

# THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of the Proposal, the Scheme, the RSU Proposal, this Scheme Document or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant, or other professional adviser.

If you have sold or transferred all your shares in the Company, you should at once hand this Scheme Document and the accompanying forms of proxy to the purchaser or transferee or to the licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Scheme Document, make no representation as to their accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Scheme Document. This Scheme Document appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company. This Scheme Document is not for release, publication or distribution, in whole or in part, in, into or from any jurisdiction where to do so would constitute a violation of the applicable laws or regulations of such jurisdiction.



RAZER INC.

雷蛇\*

(incorporated in the Cayman Islands with limited liability)  
(Stock Code: 1337)

OUROBOROS (I) INC.

(incorporated in the Cayman Islands with limited liability)

## (1) PROPOSAL FOR THE PRIVATISATION OF RAZER INC. BY THE OFFEROR BY WAY OF A SCHEME OF ARRANGEMENT UNDER SECTION 86 OF THE COMPANIES ACT AND (2) PROPOSED WITHDRAWAL OF LISTING OF RAZER INC.

Financial Adviser to the Offeror

CREDIT SUISSE

Independent Financial Adviser to the Independent Board Committee

ANGLO CHINESE  
CORPORATE FINANCE, LIMITED

英高

Unless the context otherwise requires, capitalised terms used in this Scheme Document (including this cover page) shall have the same meaning as those defined in the section headed "Definitions" of this Scheme Document. A letter from the Board is set out on pages 30 to 53 of this Scheme Document. A letter from the Independent Board Committee containing its advice to the Disinterested Shareholders and the RSU Holders in relation to the Proposal, the Scheme and the RSU Proposal is set out on pages 54 to 55 of this Scheme Document. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee in connection with the Proposal, the Scheme and the RSU Proposal is set out on pages 56 to 107 of this Scheme Document. The Explanatory Memorandum is set out on pages 108 to 151 of this Scheme Document. The actions to be taken by the Shareholders and the RSU Holders are set out on pages 8 to 11 of this Scheme Document.

Notices convening the Court Meeting and the General Meeting to be held at 9:00 a.m. and 9:30 a.m. on Tuesday, 26 April 2022 at Razer SEA HQ, 1 one-north Crescent #02-01, Singapore 138538 (or, in the case of the General Meeting, as soon thereafter as the Court Meeting shall have concluded or been adjourned) are set out on pages 190 to 193 and 194 to 198 of this Scheme Document respectively.

As at the Latest Practicable Date (i.e. Friday, 25 March 2022), the Prevention and Control of Disease (Requirements and Directions) (Business and Premises) Regulation (Chapter 599F, Laws of Hong Kong) prohibits the holding of physical general meetings of companies in Hong Kong. Accordingly the Court Meeting and the General Meeting will be physically held in Singapore.

The articles of association of the Company do not allow Shareholders to attend and vote in shareholders' meetings (including the Court Meeting and the General Meeting) virtually and therefore it is not possible to hold a virtual or hybrid meeting. Shareholders unable to physically attend the Court Meeting and/or the General Meeting in Singapore may appoint a proxy by submitting the relevant proxy form(s) (as further detailed below).

### Arrangements in Hong Kong

However, the Company is keen for Shareholders based in Hong Kong to have the opportunity to observe the meetings and ask Directors questions about the Scheme. Accordingly, if after the Latest Practicable Date, it becomes reasonably apparent to the Company that it will become possible for there to be a venue in Hong Kong on Tuesday, 26 April 2022 at which Shareholders can attend to observe the meetings and ask Directors questions about the Scheme by electronic means, then the Company will make arrangements for such venue and facilities. This will enable Shareholders to observe the meetings and ask Directors questions about the Scheme simultaneously at the Court Meeting and the General Meeting at the venue in Hong Kong at 9:00 a.m. and 9:30 a.m., respectively, on Tuesday, 26 April 2022 (or, in the case of the General Meeting, as soon thereafter as the Court Meeting shall have concluded or been adjourned).

For the avoidance of doubt, the venue and facilities in Hong Kong will allow attending Shareholders to observe the meetings via a live video stream and ask questions (which are not prohibited by the articles of association of the Company or applicable laws) but will not allow them to vote for any proposed resolution(s) in the Court Meeting and the General Meeting.

The Company will publish an announcement on the details of the venue and any special arrangements in Hong Kong at least 10 Business Days before the date of the Court Meeting and the General Meeting (i.e. on or before Friday, 8 April 2022).

### Online Webcast

Shareholders are also invited to observe the Court Meeting and/or the General Meeting and submit questions to Directors about the Scheme via electronic means during a live webcast by visiting the designated URL link using unique login details which will be despatched to Shareholders in the manner described below:

- (i) for Registered Owners, unique login details will be set out in a notification letter to be despatched by post together with this Scheme Document; and
- (ii) Beneficial Owners whose Shares are deposited in CCASS who wish to access the audio-visual webcast should contact their banks, brokers, custodians, nominees or the Hong Kong Securities Clearing Company Limited through which their Shares are held (together the "Intermediary") and provide their e-mail addresses before the time limit required by the relevant Intermediary. Unique login details that can be used to access the audio-visual webcast will be sent by the Share Registrar to the e-mail addresses of the Beneficial Owners provided by the Intermediary.

The unique login details are limited to a single user and must not be forwarded by the Shareholder to other persons. The webcast can be accessed from any location with access to the Internet with a smart phone, tablet device or computer. There is no restriction under the articles of association of the Company or applicable laws for Shareholders to access the webcast to observe the Court Meeting and/or the General Meeting or to submit questions to Directors via electronic means. However, Shareholders who join the webcast will not be counted towards the quorum nor will they be able to cast their votes online, due to the restrictions in the Company's articles of association.

### Voting Instructions

**The Company wishes to advise all of the Shareholders that the only ways to vote for any proposed resolution(s) in the Court Meeting and/or the General Meeting are (i) to attend the physical Court Meeting and/or the General Meeting at Razer SEA HQ, 1 one-north Crescent #02-01, Singapore 138538 or (ii) to appoint any person or the chairman of the Court Meeting and/or the General Meeting as a proxy to attend and vote on any of the resolutions by completing and lodging the relevant proxy form(s) in accordance with the instructions contained therein. Shareholders are reminded to mark their voting decision (for or against, as the case may be) on the relevant proxy form(s).**

Whether or not you are able to attend the Court Meeting and/or the General Meeting or any adjournment thereof in person, if you are a Shareholder, you are strongly urged to complete and sign the enclosed pink form of proxy in respect of the Court Meeting and if you are a Shareholder, you are strongly urged to complete and sign the enclosed white form of proxy in respect of the General Meeting, in accordance with the instructions printed thereon and to lodge them at the office of the Share Registrar, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible, but in any event no later than the respective times and dates specified in them. The white form of proxy in respect of the General Meeting will not be valid if it is not so lodged. In the case of the pink form of proxy in respect of the Court Meeting, it may also be handed to the Chairman of the Court Meeting (who will have absolute discretion on whether or not to accept it) at the Court Meeting if it is not so lodged.

Completion and return of a form of proxy for the Court Meeting and/or the General Meeting will not preclude you from attending and voting in person at the relevant meeting or any adjournment thereof, should you so wish, and, in such event, the relevant form of proxy will be revoked by operation of law.

Given the ever-evolving COVID-19 pandemic and the importance of safeguarding the health and safety of the Shareholders and attendees of the Court Meeting and the General Meeting, the Company will implement precautionary measures at the venue of the Court Meeting and the General Meeting which include but are not limited to: (i) prevailing safe management measures required under applicable laws and regulations in Singapore (including vaccination-differentiated safe management measures, i.e. all attendees must be fully vaccinated, recovered from COVID-19 in the past 180 days, or medically ineligible for vaccination); (ii) mandatory use of a surgical face mask for each attendee; (iii) no distribution of corporate souvenirs/gifts or refreshments; and (iv) appropriate distancing and spacing between seats.

Furthermore, the Company wishes to advise all of the Shareholders, particularly any Shareholders who are subject to quarantine in relation to COVID-19, that they may appoint any person or the chairman of the Court Meeting and/or the General Meeting as a proxy to attend and vote on any of the resolutions, instead of attending the Court Meeting and/or the General Meeting in person. Physical attendance by a Shareholder is not necessary for the purpose of exercising any voting rights.

This Scheme Document is issued jointly by the Offeror and the Company. In case of inconsistency, the English language text of this Scheme Document shall prevail over the Chinese language text for the purpose of interpretation.

\* For identification purposes only

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### NOTICE TO U.S. INVESTORS

The Proposal and the Scheme relate to the cancellation of the securities of a company incorporated under the laws of the Cayman Islands by way of a scheme of arrangement provided for under the Companies Act. The RSU Proposal relates to the cancellation of the restricted share units of a company pursuant to the Takeovers Code and the terms of the 2016 Equity Incentive Plan. The Proposal, the Scheme and the RSU Proposal are subject to Hong Kong procedural disclosure requirements and practices which are different from those of the United States.

The Shares are listed on the Stock Exchange and are not listed on a United States national securities exchange or registered under the United States Securities Exchange Act of 1934, as amended (the “**Exchange Act**”). A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules or the proxy solicitation rules of the Exchange Act. Accordingly, the Proposal, the Scheme and the RSU Proposal are subject to the procedural and disclosure requirements and practices applicable in the Cayman Islands and Hong Kong to schemes of arrangement and securities offers, which differ from the disclosure and procedural and practice requirements applicable under United States federal securities laws.

