply chain and cross-border e-commerce capability to benefit from domestic consumption upgrading trend.

Vision Deal believes primary objective is to generate attractive returns for the SPAC Shareholders by selecting a high-quality De-SPAC target, negotiating favorable acquisition terms at an attractive valuation, and improving the operating and financial performance of the Successor Company, the primary objective could be achieved by conducting the De-SPAC Transaction with the Target Company. This selection of the Target Company as the De-SPAC target to complete the De-SPAC Transaction therefore could achieve the objective of generating attractive returns for Vision Deal's shareholders and to accomplish the announcement and completion of a De-SPAC Transaction within a shorter timeframe (i.e. within 18 months and 30 months of the SPAC Listing Date, respectively). Vision Deal considers that the Target Company has favourable and suitable characteristics and that it would be in the interest of Vision Deal to enter into the De-SPAC Transaction with the Target Company for the following reasons:

- **Leading Interest-driven Mobile Social Platform.** The Target Group is the largest mobile voice-based social network platform and the largest mobile gamer-based social network platform in China, each in terms of revenues for 2022, according to Frost & Sullivan;

- **Large and Engaged User Community.** In 2022, the Target Group's average monthly active users reached 13.8 million, and its average monthly paying users reached 1.0 million;

- **Diversified Product Features Bringing About Captivating User Experience.** The Target Group provides an online destination for its users, including game lovers, to socialize and have fun together and addresses the varying social needs of its users, by helping them to find, connect, interact and have fun with their new friends;

- **Solid Technological Infrastructure.** The Target Group's ability to attract and serve a large and active user base is underpinned by its data analytics and technology infrastructure through years of development;

- **Shared Community Value Resulting in Strong Monetization Potential.** The Target Group purposefully fosters a user community and a facilitating environment that drive like-minded users' inherent desire to engage with each other, and to monetize the social relationships built and enhanced in its user community; and

- **Professional and Experienced Leadership.** The Target Group's platform was founded on its passion for games and bringing people together. The Target Group's founder is an entrepreneur in the game industry with deep insight into the interests and needs of game lovers and Generation Z in China, who has leaded experienced senior management team of the Target Group to spearhead its rapid growth and expansion.

For further details, see "Letter from the Vision Deal Board – E. Reasons for the De-SPAC Transaction".

Taken into account the aforementioned and the terms of the Business Combination Agreement, the PIPE Investments, the Share Transfer and other arrangements as set out below, the Vision Deal Directors (including the independent non-executive Directors of Vision Deal) consider that the terms of the De-SPAC Transaction are fair and reasonable and in the interests of the SPAC Shareholders as a whole. For further details, see "Letter from the Vision Deal Board – J. The Business Combination Agreement", "Letter from the Vision Deal Board – F. PIPE Investments", "Letter from the Vision Deal Board – H. Share Transfer" and "Letter from the Vision Deal Board – K. Other Arrangements".

LISTING RULES IMPLICATIONS OF THE DE-SPAC TRANSACTION INVOLVING A NEW LISTING APPLICATION

Vision Deal is required to comply with applicable Listing Rules regarding reverse takeovers with respect to the De-SPAC Transaction. Under Listing Rule 14.54, the Successor Company will be treated as if it were a new listing applicant. The Target Group is required to meet the requirements under Listing Rules 8.04 and 8.05 and the Successor Group must meet all basic listing eligibility requirements set out in Chapter 8 of the Listing Rules (except Listing Rule 8.05). The Successor Company must also comply with the procedures and requirements as set out in Chapter 9 of the Listing Rules to submit a new listing application to the Stock Exchange, for the listing of, and permission to deal in, the Successor Company Shares and the Successor Company Listed Warrants.

The new listing application is subject to approval by the Listing Committee, which may or may not grant its approval. If such approval is not granted, the PIPE Investments, the Share Transfer Agreements and the Business Combination Agreement will not become unconditional and the De-SPAC Transaction will not proceed.

The Successor Company has made an application to the Stock Exchange for the listing of, and permission to deal in, the Successor Company Shares and the Successor Company Warrants on the Main Board of the Stock Exchange. China International Capital Corporation Hong Kong Securities Limited has been appointed as the Sole Sponsor to the Successor Company's listing application. Vision Deal will make an application to the Stock Exchange for the withdrawal of listing of the SPAC Class A Shares (which will be subject to approval by SPAC Class A Shareholders) and the SPAC Listed Warrants. Upon the Closing, the listing statuses of the SPAC Class A Shares and the SPAC Listed Warrants will be withdrawn, and the Successor Company Shares and the Successor Company Listed Warrants will become listed on the Main Board of the Stock Exchange.

Subject to the granting of the listing of, and permission to deal in, Successor Company Shares and the Successor Company Warrants on the Stock Exchange as well as compliance with the stock admission requirement of HKSCC, the Successor Company Shares and the Successor Company Warrants will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Successor Company Shares and the Successor Company Warrants on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the general rules of CCASS and CCASS operational procedures in effect from time to time. Dealings in the Successor Company Shares and the Successor Company Warrants on the Stock Exchange will be subject to the payment of stamp duty, Stock Exchange trading fee, the SFC transaction levy or any other applicable fees and charges in Hong Kong.

The De-SPAC Transaction is conditional upon, (i) the completion of the PIPE Investments, the Permitted Equity Financing (if any), the Share Transfer and the Merger, (ii) the withdrawal of listing of the SPAC Class A Shares, (iii) the adoption of the Private Company Memorandum and Articles by Vision Deal being approved by the SPAC Class A Shareholders at the EGM and (iv) the compliance with applicable Listing Rule requirements (including the requirement for the Successor Company to have a minimum number of 100 Professional Investors at the time of Listing under Listing Rule 18B.65), unless a waiver from strict compliance with any of these requirements is granted by the Stock Exchange.

APPRAISAL RIGHT OF DISSENTING SPAC SHAREHOLDERS

Section 238 of the Cayman Companies Act provides for the Appraisal Right of the Dissenting SPAC Shareholders to be paid the fair value of their SPAC Shares, subject to limitations under Section 239 of the Cayman Companies Act. SPAC Class A Shareholders have the Appraisal Right in connection with the De-SPAC Transaction under the Cayman Companies Act. SPAC Class A Shareholders who wish to exercise their Appraisal Right must follow the statutory procedures prescribed in the Cayman Companies Act as set out in "Important Notice to SPAC Shareholders and Actions to be Taken – D. Appraisal Right of Dissenting SPAC Shareholders".

The Vision Deal Board has determined that the Redemption Price represents the fair value of the SPAC Shares. If the Dissenting SPAC Shareholders do not agree with the fair value determined by the Vision Deal Board and file a petition with the Cayman Court for a determination of the fair value of the Dissenting SPAC Shares, the Cayman Court will determine the fair value of the Dissenting SPAC Shares as at the date of the EGM at which the Merger is approved.

Further details of the Appraisal Right (including the procedures for exercising the Appraisal Right and the determination of the fair value of the SPAC Shares) are set out in "Important Notice to SPAC Shareholders and Actions to be Taken – D. Appraisal Right of Dissenting SPAC Shareholders". SPAC Shareholders who wish to exercise their Appraisal Right should seek their own advice on the application and procedure to be followed in respect of the appraisal rights under the Cayman Companies Act.

OVERVIEW OF THE TARGET GROUP'S BUSINESS AND OPERATIONS

What We Do

We are a leading interest-driven mobile social platform in China that endeavors to engage, link and connect Generation Z users. With our diversified product features and functions, we encourage relationship building and social interactions among our users who are primarily game lovers, by offering services and functions that improve gameplay experience. Through our voice-based and other real-time interactions and entertainment offerings, we further enhance the formation of social connections among our users.

We built our platform to be interest-driven, decentralized and voice-based to foster social relationships. Our platform attracts users who share similar interests, such as enthusiasm for games and music. The shared interests offer a universal language that helps establish and deepen interpersonal relationships. We promote a decentralized community, where we provide social entertainment scenarios that facilitate multi-way interactions among multiple users. On traditional live streaming platforms, chatrooms are centered around the live streamed performance of a professional host with massive participants simply being viewers, whereas on our platform, multiple users can interact with each other in chatrooms with more interpersonally connected online social environment through voice, text, virtual gifts, and a variety of other social and entertainment functions offered in our chatrooms, fostering a "decentralized" community. This user community fosters an open environment that gives users a personal cyberspace to express themselves, encouraging them to form relationships built on their shared interests and passion in games and other topics. Our voice-based platform is appearance-agnostic and is suitable to express varied emotions and establish real-time companionship, bringing strangers closer and fostering interpersonal connections. We are the largest mobile voice-based social network platform in China and achieved a market share of 13.5% among all mobile voice-based social network platforms in China, each in terms of revenue in 2022, according to Frost & Sullivan. Our deep understanding of Generation Z and their broader social needs allows us to create a highly interactive social environment that encourages our users to explore new areas of interest through voice-based social interactions.

We operate the *TT Chat* platform, with 12.6 million average MAUs in the six months ended June 30, 2023. Through its interactive functions, *TT Chat* encourages communications and promotes interactions among users. Our matching algorithm encourages users of different locations and hobbies to team up and socialize with each other based on relevant data points such as their gaming experiences and common interests. Its core function matches users who may be initially unknown to each other based on their individual profiles and entertainment and social needs in a voice chat room setting, creating a socially engaging and fun experience with rich interactive features and entertainment scenarios. Among these scenarios, gaming is one attractive entry point given its popularity and cohesiveness among users. We are the largest mobile gamer-based social network platform in China and achieved a market share of 20.2% among all mobile gamer-based social network platforms in China, each in terms of revenues in 2022, according to Frost & Sullivan. *TT Chat* strives to improve the game co-experience for our users, through finding each interested user the most suitable game buddies with the right levels of skills, playing styles and preferences, and other relevant game facilitation attributes. Leveraging our advanced voice-based platform, we also offer an increasing number of voice-based social entertainment scenarios to promote post-game social interactions among users. In addition to gaming, we are expanding into other areas of social interests, such as role-play dubbing and music.