The receipt of cash pursuant to the Proposal, the Scheme or the RSU Proposal by a U.S. holder of the Scheme Shares or the RSUs may be a taxable transaction for U.S. federal income tax purposes and under applicable U.S. state and local, as well as foreign and other, tax laws. Each holder of the Scheme Shares or the RSUs is urged to consult his/her/its independent professional adviser immediately regarding the tax consequences of the Proposal, the Scheme and the RSU Proposal applicable to him/her/it.

It may be difficult for a U.S. holder of the Scheme Shares or the RSUs to enforce his/her/its rights and claims arising out of the U.S. federal securities laws, as the Offeror and the Company are incorporated in a country other than the United States, and some or all of their respective officers and directors may be residents of a country other than the United States. A U.S. holder of the Scheme Shares or the RSUs may not be able to sue a non-U.S. company or its officers or directors in a non-U.S. court for violations of the U.S. securities laws. Further, it may be difficult for a U.S. holder of the Scheme Shares or the RSUs to compel a non-U.S. company and its affiliates to subject themselves to a U.S. court’s judgement.

Neither the U.S. Securities and Exchange Commission nor any U.S. state securities commission has approved or disapproved the Proposal, the Scheme or the RSU Proposal, or determined if this Scheme Document is accurate or complete. Any representation to the contrary is a criminal offence in the United States.

This Scheme Document is not intended to, and does not, constitute, or form part of, an offer or invitation to purchase or subscribe for any securities of the Company in the United States.

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### FORWARD-LOOKING STATEMENTS

This Scheme Document may include forward-looking statements. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “envisages”, “estimates”, “anticipates”, “expects”, “intends”, “may”, “will” or “should” or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts and include statements regarding the Offeror’s, the Company’s or their respective affiliates’ intentions, beliefs or current expectations. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Readers are cautioned that forward-looking statements are not guarantees of future performance and that actual results or developments may differ materially from those made in or suggested by the forward-looking statements contained in this Scheme Document, and may not be indicative of results or developments in subsequent periods. The forward-looking statements and information contained in this Scheme Document are made as of the Latest Practicable Date and each of the Offeror and the Company undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws or the Takeovers Code.

Financial information disclosed in respect of the Proposal, the Scheme and the RSU Proposal has been or will have been prepared in accordance with non-U.S. accounting standards that may not be comparable to financial information of U.S. companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.

### Precautionary measures for the Court Meeting and the General Meeting

**Given the ever-evolving COVID-19 pandemic and the importance of safeguarding the health and safety of the Shareholders and attendees of the Court Meeting and the General Meeting, the Company will implement precautionary measures at the venue of the Court Meeting and the General Meeting which include but are not limited to: (i) prevailing safe management measures required under applicable laws and regulations in Singapore (including vaccination-differentiated safe management measures, i.e. all attendees must be fully vaccinated, recovered from COVID-19 in the past 180 days, or medically ineligible for vaccination); (ii) mandatory use of a surgical face mask for each attendee; (iii) no distribution of corporate souvenirs/gifts or refreshments; and (iv) appropriate distancing and spacing between seats.**

**Furthermore, the Company wishes to advise all of the Shareholders, particularly any Shareholders who are subject to quarantine in relation to COVID-19, that they may appoint any person or the chairman of the Court Meeting and/or the General Meeting as a proxy to attend and vote on any of the resolutions, instead of attending the Court Meeting and/or the General Meeting in person. Physical attendance by a Shareholder is not necessary for the purpose of exercising any voting rights.**

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## QUESTIONS AND ANSWERS

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The following are some of the questions you, as a Scheme Shareholder or a Shareholder, may have and the answers to those questions.

**This Scheme Document contains important information and you are encouraged to read this Scheme Document in full, including the appendices, carefully.**

**1. What is the purpose of this Scheme Document?**

- The purpose of this Scheme Document is to provide you with, among other things: (a) information on the Proposal, the Scheme and the RSU Proposal and the expected timetable of the Proposal, the Scheme and the RSU Proposal; (b) an explanatory statement in respect of the Scheme as required under the Companies Act; (c) recommendations of the Independent Board Committee and the letter of advice from the Independent Financial Adviser to the Independent Board Committee in relation to the Proposal, the Scheme and the RSU Proposal; (d) notices of the Court Meeting and the General Meeting; and (e) the **pink** and **white** proxy forms in relation to the Court Meeting and the General Meeting, respectively.

**2. What are the Court Meeting, the General Meeting and the Grand Court hearing?**

- The Court Meeting is convened for the Scheme Shareholders to consider and, if thought fit, approve the Scheme.
- After the Court Meeting has concluded or been adjourned, the General Meeting or any adjournment thereof will be held for the Shareholders to consider and, if thought fit, pass all necessary resolutions for the implementation of the Scheme.
- If the requisite approval is obtained at the Court Meeting and the resolutions are passed at the General Meeting, the Grand Court hearing will be held for the Grand Court to hear the petition to sanction the Scheme. The hearing to sanction the petition is listed to be heard on Friday, 6 May 2022 at 10 a.m. (Cayman Islands time) and Scheme Shareholders have the right to attend, or appear by counsel, and be heard on the hearing of the petition.

**3. What is the location, date and time of the Court Meeting and the General Meeting?**

- The Court Meeting will be held at 9:00 a.m. on Tuesday, 26 April 2022 at Razer SEA HQ, 1 one-north Crescent #02-01, Singapore 138538.
- The General Meeting will be held at 9:30 a.m. on Tuesday, 26 April 2022 at Razer SEA HQ, 1 one-north Crescent #02-01, Singapore 138538 (or as soon thereafter as the Court Meeting shall have been concluded or adjourned).
- As at the Latest Practicable Date (i.e. Friday, 25 March 2022), the Prevention and Control of Disease (Requirements and Directions) (Business and Premises) Regulation (Chapter 599F, Laws of Hong Kong) prohibits the holding of physical general meetings of companies in Hong Kong. Accordingly the Court Meeting and the General Meeting will be physically held in Singapore.

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## QUESTIONS AND ANSWERS

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- The articles of association of the Company do not allow Shareholders to attend and vote in shareholders' meetings (including the Court Meeting and the General Meeting) virtually and therefore it is not possible to hold a virtual or hybrid meeting. Shareholders unable to physically attend the Court Meeting and/or the General Meeting in Singapore may appoint a proxy by submitting the relevant proxy form(s) (as further detailed below).

### **Arrangements in Hong Kong**

- However, the Company is keen for Shareholders based in Hong Kong to have the opportunity to observe the meetings and ask Directors questions about the Scheme. Accordingly, if after the Latest Practicable Date, it becomes reasonably apparent to the Company that it will become possible for there to be a venue in Hong Kong on Tuesday, 26 April 2022 at which Shareholders can attend to observe the meetings and ask Directors questions about the Scheme by electronic means, then the Company will make arrangements for such venue and facilities. This will enable Shareholders to observe the meetings and ask Directors questions about the Scheme simultaneously at the Court Meeting and the General Meeting at the venue in Hong Kong at 9:00 a.m. and 9:30 a.m., respectively, on Tuesday, 26 April 2022 (or, in the case of the General Meeting, as soon thereafter as the Court Meeting shall have concluded or been adjourned).
- For the avoidance of doubt, the venue and facilities in Hong Kong will allow attending Shareholders to observe the meetings via a live video stream and ask questions (which are not prohibited by the articles of association of the Company or applicable laws) but will not allow them to vote for any proposed resolution(s) in the Court Meeting and the General Meeting.
- The Company will publish an announcement on the details of the venue and any special arrangements in Hong Kong at least 10 Business Days before the date of the Court Meeting and the General Meeting (i.e. on or before Friday, 8 April 2022).

### **Online Webcast**

- Shareholders are also invited to observe the Court Meeting and/or the General Meeting and submit questions to Directors about the Scheme via electronic means during a live webcast by visiting the designated URL link using unique login details which will be despatched to Shareholders in the manner described below:
  - (i) for Registered Owners, unique login details will be set out in a notification letter to be despatched by post together with this Scheme Document; and

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## QUESTIONS AND ANSWERS

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- (ii) Beneficial Owners whose Shares are deposited in CCASS who wish to access the audio-visual webcast should contact their banks, brokers, custodians, nominees or the Hong Kong Securities Clearing Company Limited through which their Shares are held (together the “**Intermediary**”) and provide their e-mail addresses before the time limit required by the relevant Intermediary. Unique login details that can be used to access the audio-visual webcast will be sent by the Share Registrar to the e-mail addresses of the Beneficial Owners provided by the Intermediary.
- The unique login details are limited to a single user and must not be forwarded by the Shareholder to other persons. The webcast can be accessed from any location with access to the Internet with a smart phone, tablet device or computer. There is no restriction under the articles of association of the Company or applicable laws for Shareholders to access the webcast to observe the Court Meeting and/or the General Meeting or to submit questions to Directors via electronic means. However, Shareholders who join the webcast will not be counted towards the quorum nor will they be able to cast their votes online, due to the restrictions in the Company’s articles of association.