Who We Serve

We have a large and engaged user base. Our users are constantly exploring new social connections with others with similar interests and passions. As of June 30, 2023, over 90% of our users were aged 30 or below based on information available to us. In the six months ended June 30, 2023, our users spent an average of approximately 181 minutes every day in our voice chatrooms. In addition to voice chatrooms tailored for popular games, we offer in-app mini casual social games and other social entertainment scenarios on our platform for users to relax and socialize after gameplay to further increase user time spent. We have a balanced gender distribution among our paying users, approximately 48.9% of which were female in June 2023.

How We Generate Revenue

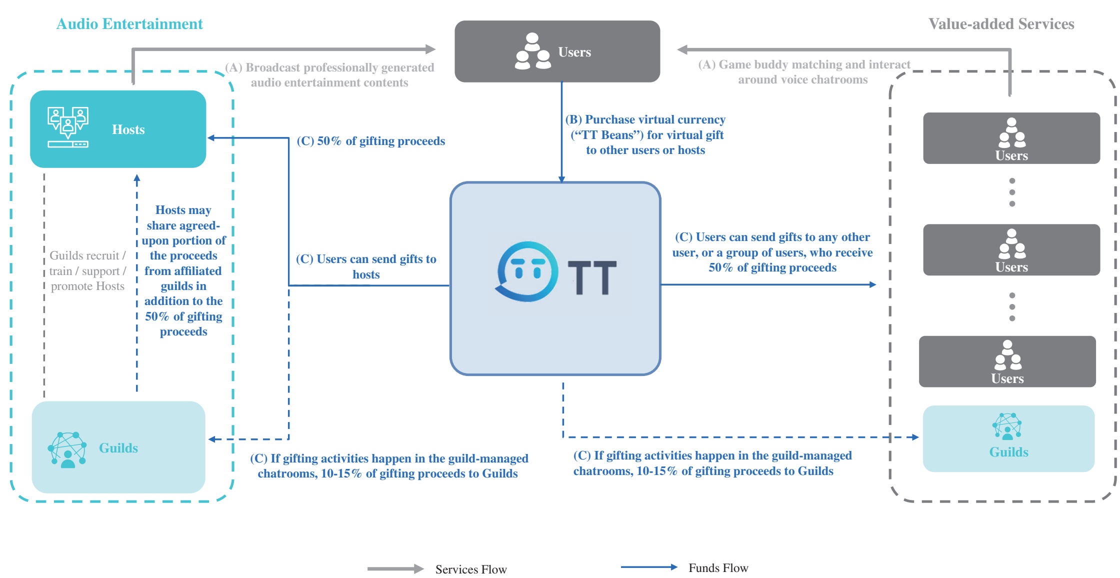
We primarily monetize our services through users' consumption of virtual items sold on *TT Chat* as they interact with other users and hosts. In the six months ended June 30, 2023, the value-added services and audio entertainment services accounted for 74.8% and 23.1% of our revenue, respectively. Purchase and consumption scenarios are seamlessly integrated into the diversified social networking and entertainment features and functions on our platform, where users can purchase a wide range of selection of virtual items and send them as gifts to others, to express themselves and deepen their social relationships with friends made on our platform. Such virtual items mainly include consumable virtual gifts to be presented to other users and privileges that allow the users to showcase their virtual identities in a voice chat room.

We take a portion of the virtual items' value when users consume their virtual items on our platform. For details of how we generate revenues under different scenarios, see "Business of the Target Group – Our Monetization."

- We design certain types of our voice chatrooms with features and functions that encourage multi-way interactions among multiple users as well as between users and hosts, such as matching features, functions tailored to specific voice-based social entertainment activities, and interactive features and functions such as chatting and virtual gifting between users. Our users can team up in popular games operated outside of our platform, chat with other users who share common interests, play casual social games together and participate in social entertainment activities at their choice, such as online dating, online karaoke and roleplay dubbing. In this process, our users can send virtual gifts to each other and to the hosts to show their appreciation. Functions and features offered in such multi-way interaction scenarios are part of our value-added services.

- We also contract with hosts who broadcast entertainment contents mainly in audio streaming rooms to a large audience of users who can send virtual gifts to hosts to show their appreciation and support. Functions and features offered in such audio streaming scenarios are part of our audio entertainment services.

The diagram below sets forth the roles of, the transactions and fund flows among the *TT Chat* platform, hosts and guilds and users. For details of our arrangement with hosts and guilds, see "Business of the Target Group – Our Platforms – The *TT Chat* Social Experience – Hosts and guilds on our platform."



Note:

(1) For the value-added services, we contract with guilds which are involved in the management of some voice chatrooms, and we usually do not directly contract with and manage the hosts affiliated with these guilds.

(A) Users come to our *TT Chat* platform to enjoy multi-way interactions among users and with hosts.

(B) Users purchase virtual currency TT beans (recorded as contract liability when unconsumed), which can be exchanged for virtual gifts.

(C) As users send virtual gifts to each other or to hosts, revenue are recognized in accordance with our revenue recognition policy. For details, see "Business of the Target Group – Our Monetization" and "Financial Information of the Target Group – Critical Accounting Policies, Estimates and Judgments – Revenue Recognition." Upon receipt of virtual gifts (which will be converted into virtual token TT points), users can elect to convert them into virtual currency TT beans (which are recorded as accounts payable) or cash.

To elevate our brand and enhance our value propositions to our users, we also engage in other businesses, such as Esports team operations, which also provide us with attractive monetization and marketing opportunities.

The table below sets forth a breakdown of our total revenues generated by underlying services provided for the periods indicated. We generated substantially all of our revenues from sales of virtual items during the Track Record Period.

	Year ended December 31,						Six months ended June 30,			
	2020		2021		2022		2022		2023	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*
	(in thousands, except for percentages)									
							(unaudited)			
Sales of virtual items	1,420,753	95.1	2,544,091	96.7	3,308,590	97.2	1,622,133	97.7	1,572,608	96.6
– *Value-added services (users-only interaction scenarios)*	148,738	10.0	175,687	6.7	199,000	5.8	104,617	6.3	87,442	5.4
– *Value-added services (multi-user interaction scenarios in chatrooms managed by guilds)*	1,208,394	80.8	1,847,555	70.2	2,305,859	67.8	1,092,884	65.9	1,109,710	68.1
– *Audio entertainment services*	63,621	4.3	520,849	19.8	803,731	23.6	424,632	25.5	375,457	23.1
Membership subscription	–	–	12,725	0.5	37,808	1.1	17,823	1.1	20,700	1.3
Esports team operation	14,327	1.0	49,826	1.9	34,209	1.0	7,781	0.5	23,797	1.4
Game distribution	58,340	3.9	21,595	0.8	19,525	0.6	10,701	0.6	7,631	0.5
Others	–	–	2,355	0.1	1,858	0.1	1,051	0.1	2,732	0.1
Total Revenue	**1,493,420**	**100.0**	**2,630,592**	**100.0**	**3,401,990**	**100.0**	**1,659,489**	**100.0**	**1,627,468**	**100.0**

OUR STRENGTHS

We believe that the following competitive strengths differentiate us from our competitors and enable us to fulfill our mission and achieve long-term success.

- Leading Interest-driven Mobile Social Platform
- Large and Engaged User Community
- Diversified Product Features Bringing about Captivating User Experience
- Solid Technological Infrastructure
- Shared Community Value Resulting in Strong Monetization Potential
- Professional and Experienced Leadership

OUR STRATEGIES

We intend to achieve our mission and further solidify our leadership position by focusing on the following growth strategies:

- Drive Healthy and High-quality User Base Expansion
- Engage User Community with Diversified Offerings
- Enhance Technology Capabilities
- Explore Overseas Expansion Opportunities

OUR CUSTOMERS AND SUPPLIERS

Our customers primarily consist of (i) paying users on our platform who buy and consume virtual items and other services we offer, and to a much lesser extent (ii) Esports operators and third-party game developers. We do not have any concentration in our top customers. Our top five customers only accounted for 1%, 2%, 1% and 1% of our total revenues in 2020, 2021, 2022 and the six months ended June 30, 2023, respectively. For details, see "Business of the Target Group – Customers and Customer Support."

Our suppliers mainly include advertisement agencies, hosts and guilds, game content developers and other distributors, payment channels and service providers for cloud computing and bandwidth consumption. Our top five suppliers accounted for 35%, 25%, 14% and 13% of our total purchases in 2020, 2021, 2022 and the six months ended June 30, 2023, respectively. Our largest supplier accounted for 16%, 9%, 4% and 3% of our total purchases in 2020, 2021, 2022 and the six months ended June 30, 2023, respectively. For details, see "Business of the Target Group – Suppliers and Procurement."

COMPETITION

We are a leading interest-driven mobile social platform in China. We are the largest mobile voice-based social network platform and the largest mobile gamer-based social network platform in China in terms of revenues in 2022, according to Frost & Sullivan. We achieved a market share of 13.5% and 20.2% among all mobile voice-based social network platforms and mobile gamer-based social network platforms, respectively, in China in terms of revenues in 2022. To a much lesser extent, we also compete with other platforms offering online entertainment services such as online video platforms, social media platforms and online music platforms for user time spent in general. For details, see "Business of the Target Group – Competition."