### Voting Instructions

- **The Company wishes to advise all of the Shareholders that the only ways to vote for any proposed resolution(s) in the Court Meeting and/or the General Meeting are (i) to attend the physical Court Meeting and/or the General meeting at Razer SEA HQ, 1 one-north Crescent #02-01, Singapore 138538 or (ii) to appoint any person or the chairman of the Court Meeting and/or the General Meeting as a proxy to attend and vote on any of the resolutions by completing and lodging the relevant proxy form(s) in accordance with the instructions contained therein. Shareholders are reminded to mark their voting decision (for or against, as the case may be) on the relevant proxy form(s).**
4. **What do I need to do if I want to vote at the Court Meeting and the General Meeting?**
- You are strongly encouraged:
    - (a) in the case of a Scheme Shareholder or a Shareholder – to exercise your right to vote at the Court Meeting and/or the General Meeting; or
    - (b) in the case of a Beneficial Owner whose Shares are held by a Registered Owner – to give instructions to the relevant Registered Owner to vote in person or by proxy at the Court Meeting and/or the General Meeting; or

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## QUESTIONS AND ANSWERS

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- (c) in the case of a Beneficial Owner whose Shares are deposited in CCASS and registered under the name of HKSCC Nominees (who is not an Investor Participant) – to give voting instructions to your broker, custodian, nominee or other relevant person who is, or has, in turn, deposited such Shares with, a CCASS Participant, to vote in person or by proxy at the Court Meeting and/or the General Meeting.
- The actions you should take are summarised in “*Actions to be taken*” and the section headed “*Actions to be taken*” in the Explanatory Memorandum of this Scheme Document. You should read them carefully.

### 5. What is the Proposal?

- The Proposal involves the proposed privatisation of the Company by way of a scheme of arrangement under section 86 of the Companies Act involving:
  - (a) the subscription by the Offeror for, and the allotment and issuance by the Company to the Offeror of, one Share fully paid at par;
  - (b) the cancellation of the Founder Scheme Shares held by the Founder Shareholders on the Effective Date in consideration for the Founder Scheme Shares Cancellation Consideration, being the crediting of the unpaid TopCo Shares held by the TML HoldCos, Mr. Lim and the LKL HoldCos as being fully paid in an amount equivalent to the aggregate Cancellation Price for all of the Founder Scheme Shares;
  - (c) the cancellation of the RSU Trustee Scheme Shares (which are held by the RSU Trustee pending the vesting of the RSUs granted under the 2016 Equity Incentive Plan) on the Effective Date for nil consideration on the basis that pursuant to and in accordance with the terms of the RSU Proposal, the RSU Proposal Price, which is equal to the Cancellation Price, will be paid directly to the RSU Holders in cash;
  - (d) the cancellation of all Scheme Shares (other than the Founder Scheme Shares and the RSU Trustee Scheme Shares) on the Effective Date in consideration for the Cancellation Price of HK\$2.82 per Scheme Share, which will be paid in cash;
  - (e) the issuance of such number of new Shares as is equal to the number of Scheme Shares cancelled (minus one) to the Offeror, credited as fully paid, such that the Company will become wholly owned by the Offeror; and
  - (f) the withdrawal of the listing of the Shares on the Stock Exchange following the Effective Date in accordance with Rule 6.15(2) of the Listing Rules.



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## QUESTIONS AND ANSWERS

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- Upon completion of the Proposal, the Offeror will directly hold 100% of the issued share capital of the Company. The Company will, as soon as practicable thereafter, apply for the withdrawal of the listing of the Shares on the Stock Exchange.
- The Proposal is conditional upon the satisfaction or valid waiver (as applicable) of certain Conditions as further described in this Scheme Document.

### **6. What is the RSU Proposal?**

- The RSU Proposal is made by the Offeror in accordance with Rule 13.1 of the Takeovers Code, pursuant to which:
  - (a) each unvested RSU will be cancelled on the Effective Date;
  - (b) the Offeror will pay to each Founder RSU Holder the Founder RSU Proposal Consideration (being, in the case of Mr. Tan, the crediting of the unpaid TopCo Shares held by the TML HoldCos and, in the case of Mr. Lim, the crediting of the unpaid TopCo Shares held by Mr. Lim and the LKL HoldCos, in each case as being fully paid in an aggregate amount equivalent to the RSU Proposal Price multiplied by the number of unvested RSUs of such Founder RSU Holder cancelled);
  - (c) the Offeror will, subject to the existing terms of the unvested RSUs of such Non-Founder RSU Holder (including vesting and other conditions, such as the continued employment of such Non-Founder RSU Holder with the Group), pay to each Non-Founder RSU Holder the RSU Proposal Price of HK\$2.82 per RSU in cash for each unvested RSU of such Non-Founder RSU Holder cancelled, on a staggered basis in accordance with the original vesting schedule applicable to each such unvested RSU; and
  - (d) all of the Shares held by the RSU Trustee on the Effective Date will be cancelled for nil consideration.
- The RSU Proposal is conditional on the Scheme becoming effective.

### **7. I am an overseas Shareholder or an overseas RSU Holder. What should I do?**

- All overseas Shareholders and overseas RSU Holders are advised to read this Scheme Document in its entirety and, in particular, the section headed “*Overseas holders of the Scheme Shares and overseas RSU Holders*” in the Explanatory Memorandum of this Scheme Document.

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## QUESTIONS AND ANSWERS

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**8. Will I have to pay any fees or commissions?**

- If your Shares are registered in your name as at the Scheme Record Date and the Scheme becomes effective, you will not have to pay brokerage fees or similar expenses in respect of the cancellation of the Scheme Shares concerned.
- If, as at the Scheme Record Date, you own your Shares through a financial intermediary (such as a broker or nominee), you should consult your financial intermediary to determine whether any charges apply.

**9. What is the position of the Independent Board Committee on the Proposal and the Scheme?**

- The Independent Board Committee, having considered the terms of the Proposal, the Scheme and the RSU Proposal, and having taken into account the advice of the Independent Financial Adviser, in particular the factors, reasons and recommendations set out in “*Letter from the Independent Financial Adviser*” of this Scheme Document, considers the terms of the Proposal, the Scheme and the RSU Proposal to be fair and reasonable as far as the Disinterested Shareholders and the RSU Holders (as applicable) are concerned. Accordingly, the Independent Board Committee recommends the Scheme Shareholders to vote in favour of the relevant resolution(s) to be proposed at the Court Meeting and the Shareholders at the General Meeting to approve and implement the Scheme.
- Anglo Chinese Corporate Finance, Limited has been appointed as the independent financial adviser to advise the Independent Board Committee in connection with the Proposal and the Scheme. The text of the letter of advice from the Independent Financial Adviser containing its recommendation and the principal factors and reasons that it has taken into consideration in arriving at its recommendation is set out in “*Letter from the Independent Financial Adviser*” of this Scheme Document. You are advised to read such letter of advice carefully before taking any action in respect of the Proposal.

**10. When do you expect the Proposal and the RSU Proposal to be completed?**

- If the Conditions of the Proposal are fulfilled or waived (as applicable), the Proposal and the RSU Proposal are expected to be completed on Wednesday, 11 May 2022.

**11. Who should I contact if I have additional questions?**

- If you have any questions concerning specific administrative or procedural matters (such as dates, documentation and procedures) relating to the Court Meeting and/or the General Meeting, please contact the Share Registrar at +852 2862 8555 between 9:00 a.m. and 6:00 p.m. on Monday to Friday, excluding public holidays in Hong Kong.

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## QUESTIONS AND ANSWERS

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- In addition, a designated hotline has been set up to answer any general questions which Shareholders may have concerning specific administrative or procedural matters relating to the Court Meeting and/or the General Meeting from 9:00 a.m. to 5:00 p.m. (Hong Kong time) from Monday to Friday (excluding public holidays in Hong Kong):

IHS Markit at +852 3742 1080 (Hong Kong) or +86 21 24229150 (Mainland China)

- For the avoidance of doubt, the Share Registrar and IHS Markit cannot and will not provide any advice on the merits or risks of the Proposal, the Scheme or the RSU Proposal or give any financial or legal advice via the above designated hotlines. If you are in doubt as to any aspect of this Scheme Document or action to be taken, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

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## ACTIONS TO BE TAKEN

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### 1. ACTIONS TO BE TAKEN BY SHAREHOLDERS

For the purpose of determining the entitlements of the Scheme Shareholders to attend and vote at the Court Meeting and the entitlements of the Shareholders to attend and vote at the General Meeting, the register of members of the Company will be closed from Thursday, 21 April 2022 to Tuesday, 26 April 2022 (both days inclusive) (or such other dates as may be notified by the Company by way of announcement(s)), and during such period, no transfer of Shares will be effected. In order to qualify to vote at the Court Meeting and the General Meeting, the relevant forms of transfer of share ownership accompanied by the relevant share certificates must be lodged with the Share Registrar at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on Wednesday, 20 April 2022. A subsequent purchaser of Scheme Shares will need to obtain a proxy form from the transferor if he or she wishes to attend or vote at the Court Meeting or the General Meeting.

A **pink** form of proxy for use at the **Court Meeting** and a **white** form of proxy for use at the **General Meeting** are enclosed with this Scheme Document.

Whether or not you are able to attend the Court Meeting and/or the General Meeting or any adjournment thereof in person, if you are a Scheme Shareholder, you are strongly urged to complete and sign the enclosed **pink** form of proxy in respect of the Court Meeting, and if you are a Shareholder, you are strongly urged to complete and sign the enclosed **white** form of proxy in respect of the General Meeting, in accordance with the instructions printed thereon, and to lodge them at the Share Registrar's office at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

**In order to be valid, the pink form of proxy for use at the Court Meeting should be lodged at the Share Registrar's office at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 9:00 a.m. on Sunday, 24 April 2022, which is 48 hours before the time appointed for holding the Court Meeting or any adjournment thereof. The pink form of proxy may also be handed to the Chairman of the Court Meeting (who will have absolute discretion on whether or not to accept it) at the Court Meeting. The white form of proxy for use at the General Meeting should be lodged at the Share Registrar's office at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 9:30 a.m. on Sunday, 24 April 2022, which is 48 hours before the time appointed for holding the General Meeting or any adjournment thereof failing which it will not be valid.**

The completion and return of a form of proxy for the Court Meeting and/or the General Meeting will not preclude you from attending and voting in person at the relevant meeting or any adjournment thereof should you so wish, and, in such event, the relevant form of proxy will be revoked by operation of law.

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## ACTIONS TO BE TAKEN

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If you do not appoint a proxy and you do not attend and vote at the Court Meeting and/or the General Meeting, you will still be bound by the outcome of the Court Meeting and/or the General Meeting if, among other things, the resolutions are passed by the requisite majorities of the Scheme Shareholders or the Disinterested Shareholders (as the case may be). You are therefore strongly urged to attend and vote at the Court Meeting and/or the General Meeting in person or by proxy.

Voting at the Court Meeting and the General Meeting will be taken by poll as required under the Listing Rules and the Takeovers Code.

The Company and the Offeror will make an announcement in relation to the results of the Court Meeting and the General Meeting, in accordance with Rule 19.1 of the Takeovers Code to the extent applicable, on Tuesday, 26 April 2022 by not later than 7:00 p.m. and, if all the resolutions are passed at those meetings, further announcements will be made in relation to, among other things, the results of the hearing of the petition for the sanction of the Scheme by the Grand Court and, if the Scheme is sanctioned, the Scheme Record Date, the Effective Date and the date of withdrawal of listing of Shares from the Stock Exchange in accordance with the requirements of the Takeovers Code and the Listing Rules.

### **2. ACTIONS TO BE TAKEN BY BENEFICIAL OWNERS WHOSE SHARES ARE HELD BY A REGISTERED OWNER OR DEPOSITED IN CCASS**

No person shall be recognised by the Company as holding any Shares on trust.

If you are a Beneficial Owner whose Shares are registered in the name of a nominee, trustee, depositary or any other authorised custodian or third party, you should contact such Registered Owner to give instructions to and/or to make arrangements with such Registered Owner as to the manner in which the Shares beneficially owned by you should be voted at the Court Meeting and/or the General Meeting.

If you are a Beneficial Owner who wishes to attend the Court Meeting and/or the General Meeting personally, you should:

- (a) contact the Registered Owner directly to make the appropriate arrangements with the Registered Owner to enable you to attend and vote at the Court Meeting and/or the General Meeting and, for such purpose, the Registered Owner may appoint you as its proxy; or
- (b) arrange for some or all of the Shares registered in the name of the Registered Owner to be transferred into your own name, if you wish to vote (in person or by proxy) at the Court Meeting and/or the General Meeting.

The appointment of a proxy by the Registered Owner at the Court Meeting and/or the General Meeting shall be in accordance with all relevant provisions in the articles of association of the Company.

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## ACTIONS TO BE TAKEN

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In the case of the appointment of a proxy by the Registered Owner, the relevant forms of proxy shall be completed and signed by the Registered Owner and shall be lodged in the manner and no later than the latest time for lodging the relevant forms of proxy as more particularly set out in this Scheme Document.

The completion and return of a form of proxy for the Court Meeting and/or the General Meeting will not preclude the Registered Owner from attending and voting in person at the relevant meeting or any adjournment thereof should he/she/it so wish, and, in such event, the relevant form of proxy will be revoked by operation of law.

Instructions to and/or arrangements with the Registered Owner should be given or made in advance of the relevant latest time for the lodgement of the forms of proxy in respect of the Court Meeting and/or the General Meeting in order to provide the Registered Owner with sufficient time to complete his/her/its forms of proxy accurately and to submit them by the deadline. To the extent that any Registered Owner requires instructions from or arrangements to be made with any Beneficial Owner at a particular date or time in advance of the relevant latest time for the lodgement of the forms of proxy in respect of the Court Meeting and the General Meeting, such Beneficial Owner should comply with the requirements of such Registered Owner.

If you are a Beneficial Owner whose Shares are deposited in CCASS and registered under the name of HKSCC Nominees, you must, unless you are an Investor Participant, contact your broker, custodian, nominee or other relevant person who is, or has, in turn, deposited such Shares with, a CCASS Participant regarding voting instructions to be given to such persons, or alternatively arrange for some or all of such Shares to be withdrawn from CCASS and transferred into your own name prior to the Meeting Scheme Record Date, if you wish to vote (in person or by proxy) at the Court Meeting and/or the General Meeting. The procedure for voting in respect of the Scheme by the Investor Participants and the Other CCASS Participants with respect to Shares registered under the name of HKSCC Nominees shall be in accordance with the “*General Rules of CCASS*” and the “*CCASS Operational Procedures*” in effect from time to time.

Only Scheme Shareholders whose Scheme Shares are registered in their own names in the register of members of the Company on the Meeting Record Date will be counted as members of the Company for the purpose of calculating whether or not a majority in number of members of the Company have approved the Scheme at the Court Meeting under section 86 of the Companies Act. In accordance with the direction from the Grand Court, the vote of HKSCC Nominees Limited (as a Scheme Shareholder) will be counted as one vote which will be exercised for or against the Scheme according to the majority of voting instructions it receives. Beneficial Owners who wish to individually vote or be counted for such purposes should make arrangements to be registered as a member of the Company in their own name prior to the Meeting Record Date.

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## ACTIONS TO BE TAKEN

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### 3. ACTIONS TO BE TAKEN BY RSU HOLDERS

No action will be required to be taken by any RSU Holder in order for him/her to receive the consideration detailed in the section headed “*RSU Proposal*” in the Explanatory Memorandum of this Scheme Document.

### 4. EXERCISE YOUR RIGHT TO VOTE

**IF YOU ARE A SHAREHOLDER OR A BENEFICIAL OWNER, YOU ARE STRONGLY URGED TO EXERCISE YOUR RIGHT TO VOTE OR GIVE INSTRUCTIONS TO THE RELEVANT REGISTERED OWNER TO VOTE IN PERSON OR BY PROXY AT THE COURT MEETING AND/OR AT THE GENERAL MEETING. IF YOU WISH TO BE COUNTED INDIVIDUALLY IN THE CALCULATION OF THE “MAJORITY IN NUMBER” REQUIREMENT AT THE COURT MEETING, YOU SHOULD MAKE ARRANGEMENTS TO BECOME A REGISTERED OWNER OF SOME OR ALL OF YOUR SHARES. IF YOU KEEP ANY SHARES IN A SHARE LENDING PROGRAMME, YOU ARE STRONGLY URGED TO RECALL ANY OUTSTANDING SHARES ON LOAN TO AVOID MARKET PARTICIPANTS USING BORROWED STOCK TO VOTE.**

**IF YOU ARE A REGISTERED OWNER HOLDING SHARES ON BEHALF OF BENEFICIAL OWNERS, YOU SHOULD INFORM THE RELEVANT BENEFICIAL OWNERS ABOUT THE IMPORTANCE OF EXERCISING THEIR RIGHT TO VOTE. YOU SHOULD ALSO REMIND THE RELEVANT BENEFICIAL OWNERS THAT IF THEY WISH TO BE COUNTED INDIVIDUALLY IN THE CALCULATION OF THE “MAJORITY IN NUMBER” REQUIREMENT AT THE COURT MEETING, THEY SHOULD MAKE ARRANGEMENTS TO BECOME A REGISTERED OWNER OF SOME OR ALL OF THEIR SHARES.**

**IF APPROVED, THE PROPOSAL WILL BE BINDING ON ALL OF THE SCHEME SHAREHOLDERS, IRRESPECTIVE OF WHETHER OR NOT YOU ATTENDED OR VOTED AT THE COURT MEETING OR THE GENERAL MEETING.**

**IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR LICENSED SECURITIES DEALER OR REGISTERED INSTITUTION IN SECURITIES, BANK MANAGER, SOLICITOR, PROFESSIONAL ACCOUNTANT OR OTHER PROFESSIONAL ADVISER.**

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## DEFINITIONS

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*In this Scheme Document, the following expressions have the meanings set out below, unless the context requires otherwise:*

“2016 Equity Incentive Plan”	the 2016 Equity Incentive Plan approved by the Board on 25 July 2016 and by the shareholders of the Company on 23 August 2016 (as subsequently amended on 25 October 2017 and 8 March 2019) for the grant of, among others, RSUs to eligible participants
“acting in concert”	has the meaning given to it in the Takeovers Code, and “persons acting in concert” shall be construed accordingly
“Antitrust Laws”	all applicable statutes, rules, regulations, orders, decrees, administrative and judicial doctrines and other laws in Bulgaria, the PRC, Cyprus, Denmark, Germany, Poland, Romania and the United States that are designed or intended to prohibit, restrict or regulate actions having the purpose or effect of monopolisation or restraint of trade or lessening of competition through merger or acquisition
“Applicable Laws”	any and all laws, rules, regulations, judgments, decisions, decrees, orders, injunctions, treaties, directives, guidelines, standards, notices and/or other legal, regulatory and/or administrative requirements of any Authority
“Approvals”	any approval, authorisation, ruling, permission, waiver, consent, licence, permit, clearance, registration or filing which is required or desirable under any Applicable Law, or any licence, permit or contractual obligation of any member of the Group, for or in connection with the Proposal or the implementation of the Proposal in accordance with its terms and conditions (including the withdrawal of the listing of the Shares on the Stock Exchange), in each case excluding any filing or notification to any Authority which does not require such Authority’s approval, acknowledgement, permission, consent or clearance