RISK FACTORS

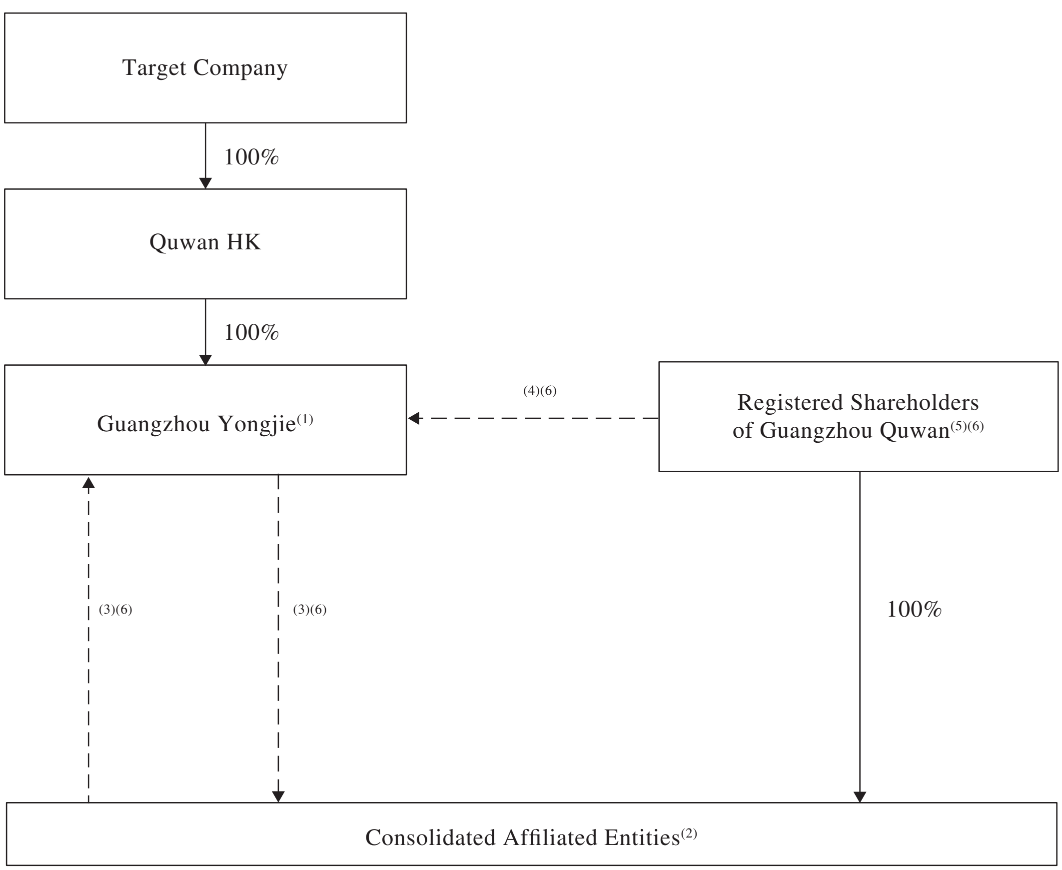
There are risks associated with the De-SPAC Transaction and an investment in the Successor Company's securities. You should carefully consider all of the information in this circular, including the risks and uncertainties described below, as well as our financial statements and the related notes, and the "Financial Information" section, before your investment decision. Some of the major risks we face relate to:

- our ability to maintain and increase our user base and user engagement;
- the effectiveness of our monetization strategies and the sustainability of our revenue and profit;
- our ability to develop and provide our users with new features and services;
- the growth of our industry and the market acceptance of our platform and services;
- our ability to attract and foster a vibrant community of hosts;
- our ability to keep up with technological developments and evolving user expectations;
- our ability to cope with changes in popularity of games and adapt to regulatory developments that affect the mobile game industry;
- our ability to compete effectively against our current or potential competitors;
- the fact that the laws, regulations and official guidance relating to our business are complex, evolving rapidly and may be subject to further changes;
- our ability to obtain and maintain the required regulatory licenses and approvals;
- the effectiveness of our content monitoring system in preventing misconduct on our platform; and
- the impairment risks in connection with our goodwill and other intangible assets.

CONTRACTUAL ARRANGEMENTS

The Target Group is or intend to be engaged in (i) the provision of online audio content, online music and entertainment, which falls within the scope of internet cultural activities, and hold the ICB License; (ii) the provision of online audio-visual programs, which falls within the scope of internet audio-visual program services, and hold the AVSP License or are applying for the registration in the National Internet Audio-visual Platform Information Management System (the "Audio-visual Registration"); and (iii) the provision of online information services, which falls within the scope of value-added telecommunication services, and hold or intend to apply for the ICP License. However, foreign investors are prohibited from holding equity interests in an entity conducting internet cultural activities (except for music) and internet audio-visual program services, and are, subject to China's WTO commitments, restricted to hold equity interests in an entity conducting value-added telecommunication services (except for e-commerce, domestic multiparty communication, storage-and-forward and call center services) according to the currently effective PRC laws and regulations. In order to comply with the PRC laws and regulations, maintain effective control over the business currently operated by Guangzhou Quwan and its subsidiaries that is subject to the foreign investment restriction and prohibition and receive all of the economic interest of Guangzhou Quwan, Guangzhou Yongjie entered into the Contractual Arrangement with Guangzhou Quwan, the Registered Shareholders of Guangzhou Quwan and the general partners of the limited partnership Registered Shareholders of Guangzhou Quwan. The Contractual Arrangements allow the results of operations, assets and liabilities, and cash flows of the Consolidated Affiliated Entities to be consolidated into the Target Company's financial information. See "Contractual Arrangements" for further information.

The following simplified diagram illustrates the flow of economic benefits from the Consolidated Affiliated Entities to the Target Group stipulated under the Contractual Arrangements after completion of the Reorganization:



"_________" Denotes legal and beneficial ownership in the equity interest

"_ _ _ _ _ _ _" Denotes the Contractual Arrangements

Notes:

(1) As of the Latest Practicable Date, Guangzhou Yongjie is wholly owned by Quwan HK, which is in turn wholly owned by the Target Company.

(2) As of the Latest Practicable Date, the Consolidated Affiliated Entities include Guangzhou Quwan and its subsidiaries, Guangzhou Shabake, Guangzhou Huancheng, Hainan Yuyue, Beijing Quyue, Chongqing Qudu, Guangzhou Quchuang, Guangzhou Qujing, Xiamen Saimailei, Guangzhou Jingwan, Zhuhai Huitou, Shanghai Xiaojianbing, Shanghai Chenlong, Chengdu Spherical World, Guangzhou Quzhu, Guangzhou Xinyan, Huayu Shiji, Yitian Lianxun and Huayu Tianxia. As of the Latest Practicable Date, Guangzhou Jingwan is in the process of deregistration as it is not engaged in any business operation.

For further details of the subsidiaries of Guangzhou Quwan, see the section headed "History, Reorganization and Corporate Structure of the Target Group".

(i) Guangzhou Shabake, Guangzhou Huancheng, Hainan Yuyue, Beijing Quyue, Chongqing Qudu, Guangzhou Quchuang, Guangzhou Qujing, and Zhuhai Huitou and Huayu Shiji are directly wholly owned by Guangzhou Quwan.

(ii) Shanghai Xiaojianbing, Shanghai Chenlong and Chengdu Spherical World are wholly owned by Zhuhai Huitou; Guangzhou Xinyan is held as to 60% by Zhuhai Huitou; Guangzhou Quzhu is wholly owned by Shanghai Xiaojianbing.

(iii) Xiamen Saimailei and Guangzhou Jingwan are wholly owned by Guangzhou Qujing.

(iv) Yitian Lianxun is wholly owned by Huayu Shiji and Huayu Tianxia is wholly owned by Yitian Lianxun.

(3) Guangzhou Yongjie provides consultancy, technology and other services in exchange for service fees from Guangzhou Quwan. See "Contractual Arrangements of the Target Group – Exclusive Technical Service Agreement".

The Registered Shareholders of Guangzhou Quwan and the general partners of the Partnership Shareholders executed the Exclusive Call Option Agreement (as defined below) in favor of Guangzhou Yongjie for the acquisition of 100% equity interests and/or assets in Guangzhou Quwan. See "Contractual Arrangements of the Target Group – Exclusive Call Option Agreement".

(4) The Registered Shareholders of Guangzhou Quwan pledged all of their respective equity interests in Guangzhou Quwan to Guangzhou Yongjie as security for their respective performance and the performance of Guangzhou Quwan under the Exclusive Technical Service Agreement (as defined below), the Exclusive Call Option Agreement (as defined below), the Equity Pledge Agreements (as defined below) and the Shareholder Voting Rights Proxy Agreement (as defined below), as applicable. See "Contractual Arrangements of the Target Group – Equity Pledge Agreements".

The Registered Shareholders of Guangzhou Quwan executed the Powers of Attorney in favor of Guangzhou Yongjie in respect of their respective rights as shareholders of Guangzhou Quwan.

(5) Guangzhou Quwan is in turn owned by the Registered Shareholders of Guangzhou Quwan, namely as to: (i) 35.40% by Mr. Song, the founder, chairman of the board of directors and Chief Executive Officer of the Target Company; (ii) 22.87% by Shanghai Qushen, a limited partnership organized in the PRC and an affiliate of Galaxy Nebula Limited, which is a holder of the Target Company Ordinary Shares, and the general partner of which is Mr. Song; (iii) 15.62% by Xiamen Quji, a limited partnership organized in the PRC, the general partner of which is Mr. Song; (iv) 9.82% by Wenzhou Huanqu, a limited partnership organized in the PRC majority owned by Mr. Song, the general partner of which is Mr. Song; (v) 5.00% by Guangzhou Quyi, a limited partnership organized in the PRC and an affiliate of Dream League Limited, which is a holder of the Series Angel Preferred Shares, and the general partner of which is Mr. Song Guowen, who is the brother of Mr. Song; (vi) 4.01% by Zhangshu Weiqu, a limited partnership organized in the PRC majority owned by Mr. Song and in which he is the general partner; (vii) 3.97% by Mr. Qiu Zhizhao; and (viii) 3.31% by Mr. Chen Guangyao, an executive Director of the Target Company (The limited partnership registered shareholders as referred in aforementioned items (ii) to (vi), collectively as "**Partnership Shareholders**").

(6) According to the Partnership Law of the PRC (《中華人民共和國合夥企業法》), in accordance with the partnership agreement or upon the decision of all the partners, one or more partners may be entrusted to represent the partnership externally and act on behalf of the partnership while all other partners no longer act on behalf of the partnership.

Pursuant to each partnership agreements of the Partnership Shareholders, upon the decision of all partners, the general partner (Mr. Song Ke or Mr. Song Guowen, as the case may be) of each Partnership Shareholders is entrusted to act on behalf of the Partnership Shareholders. Under the Exclusive Call Option Agreement, Equity Pledge Agreements and Shareholder Voting Rights Proxy Agreement, the general partner of each Partnership Shareholders, on behalf of the Partnership Shareholders and himself, (i) agreed to the arrangements thereunder; (ii) confirmed that the arrangement thereunder shall be legally binding on the Partnership Shareholders; (iii) agreed to procure the Partnership Shareholders to comply with the terms thereof; (iv) agreed that the decision-making arrangement in connection with the disposal of the Partnership Shareholders' interests in Guangzhou Quwan shall be in accordance with the terms thereof.

> Based on the above, the Target Company's PRC Legal Advisor is of the view that save as disclosed in the subsection headed "Contractual Arrangements of the Target Group – Legality of the Contractual Arrangements", except the dispute resolution clauses, (i) the Contractual Arrangements as a whole and each of the agreements comprising the Contractual Arrangements are legal, valid and binding on all parties thereto (whether they are individuals, companies or limited partnerships) (ii) the Partnership Shareholders as registered shareholders are bound by the Contractual Arrangements to the same extent as that applicable to registered shareholders who are individuals, and (iii) the Contractual Arrangements of the Target Company have the same binding effect as compared to other cases where the equity interests of the operating companies are directly held by individual shareholders.

For the risks relating to the Contractual Arrangements, see "Risk Factors – Risks Related to the Target Group's Corporate Structure."

On March 15, 2019, the NPC approved the PRC Foreign Investment Law (《中華人民共和國外商投資法》) which became effective on January 1, 2020. On December 26, 2019, the State Council promulgated the Regulations on the Implementation of the Foreign Investment Law (《中華人民共和國外商投資法實施條例》), which came into effect on January 1, 2020. The Foreign Investment Law replaced the Sino-Foreign Equity Joint Venture Enterprise Law (《中華人民共和國中外合資經營企業法》), the Sino-Foreign Cooperative Joint Ventures Enterprise Law (《中華人民共和國中外合作經營企業法》) and the Wholly Foreign Invested Enterprises Law (《中華人民共和國外資企業法》) to become the legal foundation for foreign investment in the PRC. The Foreign Investment Law stipulates certain forms of foreign investment, but does not explicitly stipulate contractual arrangements as a form of foreign investment. The Implementation Regulations on the Foreign Investment Law are also silent on whether foreign investment includes contractual arrangements. As advised by PRC Legal Advisor to the Target Company, contractual arrangements are not specified as foreign investment under the PRC Foreign Investment Law, and if future laws, regulations and provisions prescribed by the State Council do not incorporate contractual arrangements as a form of foreign investment, the Contractual Arrangements as a whole and each of the agreements comprising the Contractual Arrangements do not contravene the PRC Foreign Investment Law in any material aspect, and will not be affected and will continue to be legal, valid and binding on the parties with an exception, for which, see "Contractual Arrangements of the Target Group – Legality of the Contractual Arrangements" for details.

Notwithstanding the above, the PRC Foreign Investment Law stipulates that foreign investment includes "foreign investors invest in China through any other methods under laws, administrative regulations or provisions prescribed by the State Council" without elaboration on the meaning of "other methods". There are possibilities that future laws, administrative regulations or provisions prescribed by the State Council may regard contractual arrangements as a form of foreign investment, at which time it will be uncertain whether the Contractual Arrangements will be deemed to be in violation of the foreign investment access requirements and how the above-mentioned Contractual Arrangements will be handled by relevant PRC authorities. Therefore, there is no guarantee that the Contractual Arrangements and the business of the Consolidated Affiliated Entities will not be materially and adversely affected in the future due to changes in PRC laws and regulations. See "Risk Factors – Risks Related to the Target Group's Corporate Structure – The interpretation and implementation of the PRC Foreign Investment Law is subject to amendments and changes, and its enactment could adversely affect the Target Company's business, operating results and financial condition."

THE CONTROLLING SHAREHOLDERS

Immediately following the Closing (assuming the Presumptions), Mr. Song, through SK Family Trust, Future Exploration, Funplus and Vanker and by virtue of the Voting Proxy Agreements, controlled the voting rights of 426,559,040 Successor Company Shares of the Successor Company, representing approximately 43.62% of the total issued share capital of the Successor Company. Funplus and Vanker held approximately 20.35% and 10.24% of the total issued shares of the Successor Company, respectively. Both of Funplus and Vanker are wholly owned by Future Exploration, which is in turn wholly owned by Cantrust (Far East) Limited as the trustee of the SK Family Trust, of which Mr. Song is the founder and settlor and the beneficiaries of which are Mr. Song and Exploring Time Limited (wholly owned by Mr. Song). On September 23, 2021, Mr. Song entered into Voting Proxy Agreements, pursuant to which Mr. Song is entrusted to exercise, in his sole discretion, all voting rights attached to the 10,006,722 Target Company Shares, 7,549,852 Target Company Shares and 4,990,370 Target Company Shares held by Peerless Hero, Yun Qu and Fiery Dragon, respectively (as adjusted to 56,543,487 Successor Company Shares, 42,660,819 Successor Company Shares and 28,198,337 Successor Company Shares upon Capitalization Issue, respectively). Therefore, Mr. Song, Future Exploration, Funplus and Vanker are regarded as the Controlling Shareholders.

See "Relationship with the Controlling Shareholders of the Successor Group" for further details.

PRE-LISTING INVESTORS OF THE TARGET GROUP

Since the establishment of Target Company, it has received multiple rounds of equity financing. The broad and diverse base of Pre-Listing Investors consist of, among others, private equity funds and investment corporations focusing in various industries, including Matrix Partners, Skycus China Fund, L.P., Duckling Fund, L.P., Image Frame Investment (HK) Limited, 3W Global Fund, Vision Pro Capital Limited and Wisdom Pro Capital Limited. Iridescent Rainbow Limited became a pre-Listing investor of the Target Company as a result of the Target Company's acquisition of Uki Group in April 2021. Please refer to the subsection headed "Major Acquisitions, Disposals, Mergers and Minority Investments – 2. Acquisition of Uki Group" for details. For further details of the identity and background of the Pre-Listing Investors, and the principal terms of the Pre-Listing Investments, see "History, Reorganization and Corporate Structure of the Target Group – Pre-Listing Investments"

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables set forth summary financial data from the consolidated financial information of the Target Group for the Track Record Period, derived from the Accountant's Report set out in Appendix I of this circular. The summary consolidated financial data set forth below should be read together with, the consolidated financial statements in this circular, including the related notes. The consolidated financial information of the Target Group was prepared in accordance with IFRS.

Selected Consolidated Income Statements

The table below sets forth our consolidated income statements for the years indicated derived from the Target Company's consolidated income statements set out in the Accountant's Report included in Appendix I to this circular:

	For the year ended December 31,			For the Six months ended June 30,	
	2020	2021	2022	2022	2023
	(RMB in thousands)				
				(unaudited)	
Revenues	1,493,420	2,630,592	3,401,990	1,659,489	1,627,468
Cost of revenues(1)	(522,201)	(1,124,798)	(1,559,517)	(761,899)	(734,280)
Gross profit	971,219	1,505,794	1,842,473	897,590	893,188
Selling and marketing expenses(1)	(600,361)	(1,022,880)	(547,847)	(310,756)	(232,680)
Administrative expenses(1)	(215,845)	(426,737)	(189,634)	(92,263)	(116,739)
Research and development expenses(1)	(143,403)	(298,505)	(508,986)	(217,210)	(258,295)
(Net impairment losses)/reversal of impairment losses on financial assets	(6,587)	(5,284)	5,114	7,684	(4,653)
Other gains, net	13,099	34,225	46,958	11,102	63,097
Operating profit/(loss)	18,122	(213,387)	648,078	296,147	343,918
Finance income	8,520	6,917	15,984	4,381	17,535
Finance costs	(4,217)	(5,218)	(5,434)	(2,859)	(2,395)
Finance income, net	4,303	1,699	10,550	1,522	15,140
Share of net losses of associates accounted for using equity method	(831)	(7,464)	(3,887)	(2,008)	(2,752)
Fair value changes on convertible redeemable preferred shares	(53,075)	(1,326,311)	(64,129)	(6,369)	(71,289)
Fair value changes on convertible preferred shares	(109,649)	(939,441)	(12,664)	40,087	(83,424)
(Loss)/profit before income tax	(141,130)	(2,484,904)	577,948	329,379	201,593
Income tax expenses	(12,879)	(10,641)	(68,695)	(39,936)	(20,997)
(Loss)/profit for the year/period	(154,009)	(2,495,545)	509,253	289,443	180,596
(Loss)/profit for the year/period attributable to:					
– Owners of the Target Company	(152,247)	(2,492,162)	511,906	291,068	181,135
– Non-controlling interests	(1,762)	(3,383)	(2,653)	(1,625)	(539)

Notes:

(1) Total share-based compensation expenses recognized for the years ended December 31, 2020, 2021 and 2022 and six months ended June 30, 2022 and 2023 are allocated as follows:

	For the year ended December 31,			For the Six months ended June 30,	
	2020	2021	2022	2022	2023
	(RMB in thousands)			*(unaudited)*	
Share-based compensation expenses					
Cost of revenues	45	3,452	4,007	1,944	1,104
Selling and marketing expenses	172	5,411	5,705	1,233	2,756
Administrative expenses	107,533	130,019	41,740	26,191	40,755
Research and development expenses	472	28,330	15,701	5,354	6,901
Total	**108,222**	**167,212**	**67,153**	**34,722**	**51,516**

Non-IFRS Measure

To supplement our consolidated financial statements presented in accordance with IFRSs, we use adjusted net income (a non-IFRS measure) and adjusted net margin (a non-IFRS measure) as additional financial measures, which are not required by, or presented in accordance with IFRSs. We believe that adjusted net income (a non-IFRS measure) and adjusted net margin (a non-IFRS measure) provide useful information to investors in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, presentation of adjusted net income (a non-IFRS measure) and adjusted net margin (a non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of adjusted net income (a non-IFRS measure) and adjusted net margin (a non-IFRS measures) has limitations as an analytical tool, and investors should not consider it in isolation from, or as substitute for analysis of, our results of operations or financial conditions as reported under IFRSs.