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## DEFINITIONS

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“Archview Capital”	Archview Capital Ltd, a company incorporated in the British Virgin Islands with limited liability which is wholly owned by ImmoBillari which is in turn wholly owned by Mr. Lim
“associate”	has the meaning ascribed to it in the Takeovers Code
“Authority”	any supranational, national, federal, state, regional, provincial, municipal, local or other government, governmental, quasi-governmental, legal, regulatory or administrative authority, department, branch, agency, commission, bureau or body (including any securities or stock exchange) or any court, tribunal, or judicial or arbitral body
“Beneficial Owner”	any beneficial owner of the Shares whose Shares are registered in the name of a Registered Owner other than himself or herself
“Board”	the board of Directors
“Cancellation Price”	the cancellation price of HK\$2.82 for each Scheme Share (other than the Founder Scheme Shares and the RSU Trustee Scheme Shares)
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Participant”	a person admitted to participate in CCASS as a participant, including an Investor Participant
“Chen Family (Global)”	Chen Family (Global) Holdings Limited, a company incorporated in the British Virgin Islands with limited liability which is wholly owned by JBTC as trustee of the Chen Family Trust
“Chen Family Trust”	a discretionary trust established by Mr. Tan as the settlor pursuant to a trust arrangement dated 29 April 2015 for the benefit of Mr. Tan and his family members, the sole trustee of which is JBTC which wholly owns Chen Family (Global) which in turn wholly owns Chen Family Trust HoldCo

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## DEFINITIONS

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“Chen Family Trust Holdco”	Chen Family (Hivemind) Holdings Limited, a company incorporated in the British Virgin Islands with limited liability which is wholly owned by Chen Family (Global) which is in turn wholly owned by JBTC as trustee of the Chen Family Trust
“Chen Family Trust Holding Companies”	Chen Family (Global) and Chen Family Trust HoldCo, which are ultimately wholly owned by JBTC on trust for the benefit of Mr. Tan and his family members
“Chen Family Trust SPV 1”	Chen Family (Hivemind I) Limited, a company incorporated in the British Virgin Islands with limited liability which is wholly owned by Chen Family Trust HoldCo
“Chen Family Trust SPV 2”	Chen Family (Hivemind II) Limited, a company incorporated in the British Virgin Islands with limited liability which is wholly owned by Chen Family Trust HoldCo
“Companies Act”	the Companies Act (2022 Revision) of the Cayman Islands
“Company”	Razer Inc., an exempted company incorporated in the Cayman Islands, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1337)
“Condition(s)”	the condition(s) to the implementation of the Proposal as set out in the section headed “ <i>Conditions of the Proposal</i> ” in the Explanatory Memorandum
“Consortium Agreement”	the consortium agreement dated 1 December 2021 entered into among Mr. Tan, Mr. Lim and CVC HoldCo, the key terms of which are described in the section headed “ <i>Arrangements Material to the Proposal – Consortium Agreement</i> ” in the Explanatory Memorandum
“Control”	has the meaning given to it in the Takeovers Code, and “Controlling” and “Controlled” shall be construed accordingly

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## DEFINITIONS

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“Court Meeting”	a meeting of the Shareholders convened at the direction of the Grand Court to be held at 9:00 a.m. on Tuesday, 26 April 2022 at Razer SEA HQ, 1 one-north Crescent #02-01, Singapore 138538 at which the Scheme (with or without modification) will be voted upon, or any adjournment thereof
“Credit Suisse”	Credit Suisse (Hong Kong) Limited, a corporation licensed under the SFO to conduct type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities), type 5 (advising on futures contracts), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities, which has been appointed as the financial adviser to the Offeror in respect of the Proposal and the RSU Proposal
“Credit Suisse Group”	Credit Suisse and persons Controlling, Controlled by, or under the same Control as Credit Suisse
“CVC”	CVC Asia Pacific Limited, a company incorporated in Hong Kong, and its affiliates together with CVC Capital Partners SICAV-FIS S.A. and its subsidiaries and funds and investment vehicles managed or advised by the aforementioned entities (but excluding, for the avoidance of doubt, portfolio companies in which such funds and investment vehicles hold an interest)
“CVC Capital Partners Asia V Limited”	the general partner of the CVC Funds
“CVC Funds”	CVC Capital Partners Asia V L.P. (96.15%), CVC Capital Partners Investment Asia V L.P. (1.58%) and CVC Capital Partners Asia V Associates L.P. (2.27%) which ultimately own CVC HoldCo
“CVC HoldCo”	Sidewinder Holdings Limited, a private company limited by shares incorporated in Jersey (registered no. 139054), whose registered office is at 22 Grenville Street, St. Helier, JE4 8PX, Jersey, which is wholly-owned by the CVC Funds
“CVC Network”	CVC HoldCo, CVC and the CVC Funds
“Directors”	the directors of the Company

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## DEFINITIONS

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“Disinterested Shares”	the Shares other than any Shares which are beneficially owned by the Offeror or any Offeror Concert Party, including, for the avoidance of doubt, any Share(s) held by any member of the Credit Suisse Group for and on behalf of any non-discretionary investment client, where such client: (i) controls the voting rights attaching to such Shares; (ii) if such Shares are voted, gives instructions as to how such Shares are to be voted; and (iii) is not the Offeror or an Offeror Concert Party
“Disinterested Shareholders”	the holders of Disinterested Shares, including, for the avoidance of doubt, any member of the Credit Suisse Group in respect of the Shares held by such member of the Credit Suisse Group for and on behalf of any non-discretionary investment client, where such client: (i) controls the voting rights attaching to such Shares; (ii) if such Shares are voted, gives instructions as to how such Shares are to be voted; and (iii) is not the Offeror or an Offeror Concert Party
“Effective Date”	the date on which the Scheme becomes effective in accordance with the Companies Act
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate(s) of the Executive Director
“exempt fund managers”	has the meaning ascribed to it in the Takeovers Code
“exempt principal traders”	has the meaning ascribed to it in the Takeovers Code
“Explanatory Memorandum”	the Explanatory Memorandum in relation to the Scheme, the text of which is set out on pages 108 to 151 of this Scheme Document
“Founder Group”	(a) Mr. Tan; (b) Mr. Lim; (c) the Chen Family Trust Holding Companies; (d) the TML HoldCos; (e) the LKL HoldCos; (f) Lim Teck Lee; and (g) Immobiliari
“Founder Irrevocable Undertakings”	the irrevocable undertakings given by the Founder Shareholders in the Consortium Agreement as described in the section headed “ <i>Arrangements Material to the Proposal – Founder Irrevocable Undertakings</i> ” in the Explanatory Memorandum

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## DEFINITIONS

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“Founder RSU Holders”	each of Mr. Tan and Mr. Lim
“Founder RSU Proposal Consideration”	the consideration to be received by the Founder RSU Holders for the cancellation of the RSUs held by them on the Effective Date, being the crediting of the relevant portion of the unpaid TopCo Shares held by the Founder RSU Holders as being fully paid in an amount equivalent to the aggregate amount of the RSU Proposal Price per RSU with respect to all of the RSUs held by the Founder RSU Holders
“Founder Scheme Shares”	the Scheme Shares held by the Founder Shareholders, being 4,973,918,092 Shares in aggregate as at the Latest Practicable Date representing approximately 56.35% of the issued share capital of the Company
“Founder Scheme Shares Cancellation Consideration”	the consideration to be received by the Founder Shareholders for the cancellation of their Founder Scheme Shares under the Scheme, being the crediting of the relevant portion of the unpaid TopCo Shares held by the TML HoldCos, Mr. Lim and the LKL HoldCos as being fully paid in an amount equivalent to the aggregate amount of the Cancellation Price per Scheme Share with respect to all of the Founder Scheme Shares
“Founder Shareholders”	each of (a) Mr. Tan; (b) Chen Family Trust HoldCo; (c) Mr. Lim; and (d) the LKL HoldCos
“General Meeting”	a special general meeting of the Company at 9:30 a.m. on Tuesday, 26 April 2022 at Razer SEA HQ, 1 one-north Crescent #02-01, Singapore 138538 (or as soon as thereafter immediately after the Court Meeting shall have been concluded or adjourned) for the purpose of approving, among other things, the reduction of the share capital of the Company and the implementation of the Scheme
“Grand Court”	the Grand Court of the Cayman Islands
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited

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## DEFINITIONS

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“HKSCC Nominees”	HKSCC Nominees Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Immobillari”	Immobillari Limited, a company incorporated in the British Virgin Islands with limited liability which is wholly owned by Mr. Lim
“Implementation Agreement”	the implementation agreement dated 1 December 2021 entered into between the Offeror and the Company, the key terms of which are described in the section headed “ <i>Arrangements Material to the Proposal – Implementation Agreement</i> ” in the Explanatory Memorandum
“Independent Board Committee”	the independent board committee of the Company comprising Mr. Gideon Yu, Mr. Chau Kwok Fun Kevin and Mr. Lee Yong Sun (being all of the independent non-executive Directors)
“Independent Financial Adviser” or “Anglo Chinese”	Anglo Chinese Corporate Finance, Limited, a corporation licensed to carry on Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, being the independent financial adviser appointed by the Company, with the approval of the Independent Board Committee pursuant to Rule 2.1 of the Takeovers Code, to advise the Independent Board Committee as to: (a) whether the terms of the Proposal, the Scheme and the RSU Proposal are, or are not, fair and reasonable; and (b) voting by the Disinterested Shareholders at the Court Meeting and the General Meeting
“Investor Participant”	a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation
“January 2022 Proposed RSUs”	362,494 new RSUs granted on 1 January 2022, such that the holders of such new RSUs will be entitled to receive an aggregate of 362,494 Shares upon vesting