Adjusted Net Income (a non-IFRS measure) and Adjusted Net Margin (a non-IFRS measure)

We define adjusted net income (a non-IFRS measure) as (loss)/profit for the year/period by adding back certain items, including (i) share-based compensation expenses, (ii) fair value changes on convertible redeemable preferred shares, (iii) fair value changes on convertible preferred shares, (iv) listing expenses, and (v) one-off expenses related to group reorganization. We exclude these items because they are not expected to result in future cash payments. The following table reconciles our adjusted net income (a non-IFRS measure) presented to the most directly comparable financial measures calculated and presented in accordance with IFRS, namely (loss)/profit for the years/periods. We define adjusted net margin (a non-IFRS measure) as adjusted net income (a non-IFRS measure) as a percentage of revenue for the same year/period.

	For the year ended December 31,			For the six months ended June 30,	
	2020	2021	2022	2022	2023
	(RMB in thousands, except for percentages)				
				(unaudited)	
Reconciliation of (loss)/profit for the year/period and adjusted net income (a non-IFRS measure)					
(Loss)/profit for the year/period	(154,009)	(2,495,545)	509,253	289,443	180,596
Add:					
Share-based compensation expenses	108,222	167,212	67,153	34,722	51,516
Fair value changes on convertible redeemable preferred shares	53,075	1,326,311	64,129	6,369	71,289
Fair value changes on convertible preferred shares	109,649	939,441	12,664	(40,087)	83,424
Listing expenses	–	33,636	12,692	–	4,475
Expenses related to group reorganization	34,365	138,546	–	–	–
Adjusted net income (a non-IFRS measure)	**151,302**	**109,601**	**665,891**	**290,447**	**391,300**
Adjusted net margin (a non-IFRS measure)	10.1%	4.2%	19.6%	17.5%	24.0%

We made adjustments of the above items to (loss)/profit for the years/periods presented because our management considers that

(i) share-based compensation expenses represent primarily non-cash employee benefit expenses incurred in connection with our 2020 Plan. Such expenses in any specific period are not expected to result in future cash payments;

(ii) fair value changes of convertible redeemable preferred shares and fair value changes of convertible preferred shares mainly represent changes in the fair value of the convertible redeemable preferred shares and convertible preferred shares issued by us and relate to changes in our valuation. We do not expect to record any further fair value changes of the convertible redeemable preferred shares or the convertible preferred shares after Listing as preferred shares liabilities will be redesignated and reclassified from liabilities to equity after automatically converting into ordinary shares upon Listing;

(iii) listing expenses represent primarily the expenses incurred in connection with the previous listing application. We do not expect to record any future listing expenses after Listing.

(iv) expenses related to group reorganization represent the deemed compensation paid to Mr. Song Ke and other management of the Target Company on two occasions in 2020 and 2021, respectively, in the form of special dividends declared by Guangzhou Quwan. Mr. Song Ke and other management of the Target Company used a portion of such dividends to repay the outstanding debt in connection with our corporate reorganization. We do not expect to incur further expenses related to group reorganization in the foreseeable future.

Our overall revenue increases were primarily driven by the growth and monetization of our value-added services and audio entertainment services, reflected by the continuous increases of our MPUs and paying ratio.

Our cost of revenues consists primarily of revenue sharing fees, salary and welfare benefits, and other costs related to the operation of our platform. Revenue sharing fees mainly represent our payments to recipients of virtual gifts for what they do to drive more active interactions in relation to our value-added services and audio entertainment services, in accordance with our revenue-sharing arrangement with them. In 2020, 2021, 2022 and the six months ended June 30, 2022 and 2023, our revenue sharing fees represent 82.8%, 82.0%, 83.1%, 83.0% and 82.9% of our cost of revenues, respectively. The increase in cost of revenues was primarily due to the increase in revenue sharing fees, which constitute the vast majority of our cost of revenues, as a result of the increased consumption of our services, driven by our business growth and monetization.

Our gross profit margin decreased from 65.0% in 2020 to 57.2% in 2021 and further to 54.2% in 2022, mainly due to the growth of our audio entertainment services, which have a higher proportion of revenues shared to hosts and guilds than that of value-added services. In the six months ended June 30, 2022 and 2023, our gross profit margin was 54.1% and 54.9%, respectively.

Our losses for 2020 and 2021 were primarily because we recorded fair value changes on convertible redeemable preferred shares of RMB53.1 million and RMB1,326.3 million in 2020 and 2021, respectively, as well as fair value changes on convertible preferred shares of RMB109.6 million and RMB939.4 million in 2020 and 2021, respectively, primarily because valuation of the Target Company measured by third party. We turned to a profit of RMB509.3 million in 2022 primarily because (i) the fair value changes on convertible redeemable preferred shares decreased to RMB64.1 million, and the fair value changes on convertible preferred shares decreased to RMB12.7 million, as we engaged in much less financing activities in 2022 than previous years, and (ii) our selling and marketing expenses decreased from RMB1,022.9 million to RMB547.8 million, primarily because of our optimization of sales and marketing activities by focusing on cost-effective and diversified user acquisition channels and utilizing innovative digital marketing tools. Our profit decreased from RMB289.4 million in the six months ended June 30, 2022 to RMB180.6 million in the six months ended June 30, 2023, primarily because the fair value losses on convertible redeemable preferred shares increased from RMB6.4 million to RMB71.3 million, and the fair value gains on convertible preferred shares of RMB40.1 million changed to fair value losses on convertible preferred shares of RMB83.4 million. We do not expect to record any further fair value changes of the convertible redeemable preferred shares as such preferred shares will be re-designated from liabilities to equity as a result of the automatic conversion into ordinary shares upon the completion of the De-SPAC Transaction. To a lesser extent, such losses were also attributable to increases in the share-based compensation and expenses related to group reorganization. For details, see "Financial Information of the Target Group – Discussion of Results of Operations."

Selected Consolidated Balance Sheet Items

The following table sets forth selected information from our consolidated balance sheets as of the dates indicated:

	As of December 31,			As of June 30,
	2020	**2021**	**2022**	**2023**
	(RMB in thousands)			
ASSETS				
Non-current assets				
Property and equipment	32,041	54,914	50,835	45,207
Investment properties	15,300	16,010	14,620	14,700
Right-of-use assets	18,489	124,159	95,155	81,137
Intangible assets	243,376	355,889	342,261	332,769
Financial assets at fair value through profit or loss	6,136	10,525	69,795	94,478
Fixed bank deposits	–	–	199,646	230,000
Prepayments and deposits	8,043	888	1,000	209,470
Amounts due from related parties	89,717	–	–	–
Investments in associates	8,724	46,734	42,847	47,352
Deferred tax assets	4,224	9,551	7,804	7,918
	426,050	618,670	823,963	1,063,031

	As of December 31,			As of June 30,
	2020	**2021**	**2022**	**2023**
	(RMB in thousands)			
Current assets				
Trade receivables	46,797	84,820	99,084	51,174
Prepayments and other current assets	79,732	110,379	126,342	102,995
Amounts due from related parties	182,430	–	–	–
Financial assets at fair value through profit or loss	–	201,224	358,097	222,900
Cash and cash equivalents	629,319	718,187	934,926	767,768
Fixed bank deposits	–	–	–	190,617
Restricted cash	–	638	696	723
	938,278	1,115,248	1,519,145	1,336,177
Assets of a disposal group classified as held-for-sale	–	–	53,146	–
	938,278	1,115,248	1,572,291	1,336,177
Total assets	1,364,328	1,733,918	2,396,254	2,399,208
DEFICIT AND LIABILITIES				
Deficit attributable to equity holders of the Target Company				
Share capital	47	47	47	48
Other reserves	36,620	293,930	60,260	(278,394)
Accumulated losses	(283,059)	(3,005,874)	(2,502,348)	(2,321,213)
Deficit attributable to equity holders of the Target Company	(246,392)	(2,711,897)	(2,442,041)	(2,599,559)
Non-controlling interests	723	10,483	7,172	8,054
Total deficit	(245,669)	(2,701,414)	(2,434,869)	(2,591,505)

	As of December 31,			As of June 30,
	2020	2021	2022	2023
	(RMB in thousands)			
Liabilities				
Non-current liabilities				
Lease liabilities	13,145	103,659	76,849	57,217
Deferred tax liabilities	–	5,029	4,736	4,237
Convertible redeemable preferred shares	746,193	2,448,645	2,730,121	2,314,950
Convertible preferred shares	314,726	1,234,924	1,362,112	1,500,243
	1,074,064	3,792,257	4,173,818	3,876,647
Current liabilities				
Borrowings	126,500	–	–	–
Amounts due to related parties	35,234	–	–	–
Accounts payable	116,543	190,694	200,639	168,757
Other payables and accruals	184,920	343,235	301,156	197,190
Contract liabilities	57,957	80,530	115,049	86,636
Income tax payable	6,731	2,658	13,650	10,975
Convertible redeemable preferred shares	–	–	–	617,536
Lease liabilities	8,048	25,958	26,811	32,972
Total current liabilities	**535,933**	**643,075**	**657,305**	**1,114,066**
Total liabilities	**1,609,997**	**4,435,332**	**4,831,123**	**4,990,713**
Total deficit and liabilities	**1,364,328**	**1,733,918**	**2,396,254**	**2,399,208**
Net current assets	**402,345**	**472,173**	**914,986**	**222,111**

Our net current assets increased from RMB402.3 million as of December 31, 2020 to RMB472.2 million as of December 31, 2021, primarily due to an increase in financial assets at fair value through profit or loss as a result of our purchase of wealth management products and a decrease in borrowings which was primarily due to our full repayment of the outstanding borrowing amount. Our net current assets increased from RMB472.2 million as of December 31, 2021 to RMB915.0 million as of December 31, 2022, primarily due to increase in cash and cash equivalents which was primarily attributable to cash generated from our operations, and an increase in financial assets at fair value through profit or loss as a result of our purchase of unlisted debt securities. Our net current assets decreased from RMB915.0 million as of December 31, 2022 to RMB222.1 million as of June 30, 2023, primarily due to an increase in convertible redeemable preferred shares from nil as of December 31, 2022 to RMB617.5 million as of June 30, 2023, which were reclassified from non-current convertible redeemable preferred shares, as the redemption rights may be exercised within one year under circumstances such as failure to achieve a Qualified Listing.