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## DEFINITIONS

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“JBTC”	Julius Baer Trust Company (Channel Islands) Limited, a professional corporate trustee regulated by the Guernsey Financial Services Commission for the provision of fiduciary services, acting in a capacity as trustee
“Joint Announcement”	the joint announcement dated 1 December 2021 issued by the Offeror and the Company in relation to the Proposal
“Last Trading Date”	1 December 2021, being the last day on which the Shares were traded on the Stock Exchange prior to the publication of the Joint Announcement
“Latest Practicable Date”	25 March 2022, being the latest practicable date prior to the date of this Scheme Document for the purpose of ascertaining certain information contained in this Scheme Document
“Lim Teck Lee”	Lim Teck Lee (Pte.) Ltd, a company incorporated in Singapore which is 93.66% owned by Mr. Lim
“Lim Teck Lee Land”	Lim Teck Lee Land Pte Ltd, a company incorporated in Singapore which is wholly owned by Lim Teck Lee which is in turn 93.66% owned by Mr. Lim
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“LKL HoldCos”	(a) Voyager Equity; (b) Primerose Ventures; (c) Lim Teck Lee Land; (d) Archview Capital; and (e) Sandalwood Associates
“Long Stop Date”	23 August 2022 (or such later date as may be agreed between the Offeror and the Company or, to the extent applicable, as the Executive may consent and/or the Grand Court may direct)
“March 2022 Proposed RSUs”	1,716,069 new RSUs granted on 18 March 2022, such that the holders of such new RSUs will be entitled to receive an aggregate of 1,716,069 Shares upon vesting

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## DEFINITIONS

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“Material Adverse Change”	<p>an adverse change in the business, operations, assets, liabilities, prospects, condition (financial or otherwise) or results of the Group to an extent which is material in the context of the Group taken as a whole or in the context of the Proposal or its implementation in accordance with its terms, provided that a “Material Adverse Change” shall not include any change which:</p> <ul style="list-style-type: none"><li>(a) arises out of or results from (i) changes in financial markets, industry conditions, Applicable Laws or accounting standards; (ii) a pandemic and/or an epidemic; and/or (iii) earthquakes, tsunamis, typhoons, outbreaks of war, or the occurrence of any military or terrorist attack; and</li><li>(b) does not have a disproportionately material adverse effect on the Group as compared to other companies operating in the same industry as the Group</li></ul>
“Meeting Record Date”	Tuesday, 26 April 2022, or such other date as shall have been announced to the Shareholders, being the record date for the purpose of determining the entitlement of Scheme Shareholders to attend and vote at the Court Meeting and the entitlement of Shareholders to attend and vote at the General Meeting
“MidCo”	Ouroboros (II) Inc., an exempted company incorporated in the Cayman Islands with limited liability, which is directly wholly owned by TopCo
“MidCo Shares”	ordinary shares in the capital of MidCo
“Mr. Lim”	Mr. Lim Kaling, a non-executive Director
“Mr. Tan”	Mr. Min-Liang Tan, the Chairman of the Board, an executive Director and the chief executive officer of the Company
“Non-Founder RSU Holder(s)”	RSU Holders other than the Founder RSU Holders
“offer period”	has the meaning ascribed to it in the Takeovers Code, which commenced on 29 October 2021



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## DEFINITIONS

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“Offeror”	Ouroboros (I) Inc., an exempted company incorporated in the Cayman Islands with limited liability, which is directly wholly owned by MidCo
“Offeror Concert Parties”	persons who are acting in concert or presumed to be acting in concert with the Offeror, the Founder Group and/or the CVC Network under the Takeovers Code, including: (a) TopCo; (b) MidCo; (c) Mr. Tan; (d) the TML HoldCos; (e) the Chen Family Trust Holding Companies; (f) Mr. Lim; (g) the LKL HoldCos; (h) Lim Teck Lee; (i) ImmoBillari; (j) the CVC Funds; (k) CVC HoldCo; and (l) members of the Credit Suisse Group (except members of the Credit Suisse Group which are exempt principal traders or exempt fund managers, in each case recognised by the Executive as such for the purpose of the Takeovers Code)
“Offeror Group”	(a) TopCo; (b) MidCo; (c) the Offeror; and (d) the Offeror’s subsidiaries (which will include the Group upon the Scheme becoming effective)
“Offeror Shares”	ordinary shares in the capital of the Offeror
“Other CCASS Participant”	a broker, custodian, nominee or other relevant person who is, or has deposited Shares with, a CCASS Participant
“PRC”	the People’s Republic of China and, for the purpose of this Scheme Document, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Pre-Condition”	the pre-condition to the making of the Proposal and implementation of the Scheme, as set out in the section headed “ <i>Pre-Condition to the Proposal</i> ” in the Explanatory Memorandum
“Pre-Condition Long Stop Date”	the date which is 180 days after the date of the Joint Announcement (or any other date as may be agreed by the Offeror and the Company and as permitted by the Executive), being 30 May 2022

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## DEFINITIONS

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“Primerose Ventures”	Primerose Ventures Inc, a company incorporated in the British Virgin Islands with limited liability which is wholly owned by Mr. Lim
“Proposal”	the proposal for the privatisation of the Company by the Offeror by way of the Scheme and the withdrawal of the listing of the Shares on the Stock Exchange, on the terms and subject to the Conditions as described in this Scheme Document
“Proposed RSUs”	the January 2022 Proposed RSUs and the March 2022 Proposed RSUs
“Registered Owner”	any person (including without limitation a nominee, trustee, depositary or any other authorised custodian or third party) whose name is entered in the register of members of the Company as a holder of the Shares
“Relevant Period”	the period commencing on 29 April 2021 (being the date falling six months prior to 29 October 2021, being the commencement of the offer period) and ending on the Latest Practicable Date
“relevant securities”	has the meaning given to it in Note 4 to Rule 22 of the Takeovers Code
“Remuneration Committee”	the remuneration committee of the Board
“RSU(s)”	restricted stock unit(s) granted by the Company pursuant to the 2016 Equity Incentive Plan
“RSU Holder(s)”	holder(s) of RSU(s) granted under the 2016 Equity Incentive Plan
“RSU Proposal”	the proposal made by or on behalf of the Offeror to the RSU Holders
“RSU Proposal Price”	the proposal price of HK\$2.82 for each RSU
“RSU Trustee”	Computershare Hong Kong Trustees Limited, the trustee appointed to hold Shares pending the vesting of RSUs granted pursuant to the 2016 Equity Incentive Plan

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## DEFINITIONS

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“RSU Trustee Scheme Shares”	the Scheme Shares held by the RSU Trustee, being 118,256,322 Shares in aggregate as at the Latest Practicable Date representing approximately 1.34% of the issued share capital of the Company
“Sandalwood Associates”	Sandalwood Associates Limited, a company incorporated in the British Virgin Islands with limited liability which is wholly owned by ImmoBillari which is in turn wholly owned by Mr. Lim
“Scheme”	the scheme of arrangement to be proposed under section 86 of the Companies Act between the Company and the Scheme Shareholders for the implementation of the Proposal
“Scheme Document”	this composite scheme document (which contains, among other things, further details of the Proposal), the accompanying proxy forms and notices of the Court Meeting and the General Meeting, despatched by the Offeror and the Company to all Shareholders as required by the Takeovers Code
“Scheme Shares”	the Shares in issue on the Meeting Record Date and/or the Scheme Record Date, as the case may be
“Scheme Shareholders”	(i) for the purpose of the Court Meeting, the registered holders of the Scheme Shares as at the Meeting Record Date; and (ii) for the purpose of the Scheme, the registered holders of the Scheme Shares as at the Scheme Record Date
“Scheme Record Date”	Wednesday, 11 May 2022 or such other date as shall have been announced to the Shareholders, being the record date for the purpose of determining the entitlements of the Scheme Shareholders under the Scheme
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of US\$0.01 each in the share capital of the Company

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## DEFINITIONS

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“Share Registrar”	Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, being the share registrar of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Shareholders’ Agreement”	the Shareholders’ Agreement dated 1 December 2021 entered into among Mr. Tan, Mr. Lim, CVC HoldCo and TopCo, the key terms of which are described in the section headed “ <i>Arrangements Material to the Proposal – Shareholders’ Agreement</i> ” in the Explanatory Memorandum
“Shareholding Proportion”	with respect to a shareholder of TopCo, the ratio of (a) the total number of ordinary shares in TopCo held by that shareholder from time to time, to (b) the total number of ordinary shares in TopCo in issue from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“TML HoldCos”	Chen Family Trust SPV 1 and Chen Family Trust SPV 2
“TopCo”	Ouroboros (III) Inc., an exempted company incorporated in the Cayman Islands which is owned as to (a) 20.00% by Chen Family Trust SPV 1; (b) 22.69% by Chen Family Trust SPV 2; (c) 0.03% by Mr. Lim; (d) 19.04% by Voyager Equity; (e) 4.69% by Primerose Ventures; (f) 4.36% by Lim Teck Lee Land; (g) 0.26% by Archview Capital; (h) 0.77% by Sandalwood Associates; and (i) 28.16% by CVC HoldCo
“TopCo Share(s)”	ordinary shares and preference shares in the capital of TopCo
“Undisturbed Date”	27 October 2021, being the last trading day prior to which there were irregular trading volumes and price movements in the Shares
“US” or “United States”	United States of America

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## DEFINITIONS

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“US\$”	United States dollars, the lawful currency of the United States
“Voyager Equity”	Voyager Equity Limited, a company incorporated in the British Virgin Islands with limited liability which is wholly owned by Mr. Lim
“%”	per cent

All references in this Scheme Document to times and dates are references to Hong Kong times and dates, except as otherwise specified and other than references to the expected date of the Grand Court hearing of the petition for the sanction of the Scheme and the Effective Date, which are the relevant dates in Cayman Islands. For reference only, Cayman Islands time is 13 hours behind Hong Kong time as at the date of this Scheme Document.