Our net liabilities increased from RMB245.7 million as of December 31, 2020 to RMB2,701.4 million as of December 31, 2021, primarily driven by the loss of RMB2,495.5 million we incurred in 2021, which were primarily because we recorded fair value losses on convertible redeemable preferred shares of RMB1,326.3 million in 2021, as well as fair value losses on convertible preferred shares of RMB939.4 million in 2021, with reference to the valuation reports issued by an independent valuer.

Our net liabilities decreased from RMB2,701.4 million as of December 31, 2021 to RMB2,434.9 million as of December 31, 2022, primarily driven by the net profit of the year of RMB509.3 million we recorded in 2022, partially offset by the currency translation differences of RMB306.0 million (negative) derived from the translation of foreign operations with a functional currency different from the Target Company's presentation currency and the Target Company's translation of convertible preferred shares and convertible redeemable preferred shares denominated in foreign currency.

Our net liabilities increased from RMB2,434.9 million as of December 31, 2022 to RMB2,591.5 million as of June 30, 2023, primarily driven by dividends declared of RMB198.4 million, see "– Dividend and Dividend Policy".

Our convertible redeemable preferred shares will be re-designated from liabilities to equity as a result of the automatic conversion into ordinary shares upon the Listing, after which we do not expect to recognize any further loss or gain on fair value changes from convertible redeemable preferred shares and we will return to a net assets position from a net liabilities position.

See "Financial Information of the Target Group – Discussion of Selected Items from the Consolidated Balance Sheets."

Selected Consolidated Statements of Cash Flows Items

The following table sets forth our cash flows for the periods indicated:

	Year ended December 31,			Six months ended June 30,	
	2020	**2021**	**2022**	**2022**	**2023**
	(RMB in thousands)				
				(unaudited)	
Net cash generated from operating activities	258,096	156,268	711,096	207,755	280,391
Net cash used in investing activities	(316,534)	(48,044)	(475,532)	(26,092)	(257,818)
Net cash generated from/(used in) financing activities	609,339	(3,828)	(34,158)	3,143	(213,152)
Net increase/(decrease) in cash and cash equivalents	550,901	104,396	201,406	184,806	(190,579)
Cash and cash equivalents at the beginning of the year/period	78,310	629,319	718,187	718,187	955,643
Effects of exchange rate changes on cash and cash equivalents	108	(15,528)	36,050	20,626	2,704
Cash and cash equivalents at the end of the year/period	**629,319**	**718,187**	**955,643**	**923,619**	**767,768**

Working Capital

The Directors of the Target Company are of the opinion that taking into account the estimated net proceeds from the De-SPAC Transaction and the expected cash generated from operating activities, the Successor Group has sufficient working capital for its present requirements and for the next 12 months from the date of this circular.

Key Financial Ratio

We believe that total revenue growth, total gross margin and adjusted net margin (a non-IFRS measure) can provide an important measure of the efficiency of our operations over time. The following table sets forth a summary of our total revenue growth, total gross margin and adjusted net margin (a non-IFRS measure) for the periods indicated.

	For the year ended December 31,			For the six months ended June 30,	
	2020	2021	2022	2022	2023
				(unaudited)	
Total revenue growth (%)	78.6	76.1	29.3	–	(1.9)
Total gross margin (%)(1)	65.0	57.2	54.2	54.1	54.9
Adjusted net margin (a non-IFRS measure) (%)(2)	10.1	4.2	19.6	17.5	24.0

Notes:

(1) Total gross margin equals gross profit divided by revenues for the year.

(2) Adjusted net margin represents adjusted net income as a percentage of revenues of such year. For details of the adjusted net margin, see "Financial Information of the Target Group – Non-IFRS Measures – Adjusted Net Income and Adjusted Net Margin."

Our total gross margin decreased from 65.0% in 2020 to 57.2% in 2021 and further to 54.2% in 2022, mainly because of the growth of our audio entertainment services, which have a higher proportion of revenues shared to hosts and guilds than that of value-added services. Our total gross margin remained stable at 54.9% in the six months ended June 30, 2023, compared with 54.1% in the same period of 2022. For details, see "Financial Information of the Target Group – Description of Key Consolidated Income Statements Items – Gross Profit and Gross Profit Margin."

Our adjusted net margin (a non-IFRS measure) decreased from 10.1% in 2020 to 4.2% in 2021 and increased to 19.6% in 2022. Our adjusted net margin (a non-IFRS measure) increased from 17.5% in the six months ended June 30, 2022 to 24.0% in the same period in 2023. For details of the adjusted net margin, see "Financial Information of the Target Group – Non-IFRS Measure – Adjusted Net Income and Adjusted Net Margin."

Key Operating Metrics

We regularly review a number of key operating metrics to evaluate our business and measure our performance. The table below sets forth key operating metrics relating to our *TT Chat* platform during each period indicated.

	For the year ended December 31,			For the six months ended June 30,	
	2020	2021	2022	2022	2023
Average MAUs (million)	12.3	16.8	13.8	14.9	12.6
Average MPUs (thousand)	643.9	965.6	1,000.3	1,096.0	897.0
Paying Ratio	5.3%	5.7%	7.2%	7.4%	7.1%
Average monthly revenue per paying user (RMB)	184	221	279	249	296

We monitor our average MAUs to measure the size of active user base and user engagement. Our average MAUs increased from 12.3 million in 2020 to 16.8 million in 2021, primarily as a result of our continuous investment in user experience, game buddy matching technologies, as well as other innovative social entertainment offerings. Our average MAUs decreased from 16.8 million in 2021 to 13.8 million in 2022, primarily driven by (i) the suspension of downloading of our *TT Chat* app from February 2022 to January 2023, see "Business of the Target Group – Content Management and Monitoring," and (ii) our shift of focus from user acquisitions through advertising and promotion to deepening user connections and enhancing user engagement. Our average MAUs decreased from 14.9 million in the six months ended June 30, 2022 to 12.6 million in the same period of 2023, primarily due to our shift of focus from new user acquisition through advertising and promotion channels, to deepening existing user connections and enhancing user engagement.

We monitor our average MPUs and the paying ratio to measure our ability to monetize our user base. Our average MPUs increased from 643.9 thousand in 2020 to 965.6 thousand in 2021, and further to 1,000.3 thousand in 2022. Our paying ratio increased from 5.3% in 2020 to 5.7% in 2021 and further to 7.2% in 2022. Our average monthly revenue per paying user increased by 20% from RMB184 in 2020 to RMB221 in 2021, and further to RMB279 in 2022. These increases were primarily driven by the expansion of our user base, more interactions among our users and their increased willingness to deepen their relationships through virtual gifting, all of which was driven by the satisfactory user experience we continued to offer, as well as the increasingly diversified social entertainment scenarios offered on our platform. Our average MPUs decreased from 1,096.0 thousand in the six months ended June 30, 2022 to 897.0 thousand in the same period of 2023 mainly due to our operational efforts focused on increasing individual spending of paying users rather than expanding our paying user base.

SUMMARY OF THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE SUCCESSOR GROUP

The following is an illustrative unaudited pro forma consolidated balance sheet, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of cash flows and adjusted consolidated net tangible assets of the Successor Group which has been prepared on the basis of the notes set out below for the purpose of illustrating the effect of the De-SPAC Transaction as if it had taken place on June 30, 2023 for the unaudited pro forma consolidated balance sheet and adjusted consolidated net tangible assets and January 1, 2022 for the unaudited pro forma consolidated income statement, consolidated statement of comprehensive income and consolidated statement of cash flows. This unaudited pro forma financial information has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the financial position and financial results and cash flows of the Successor Group had the De-SPAC Transaction been completed as at June 30, 2023, January 1, 2022 or at any future date.

The unaudited pro forma financial information is prepared based on the consolidated balance sheet of Target Group as at June 30, 2023 and the consolidated income statement, consolidated statement of comprehensive income and the consolidated statement of cash flows of the Target Group for the year ended December 31, 2022 extracted from the Accountant's Report of the Target Group as set out in Appendix I to this Circular after giving effect to the unaudited pro forma adjustments described in the accompanying notes which are directly attributable to the De-SPAC Transaction and factually supportable and was prepared in accordance with Rules 4.29 and 14.69(4)(a)(ii) of the Listing Rules.

The unaudited pro forma financial information is prepared assuming (i) the Target Capital Restructuring (as detailed in "History, Reorganization and Corporate Structure of the Target Group – Target Capital Restructuring" of this Circular) is completed, (ii) no Vision Deal Class A Shareholders exercise their Appraisal Right, and (iii) there is no Permitted Equity Financing can be fulfilled. In addition, the unaudited pro forma financial information presents two redemption scenarios as set out below.

- **Assuming no redemption (Scenario I)**: This presentation assumes that no Vision Deal Class A Shareholders exercise their rights to redeem any of their Vision Deal Class A Shares and thus the full amount held in the Escrow Account at Closing is available to the De-SPAC Transaction. 63,186,508 Successor Company Shares are issued to the PIPE Investors pursuant to the PIPE Investment Agreements.

- **Assuming full redemption (Scenario II)**: This presentation assumes that 100,100,000 shares of Vision Deal Class A Shares are redeemed, which represents the full amount of redemption. 63,340,546 Successor Company Shares are issued to the PIPE Investors pursuant to the PIPE Investment Agreements.

The unaudited pro forma financial information should be read in conjunction with:

- the accompanying notes to the unaudited pro forma financial information;
- the audited financial statements of the Target Group as at and for the year ended December 31, 2022 and as at and for the six months ended June 30, 2023, and the related notes thereto, as set out in Appendix I to this Circular;
- the audited financial statements of Vision Deal for the period from January 20, 2022 (date of incorporation) to December 31, 2022, and the related notes thereto, as set out in the annual report of Vision Deal as published on April 25, 2023;
- the unaudited financial information of Vision Deal for the six months ended June 30, 2023, and the related notes thereto, as set out in the interim report of Vision Deal as published on September 15, 2023; and
- the financial information of the De-SPAC Transaction and other financial information included elsewhere in this Circular.

For details, see "Appendix III – Unaudited Pro Forma Financial Information of the Successor Group" in this circular.

Summary of Unaudited Pro Forma Consolidated Balance Sheet of the Successor Group as at June 30, 2023

	As at June 30, 2023	
	Scenario I	**Scenario II**
	RMB'000	*RMB'000*
Non-current assets	1,063,031	1,063,031
Current assets	2,433,417	1,480,401
Equity and liabilities		
Equity attributable to equity holders of the Target Company		
Share capital	704	629
Other reserves	6,473,627	5,424,330
Accumulated losses	(3,815,845)	(3,719,489)
Non-controlling interests	8,054	8,054
Total equity	2,666,540	1,713,524

	As at June 30, 2023	
	Scenario I	**Scenario II**
	RMB'000	*RMB'000*
Non-current liabilities	180,701	180,701
Current liabilities	649,207	649,207
Total equity and liabilities	3,496,448	2,543,432

Unaudited Pro Forma Consolidated Income Statement of the Successor Group for the year ended December 31, 2022

	For the Year Ended December 31, 2022	
	Scenario I	**Scenario II**
	RMB'000	*RMB'000*
Revenues	3,401,990	3,401,990
Cost of revenues	(1,559,517)	(1,559,517)
Gross profit	1,842,473	1,842,473
Selling and marketing expenses	(547,847)	(547,847)
Administrative expenses	(180,986)	(180,986)
Research and development expenses	(508,986)	(508,986)
Reversal of impairment losses on financial assets	5,114	5,114
Professional fees and expenses related to listing and De-SPAC Transaction	(1,059,808)	(980,072)
Amortization of transaction costs on redeemable Class A Shares	(51,519)	(51,519)
Other gains, net	52,810	52,810
Operating loss	(448,749)	(369,013)
Finance income	15,984	15,984
Finance costs	(5,434)	(5,434)
Finance income, net	10,550	10,550
Share of net losses of associates accounted for using equity method	(3,887)	(3,887)
Fair value changes on convertible redeemable preferred shares	–	–
Fair value changes on convertible preferred shares	–	–

	For the Year Ended December 31, 2022	
	Scenario I	**Scenario II**
	RMB'000	*RMB'000*
Change in fair value of warrant liabilities	(13,656)	(13,656)
Loss before income tax	(455,742)	(376,006)
Income tax expenses	(68,695)	(68,695)
Loss for the year	(524,437)	(444,701)

Unaudited Pro Forma Consolidated Statement of Comprehensive Income of the Successor Group for the year ended December 31, 2022

	For the Year Ended December 31, 2022	
	Scenario I	**Scenario II**
	RMB'000	*RMB'000*
Loss for the year	(524,437)	(444,701)
Other comprehensive loss		
Items that may be reclassified to profit or loss		
Currency translation differences	(45,749)	(45,749)
Items that will not be reclassified to profit or loss		
Fair value change on convertible redeemable preferred shares due to own credit risk	10,239	10,239
Currency translation differences	(260,255)	(260,255)
Other comprehensive loss for the year, net of taxes	(295,765)	(295,765)
Total other comprehensive loss for the year attributable to:		
– Owner of the Target Company	(295,107)	(295,107)
– Non-controlling interests	(658)	(658)
	(295,765)	(295,765)
Total comprehensive loss for the year attributable to:		
– Owner of the Target Company	(816,891)	(737,155)
– Non-controlling interests	(3,311)	(3,311)
	(820,202)	(740,466)

Summary of Unaudited Pro Forma Consolidated Statement of Cash Flows of the Successor Group for the year ended December 31, 2022

	For the Year Ended December 31, 2022	
	Scenario I	**Scenario II**
	RMB'000	*RMB'000*
Net cash generated from operating activities	573,903	564,843
Net cash used in investing activities	(469,592)	(469,592)
Net cash generated from financing activities	1,096,878	221,711
Net increase in cash and cash equivalents	1,201,189	316,962
Cash and cash equivalents at the beginning of the year	718,187	718,187
Effect of foreign exchange rate changes on cash and cash equivalents	36,050	36,050
Cash and cash equivalents at the end of the year	1,955,426	1,071,199

DIVIDEND AND DIVIDEND POLICY

For the years ended December 31, 2020 and 2021, Guangzhou Quwan has declared special dividends of RMB112.0 million and RMB230.0 million, respectively. No dividends have been paid or declared by the Target Company during the year ended December 31, 2022. On January 9, 2023, the Target Company declared interim dividends of US$29.3 million, of which US$29.1 million had been settled in cash as of the Latest Practicable Date. For details, see Note 26 to the Accountant's Report set out in Appendix I to this circular.

On December 8, 2023, the Target Company declared interim dividends of HK$300 million which is intended to be paid out of the amount standing at the credit of the share premium account based on its audit consolidated financial statements as at June 30, 2023. Such dividends are expected to be funded by internal resources of the Target Group and will be paid before the Listing. None of the net proceeds from the De-SPAC Transaction will be used to fund such dividends.

Upon Closing, the Successor Company will be a holding company incorporated under the laws of the Cayman Islands. As a result, the payment and amount of any future dividends will also depend on the availability of dividends received from the Target Company's subsidiaries. PRC laws require dividends to be paid only out of the profit for the year determined according to PRC accounting principles. PRC laws also require foreign-invested enterprises to set aside at least 10% of its after-tax profits, if any, to fund its statutory reserves until the aggregate amount of such fund reaches 50% of its registered capital, which are not available for distribution as cash dividends. Dividend distribution to the Successor Company's shareholders is recognized as a liability in the period in which the dividends are approved by its shareholders or Directors, where appropriate.

Subject to compliance with the relevant laws and regulations, the Successor Company may consider to distribute dividends to the Successor Company Shareholders in the amount of RMB300 million in the year ending December 31, 2024, and on an annual basis of 40% of net profit for the previous financial years in the years ending December 31, 2025 and 2026. However, any future determination of the Successor Company to pay dividends will be made at the discretion of its Directors and may be based on a number of factors, including its future operations and earnings, capital requirements and surplus, general financial conditions, contractual restrictions and other factors that its Directors may deem relevant. As advised by the Successor Company's Cayman Islands counsel, under Cayman Islands law, a Cayman Islands company may pay a dividend out of either profits or share premium account, provided that in no circumstances may a dividend be declared or paid if this would result in the Successor Company being unable to pay its debts as they fall due in the ordinary course of business. Investors should not purchase the Successor Company Shares with the expectation of receiving cash dividends.

USE OF PROCEEDS

After deducting commissions and expenses payable by Vision Deal and the Target Company in connection with the De-SPAC Transaction, and assuming 100% of Vision Deal Class A Shareholders exercise redemption rights with respect to their Vision Deal Class A Shares, the net proceeds which the Successor Company will receive from the De-SPAC Transaction are estimated to be approximately HK$[146.7] million. We intend to use the net proceeds for the following purposes and in the amounts set out below, subject to changes in light of our evolving business needs and changing market conditions:

- approximately [25]%, or HK$[36.7] million, will be used to drive sustainable and high-quality user base expansion for our *TT Chat* platform in the next three years;

- approximately [20]%, or HK$[29.3] million, will be used to further engage user community with diversified offerings in the next three years;

- approximately [45]%, or HK$[66.0] million, will be used to enhance our technology capabilities to improve the overall user experience and strengthen our monetization ability in the next three years;

- approximately [10]%, or HK$[14.7] million, will be used for general corporate purposes, including working capital needs over the next three years.

See "Future Plans and Use of Proceeds" for more details. For the listing expenses expected to be incurred in connection with the De-SPAC Transaction, please see the section headed "Financial Information of the Target Group – Listing Expenses".

RECENT DEVELOPMENTS

Overseas Listing Regulations

On February 17, 2023, the CSRC promulgated the Trial Administrative Measures of the Overseas Securities Offering and Listing by Domestic Companies (境內企業境外發行證券和上市管理試行辦法) (the "**Trial Measures**") and five supporting guidelines, which took effect on March 31, 2023. According to the Trial Measures, initial public offerings or listings in overseas markets shall be filed with the CSRC within three business days after the relevant application is submitted overseas. A domestic company that seeks to directly or indirectly list its domestic assets in overseas markets through single or multiple acquisitions, share swaps, transfers of shares or other means, shall fulfill the filing procedure as prescribed thereunder. The Target Company is required to go through the filing procedures with the CSRC with respect to the De-SPAC Transaction after the submission of the Listing application to the Stock Exchange.

Cybersecurity and Internet Data Security

The Target Company's business involves collecting and retaining user data, including personal information, as its various information systems are used for data entry, data procession, data analysis, data summarization and data reporting. The Target Company also maintains business operation data as well as employee personal information. The integrity and safety of data resources regarding its users, employees and business operation is critical to its business. The Target Company's users and employees expect that it will adequately protect their personal information. The Target Company is required by applicable laws to keep strictly confidential the personal information that it collect, and to take adequate security measures to safeguard such personal information.