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## EXPECTED TIMETABLE

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**The timetable set out below is indicative only and is subject to change.** Any changes to the timetable will be jointly announced by the Offeror and the Company. Unless otherwise specified, all times and dates refer to Hong Kong local times and dates.

**Hong Kong time  
(unless otherwise specified)**

Despatch of this Scheme Document and the  
letter to the RSU Holders . . . . . Wednesday, 30 March 2022

Latest time for lodging transfers of Shares in order  
to qualify for entitlement to attend and vote at the  
Court Meeting and the General Meeting . . . . . 4:30 p.m. on  
Wednesday, 20 April 2022

Register of members of the Company closed for  
determining entitlement to attend and vote at the  
Court Meeting and the General Meeting (*Note 1*) . . . . . Thursday, 21 April 2022 to  
Tuesday, 26 April 2022  
(both days inclusive)

Latest time for lodging forms of proxy in respect of:

- Court Meeting (*Note 2*) . . . . . 9:00 a.m. on  
Sunday, 24 April 2022
- General Meeting (*Note 2*) . . . . . 9:30 a.m. on  
Sunday, 24 April 2022

Meeting Record Date . . . . . Tuesday, 26 April 2022

Court Meeting (*Notes 2 and 3*) . . . . . 9:00 a.m. on  
Tuesday, 26 April 2022

General Meeting (*Notes 2 and 3*) . . . . . 9:30 a.m. on  
Tuesday, 26 April 2022  
(or immediately after the conclusion  
or adjournment of the Court Meeting)

Announcement of the results of the Court  
Meeting and the General Meeting posted  
on the website of the Stock Exchange . . . . . no later than 7:00 p.m. on  
Tuesday, 26 April 2022

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## EXPECTED TIMETABLE

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Expected latest time for trading of Shares on the Stock Exchange .....	4:10 p.m. on Wednesday, 27 April 2022
Latest time for lodging transfers of Shares in order to qualify for entitlements under the Scheme .....	4:30 p.m. on Tuesday, 3 May 2022
Register of members of the Company closed for determining entitlements under the Scheme ( <i>Note 4</i> ) .....	from Wednesday, 4 May 2022 onwards
Grand Court hearing of the petition for the sanction of the Scheme ( <i>Note 5</i> ) .....	Friday, 6 May 2022 (Cayman Islands time)
Announcement of (1) the results of the Grand Court hearing for the petition for the sanction of the Scheme, (2) the expected Effective Date and (3) the expected date of withdrawal of listing of Shares on the Stock Exchange posted on the website of the Stock Exchange .....	At or before 8:30 a.m. on Tuesday, 10 May 2022
Scheme Record Date .....	Wednesday, 11 May 2022
Effective Date and the RSU Proposal becomes effective ( <i>Note 5</i> ) .....	Wednesday, 11 May 2022 (Cayman Islands time)
Announcement of (1) the Effective Date and (2) the withdrawal of listing of Shares on the Stock Exchange posted on the website of the Stock Exchange .....	at or before 8:30 a.m. on Thursday, 12 May 2022
Expected withdrawal of listing of Shares on the Stock Exchange becomes effective ( <i>Note 6</i> ) .....	9:00 a.m. on Friday, 13 May 2022
Latest time to despatch cheques for the cash payment under the Scheme ( <i>Note 7</i> ) .....	on or before Friday, 20 May 2022

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## EXPECTED TIMETABLE

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*Notes:*

1. The register of members of the Company will be closed during such period for the purpose of determining entitlements of the Scheme Shareholders to attend and vote at the Court Meeting and of the Shareholders to attend and vote at the General Meeting. For the avoidance of doubt, this period of closure is not for determining entitlements under the Scheme.
2. The **pink** form of proxy in respect of the Court Meeting and the **white** form of proxy in respect of the General Meeting should be completed and signed in accordance with the instructions respectively printed thereon and should be lodged at the office of the Share Registrar, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by the times and dates stated above. The **pink** form of proxy for use at the Court Meeting and the **white** form of proxy for use at the General Meeting should be lodged no later than the time and date stated above. In the case of the **pink** form of proxy in respect of the Court Meeting, it may also be handed to the Chairman of the Court Meeting (who will have absolute discretion on whether or not to accept it) at the Court Meeting if it is not so lodged. The **white** form of proxy in respect of the General Meeting will not be valid if it is not so lodged. The completion and return of a form of proxy for the Court Meeting and/or the General Meeting will not preclude a member from attending and voting in person at the relevant meeting or any adjournment thereof if he, she or it so wishes. In such event, the returned form of proxy will be revoked by operation of law.
3. The Court Meeting and the General Meeting will be held at Razer SEA HQ, 1 one-north Crescent #02-01, Singapore 138538 at the times and dates specified above.

As at the Latest Practicable Date (i.e. Friday, 25 March 2022), the Prevention and Control of Disease (Requirements and Directions) (Business and Premises) Regulation (Chapter 599F, Laws of Hong Kong) prohibits the holding of physical general meetings of companies in Hong Kong. Accordingly the Court Meeting and the General Meeting will be physically held in Singapore.

The articles of association of the Company do not allow Shareholders to attend and vote in shareholders' meetings (including the Court Meeting and the General Meeting) virtually and therefore it is not possible to hold a virtual or hybrid meeting. Shareholders unable to physically attend the Court Meeting and/or the General Meeting in Singapore may appoint a proxy by submitting the relevant proxy form(s) (as further detailed below).

### **Arrangements in Hong Kong**

However, the Company is keen for Shareholders based in Hong Kong to have the opportunity to observe the meetings and ask Directors questions about the Scheme. Accordingly, if after the Latest Practicable Date, it becomes reasonably apparent to the Company that it will become possible for there to be a venue in Hong Kong on Tuesday, 26 April 2022 at which Shareholders can attend to observe the meetings and ask Directors questions about the Scheme by electronic means, then the Company will make arrangements for such venue and facilities. This will enable Shareholders to observe the meetings and ask Directors questions about the Scheme simultaneously at the Court Meeting and the General Meeting at the venue in Hong Kong at 9:00 a.m. and 9:30 a.m., respectively, on Tuesday, 26 April 2022 (or, in the case of the General Meeting, as soon thereafter as the Court Meeting shall have concluded or been adjourned).

For the avoidance of doubt, the venue and facilities in Hong Kong will allow attending Shareholders to observe the meetings via a live video stream and ask questions (which are not prohibited by the articles of association of the Company or applicable laws) but will not allow them to vote for any proposed resolution(s) in the Court Meeting and the General Meeting.

The Company will publish an announcement on the details of the venue and any special arrangements in Hong Kong at least 10 Business Days before the date of the Court Meeting and the General Meeting (i.e. on or before Friday, 8 April 2022).

### **Online Webcast**

Shareholders are also invited to observe the Court Meeting and/or the General Meeting and submit questions to Directors about the Scheme via electronic means during a live webcast by visiting the designated URL link using unique login details which will be despatched to Shareholders in the manner described below:

- (i) for Registered Owners, unique login details will be set out in a notification letter to be despatched by post together with this Scheme Document; and



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## EXPECTED TIMETABLE

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- (ii) Beneficial Owners whose Shares are deposited in CCASS who wish to access the audio-visual webcast should contact their banks, brokers, custodians, nominees or the Hong Kong Securities Clearing Company Limited through which their Shares are held (together the “**Intermediary**”) and provide their e-mail addresses before the time limit required by the relevant Intermediary. Unique login details that can be used to access the audio-visual webcast will be sent by the Share Registrar to the e-mail addresses of the Beneficial Owners provided by the Intermediary.

The unique login details are limited to a single user and must not be forwarded by the Shareholder to other persons. The webcast can be accessed from any location with access to the Internet with a smart phone, tablet device or computer. There is no restriction under the articles of association of the Company or applicable laws for Shareholders to access the webcast to observe the Court Meeting and/or the General Meeting or to submit questions to Directors via electronic means. However, Shareholders who join the webcast will not be counted towards the quorum nor will they be able to cast their votes online, due to the restrictions in the Company’s articles of association.

### Voting Instructions

**The Company wishes to advise all of the Shareholders that the only ways to vote for any proposed resolution(s) in the Court Meeting and/or the General Meeting are (i) to attend the physical Court Meeting and/or the General meeting at Razer SEA HQ, 1 one-north Crescent #02-01, Singapore 138538 or (ii) to appoint any person or the chairman of the Court Meeting and/or the General Meeting as a proxy to attend and vote on any of the resolutions by completing and lodging the relevant proxy form(s) in accordance with the instructions contained therein. Shareholders are reminded to mark their voting decision (for or against, as the case may be) on the relevant proxy form(s).**

Please see the notice of the Court Meeting as set out on pages 190 to 193 of this Scheme Document and the notice of the General Meeting as set out on pages 194 to 198 of this Scheme Document.