On November 14, 2021, the CAC issued the Administrative Regulations of Cyber Data Security (Draft for Comments) (網絡數據安全管理條例(徵求意見稿)) (the "Draft Cyber Data Security Regulations"), which provide that data processors conducting the following activities shall apply for cybersecurity review: (i) merger, reorganization or separation of Internet platform operators that have acquired a large number of data resources related to national security, economic development or public interests affects or may affect national security; (ii) listing abroad (國外上市) of data processors processing over one million users' personal information; (iii) listing in Hong Kong which affects or may affect national security; (iv) other data processing activities that affect or may affect national security.

On December 28, 2021, the CAC and other regulatory authorities jointly revised and promulgated the Cybersecurity Review Measures, which became effective on February 15, 2022. The Cybersecurity Review Measures stipulate that (i) critical information infrastructure operators ("CIIO") purchasing network products, which affects or may affect national security, must file for the cybersecurity review; (ii) the internet platform operators holding personal information of more than one million users seeking a listing in a foreign country must file for the cybersecurity review and (iii) where members of the cybersecurity review working mechanism believe that network products and services and data processing activities affect or are likely to affect national security, the Cybersecurity Review Office shall report to the Central Cyberspace Affairs Commission for approval as per procedure, and then conduct a review in accordance with the Cybersecurity Review Measures. As of the Latest Practicable Date, The Target Company has not been identified as a CIIO under current effective PRC laws and regulations. The PRC Legal Advisor to the Target Company conducted a consultation via the hotline published by the CAC on a named basis on behalf of the Target Company on May 7, 2023, with staff of the China Cybersecurity Review Technology and Certification Center (中國網絡安全審查技術與認證中心) (the "CCRC"). The CCRC is a competent authority on this consultation, because it is entrusted by the Cybersecurity Review Office under the CAC with authority to accept and review of application materials and to set up a hotline for consultation regarding the cybersecurity review, according to the official announcement by the CAC. Based on such consultation, PRC Legal Advisor to the Target Company advised it that the Target Company does not need to proactively file for the cybersecurity review even though we hold personal information of more than one million users, given Hong Kong is part of PRC and does not belong to any "foreign country" as contemplated in the Cybersecurity Review Measures. Nothing material has come to the attention of the Sole Sponsor as non-legal expert which would cause it to cast doubt on the reasonableness of the Target Company's PRC Legal Advisor's conclusion on no need of a voluntary cybersecurity review.

On July 7, 2022, the CAC promulgated the Security Assessment Measures for Outbound Data Transfer (數據出境安全評估辦法) (the "Security Assessment Measures"), effective from September 1, 2022. The Security Assessment Measures require that any data processor which processes or exports personal information exceeding certain volume threshold under such measures shall apply for security assessment by the CAC before transferring any personal information outbound. The security assessment requirement also applies to any transfer of important data outside China. As of the Latest Practicable Date, The Target Company is not involved in any cross-border transfer of personal information and important data during its daily operations, and therefore does not expect the Security Assessment Measures to have material impact on its daily operations in respect of the outbound data transfer. The Target Company expects it will be able to comply with the Draft Cyber Data Security Regulations, Cybersecurity Review Measures and the Security Assessment Measures in all material aspects based on the foregoing analysis.

For detailed discussion on risks associated with improper use or appropriation of personal information, see "Risk Factors – Risks Related to the Target Group's Business and Industry – We may be liable for improper use or appropriation of personal information."

IMPACT OF COVID-19 ON THE TARGET COMPANY OPERATIONS

The COVID-19 pandemic had positive impact on the Target Company's business operation and financial performance during the Track Record Period, which was overall not significant. See "Risk Factors – Risks Related to the Target Group's Business and Industry – Our business and financial condition was affected by the COVID-19 pandemic" and "Business of the Target Group – Impact of COVID-19 on Our Operations."

No Material Adverse Change

The Directors of the Target Company confirm that, as of the date of this circular, there has been no material adverse change in its business operations, financial or trading position, indebtedness, mortgage, contingent liabilities, guarantees or prospects since June 30, 2023, the end of the period reported on the Accountant’s Report included in Appendix I to this circular, except as disclosed herein.

PROFIT/(LOSS) ESTIMATE FOR THE YEAR ENDED DECEMBER 31, 2023

The Directors of the Target Company estimate, in the absence of unforeseen circumstances and on the bases set out in the section headed “Appendix IIIA – Profit/(Loss) Estimate of the Target Group” in this circular, the estimated consolidated profit/(loss) of the Target Group for the year ended December 31, 2023 to be not less/more than RMB[●] million. For more details, see “Financial Information of the Target Group – Profit/(Loss) Estimate for the Year Ended December 31, 2023”and the section headed “Appendix IIIA – Profit/(Loss) Estimate of the Target Group” in this circular.

EGM AND RECOMMENDATIONS

The De-SPAC Transaction (including the PIPE Investments, the Permitted Equity Financing (if any), the Share Transfer and the Merger) and the withdrawal of listing of the SPAC Class A Shares are subject to approval of the SPAC Class A Shareholders at the EGM by ordinary resolutions.

A notice convening the EGM to be held at [*address*] on [*day*], [*date*] at [*time*][a.m./p.m.], is set out on pages EGM-1 to EGM-4 of this circular. The resolutions to be considered and, if thought fit, approved at the EGM will be voted by way of poll by the SPAC Shareholders. An announcement on the poll results will be published by Vision Deal after the EGM in the manner prescribed under the Listing Rules.

All SPAC Shareholders and their close associates who have a material interest in the De-SPAC Transaction will be required to abstain from voting on the relevant resolution at the EGM. The Promoters have a material interest in the De-SPAC Transaction. The Promoters will be required to abstain and will procure their respective close associates to abstain from voting on resolution 1 as set out in the notice of the EGM with respect to the De-SPAC Transaction and the transactions contemplated thereunder. As at the date of this circular, the Promoters are interested in 25,025,000 SPAC Class B Shares, representing approximately 20% of the issued shares of Vision Deal and 100% of the issued SPAC Class B Shares.

Having taken into account the reasons for the De-SPAC Transaction as set out in “Letter from the Vision Deal Board – E. Reasons for the De-SPAC Transaction”, the Vision Deal Directors consider that the terms of the De-SPAC Transaction and the transactions contemplated thereunder (including the PIPE Investments and the Merger), the withdrawal of listing of SPAC Class A Shares and SPAC Listed Warrants and the adoption of the Private Company Memorandum and Articles are fair and reasonable and in the interests of the SPAC Shareholders as a whole.

Accordingly, the Vision Deal Directors recommend the SPAC Shareholders to vote in favor of the resolutions to be proposed at the EGM to approve the De-SPAC Transaction and the transactions contemplated thereunder (including the PIPE Investments and the Merger), the withdrawal of listing of SPAC Class A Shares and SPAC Listed Warrants and the adoption of the Private Company Memorandum and Articles by Vision Deal.

CONSEQUENCES IF THE DE-SPAC TRANSACTION IS NOT APPROVED OR COMPLETED

On December 8, 2023, Vision Deal has made an announcement in relation to the De-SPAC Transaction. Vision Deal has undertaken to complete a De-SPAC transaction within 30 months of the SPAC Listing Date, being December 9, 2024.

If the De-SPAC Transaction is not approved by SPAC Class A Shareholders, Closing does not occur or the De-SPAC Transaction does not comply with the applicable Listing Rule requirements (including the requirement for the Successor Company to have a minimum number of 100 Professional Investors at the time of listing, unless a waiver from strict compliance with any of these requirements is granted by the Stock Exchange), it is intended that the listings of the SPAC Class A Shares and SPAC Listed Warrants on the Stock Exchange will be maintained, subject to the scenarios below.

Pursuant to the Listing Rules and the Vision Deal Articles, if:

(i) Vision Deal is unable to announce another De-SPAC transaction within 18 months of its initial listing date on June 10, 2022 or complete a De-SPAC transaction within 30 months of the listing date on June 10, 2022 (or, if these time limits are extended pursuant a vote of the SPAC Class A Shareholders and in accordance with the Listing Rules and a De-SPAC transaction is not announced or completed, as applicable, within such extended time limits); or

(ii) Vision Deal fails to obtain the requisite approvals in respect of the continuation of Vision Deal following a material change in the Promoters or Vision Deal Directors as provided for in the Listing Rules,

(a) Vision Deal will cease all operations except for the purpose of winding up; (b) trading of the SPAC Class A Shares and the SPAC Listed Warrants will be suspended; (c) as promptly as reasonably possible, but no more than one month thereafter, Vision Deal will redeem the SPAC Class A Shares, at a per-share repurchase price not less than HK$10.00 payable in cash, equal to the aggregate amount then on deposit in the Escrow Account calculated as at 2 Business Days immediately prior to the relevant extraordinary general meeting (including interest and other income earned on the funds held in the Escrow Account and not previously released to Vision Deal pay its expenses or taxes), divided by the number of the then issued and outstanding SPAC Shares, such redemption will completely extinguish the rights of the SPAC Class A Shareholders as SPAC Shareholders (including the right to receive further liquidation distributions, if any), subject to applicable law; (d) the listing of the SPAC Class A Shares and the SPAC Listed Warrants on the Stock Exchange will be cancelled; and (e) as promptly as reasonably possible following such redemption, subject to the approval of remaining SPAC Shareholders and the Vision Deal Board, Vision Deal will be liquidated and dissolved, subject to, in the case of paragraphs (a), (c) and (e), to Vision deal's obligations under Cayman Islands law to provide for claims of creditors and in all cases subject to the other requirements of applicable law.

In all circumstances, SPAC Class A Shareholders will be paid their HK$10.00 per share redemption amount before SPAC Class B Shareholders have any claim on the funds in the Escrow Account.

If the De-SPAC Transaction is not approved or completed for any reason, Vision Deal will not redeem any SPAC Class A Shares and all Share Redemption requests will be cancelled. In this case, Vision Deal will arrange for the Hong Kong Share Registrar of Vision Deal to promptly return any share certificate(s) delivered by Redeeming SPAC Shareholder(s).