4. The register of members of the Company will be closed during such period for the purpose of determining the Scheme Shareholders, who are qualified for the entitlements under the Scheme.
5. The Grand Court hearing will be held at the Grand Court. Scheme Shareholders have the right to attend, or appear by counsel, and be heard on the hearing of the petition. The Scheme will become effective upon all the Conditions set out in the paragraph headed “*Conditions of the Proposal*” in the Explanatory Memorandum of this Scheme Document having been fulfilled or (to the extent permitted) waived (as the case may be). The Scheme shall become effective when an office copy of the order of the Grand Court sanctioning the Scheme (with or without modification) under section 86 of the Companies Act and confirming the reduction of the share capital of the Company involved in the Scheme together with a minute and a return that comply with section 86 of the Companies Act shall have been delivered and registered by the Registrar of Companies in the Cayman Islands.
6. If the Proposal becomes unconditional and the Scheme becomes effective, it is expected that the listing of the Shares on the Stock Exchange will be withdrawn at 9:00 a.m. on Friday, 13 May 2022.
7. Cheques for entitlements of Scheme Shareholders will be despatched by ordinary post in postage pre-paid envelopes addressed to Scheme Shareholders at their respective addresses as appearing in the register of members of the Company as at the Scheme Record Date or, in the case of joint holders, at the address appearing in the register of members of the Company as at the Scheme Record Date of the joint holder whose name then stands first in the register of members of the Company in respect of the relevant joint holding as soon as possible but in any event within seven (7) business days (as defined in the Takeovers Code) following the Effective Date. Cheques shall be posted at the risk of the addressees and none of the Offeror, the Offeror Concert Parties, the Company, Credit Suisse, the Independent Financial Adviser and the Share Registrar and their respective directors, employees, officers, agents, advisers, associates and affiliates and any other persons involved in the Proposal shall be responsible for any loss or delay in the despatch of the same.

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## LETTER FROM THE BOARD

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RAZER INC.

雷蛇\*

(incorporated in the Cayman Islands with limited liability)  
(Stock Code: 1337)

**Executive Directors**

Mr. Min-Liang Tan (*Chairman*)  
Mr. Tan Chong Neng

**Non-executive Directors**

Mr. Lim Kaling

**Independent Non-executive Directors**

Mr. Chau Kwok Fun Kevin  
Mr. Lee Yong Sun  
Mr. Gideon Yu

**Registered office**

Maples Corporate Services Limited  
PO Box 309 Ugland House  
Grand Cayman KY1-1104  
Cayman Islands

**Corporate Headquarters**

9 Pasteur, Suite 100  
Irvine, CA 92618  
United States

Razer SEA HQ  
1 one-north Crescent #02-01  
Singapore 138538

**Principal Place of Business in Hong Kong**

Level 54, Hopewell Centre  
183 Queen's Road East  
Hong Kong

30 March 2022

*To the Shareholders and RSU Holders*

Dear Sir or Madam,

**(1) PROPOSAL FOR THE PRIVATISATION OF RAZER INC. BY THE OFFEROR  
BY WAY OF A SCHEME OF ARRANGEMENT  
UNDER SECTION 86 OF THE COMPANIES ACT  
AND  
(2) PROPOSED WITHDRAWAL OF LISTING OF RAZER INC.**

**INTRODUCTION**

Reference is made to the joint announcement dated 1 December 2021 issued by the Offeror and the Company in relation to the Proposal. On 1 December 2021, the Offeror requested the Board to put forward the Proposal to the Scheme Shareholders for the privatisation of the Company by way of a scheme of arrangement under section 86 of the Companies Act, subject to the Pre-Condition and the Conditions being fulfilled or waived, as applicable. On 18 February 2022, the Pre-Condition was satisfied.

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## LETTER FROM THE BOARD

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If the Proposal is approved and implemented:

- (a) the Offeror will subscribe for, and the Company will allot and issue to the Offeror, one Share fully paid at par;
- (b) the Founder Scheme Shares will be cancelled on the Effective Date in consideration for the Founder Scheme Shares Cancellation Consideration, being the crediting of the unpaid TopCo Shares held by the TML HoldCos, Mr. Lim and the LKL HoldCos as being fully paid in an amount equivalent to the aggregate Cancellation Price for all of the Founder Scheme Shares;
- (c) the RSU Trustee Scheme Shares (which are held by the RSU Trustee pending the vesting of the RSUs granted under the 2016 Equity Incentive Plan) will be cancelled on the Effective Date for nil consideration on the basis that pursuant to and in accordance with the terms of the RSU Proposal, the RSU Proposal Price, which is equal to the Cancellation Price, will be paid directly to the RSU Holders in cash;
- (d) all Scheme Shares (other than the Founder Scheme Shares and the RSU Trustee Scheme Shares) will be cancelled on the Effective Date in consideration for the Cancellation Price of HK\$2.82 per Scheme Share, which will be paid in cash;
- (e) such number of new Shares as is equal to the number of Scheme Shares cancelled (minus one) will be issued to the Offeror, credited as fully paid, such that the Company will become wholly owned by the Offeror; and
- (f) the listing of the Shares on the Stock Exchange will be withdrawn following the Effective Date in accordance with Rule 6.15(2) of the Listing Rules.

The purpose of this Scheme Document is to provide you with further information regarding the Proposal (in particular the Scheme and the RSU Proposal) and to give you notice of the Court Meeting and of the General Meeting (together with proxy forms in relation thereto). Your attention is also drawn to (i) the letter from the Independent Board Committee set out on pages 54 to 55 of this Scheme Document; (ii) the letter from the Independent Financial Adviser set out on pages 56 to 107 of this Scheme Document; (iii) the Explanatory Memorandum set out on pages 108 to 151 of this Scheme Document; and (iv) the terms of the Scheme set out on pages 176 to 189 of this Scheme Document.

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## LETTER FROM THE BOARD

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### PRE-CONDITION TO THE PROPOSAL

The making of the Proposal was, and the implementation of the Scheme had been, subject to the satisfaction of the Pre-Condition, being, with respect to the applicable Antitrust Laws, all notifications, filings or applications which are necessary having been made and (a) the receipt of approvals or clearances from the relevant Authorities, or (b) relevant waiting periods (and any extensions thereof) having expired, lapsed or been terminated (as appropriate) with no objection having been received from the relevant Authorities, as applicable, on or prior to the Pre-Condition Long Stop Date. On 18 February 2022, the Pre-Condition was satisfied.

### TERMS OF THE PROPOSAL

#### The Scheme

Subject to the Pre-Condition (which was satisfied on 18 February 2022) and the Conditions described in the sections headed “*Pre-Condition to the Proposal*” and “*Conditions of the Proposal*” in the Explanatory Memorandum on pages 109 and 118 to 121 of this Scheme Document being fulfilled or waived, as applicable, the proposed privatisation of the Company will be implemented by way of the Scheme between the Company and the Scheme Shareholders.

The Board has, upon the satisfaction of the Pre-Condition (which was satisfied), put forward the Proposal. Upon the fulfilment of the Conditions and the Scheme becoming effective, all Scheme Shares will be cancelled and:

- (a) for cancellation of the Founder Scheme Shares, Founder Shareholders will be entitled to receive the Founder Scheme Shares Cancellation Consideration, being the crediting of the unpaid TopCo Shares held by the TML HoldCos, Mr. Lim and the LKL HoldCos as being fully paid in an amount equivalent to the aggregate Cancellation Price for all of the Founder Scheme Shares;
- (b) for cancellation of the RSU Trustee Scheme Shares (which are held by the RSU Trustee pending the vesting of RSUs granted under the 2016 Equity Incentive Plan), the RSU Trustee will be entitled to nil consideration on the basis that pursuant to and in accordance with the terms of the RSU Proposal, the RSU Proposal Price, which is equal to the Cancellation Price, will be paid directly to the RSU Holders in cash; and
- (c) for all other Scheme Shares, the Scheme Shareholders (other than the Founder Shareholders and the RSU Trustee) will be entitled to receive the Cancellation Price of HK\$2.82 per Scheme Share, which will be paid in cash.

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## LETTER FROM THE BOARD

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In compliance with Rule 20.1(a) of the Takeovers Code, upon the Scheme becoming effective, the Cancellation Price of HK\$2.82 per Scheme Share will be paid to the Scheme Shareholders whose names appear on the register of members of the Company on the Scheme Record Date (other than the Founder Shareholders and the RSU Trustee) as soon as possible but in any event within seven (7) business days (as defined in the Takeovers Code) following the Effective Date.

### **Cancellation Price per Scheme Share**

The Cancellation Price of HK\$2.82 per Scheme Share represents:

- (a) a premium of approximately 16.5% over the closing price of HK\$2.42 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (b) a premium of approximately 55.8% over the closing price of HK\$1.81 per Share as quoted on the Stock Exchange on 27 October 2021, being the Undisturbed Date;
- (c) a premium of approximately 58.4% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the five trading days up to and including the Undisturbed Date of HK\$1.78 per Share;
- (d) a premium of approximately 67.9% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the 30 trading days up to and including the Undisturbed Date of HK\$1.68 per Share;
- (e) a premium of approximately 59.3% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the 60 trading days up to and including the Undisturbed Date of HK\$1.77 per Share;
- (f) a premium of approximately 51.6% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the 90 trading days up to and including the Undisturbed Date of HK\$1.86 per Share;
- (g) a premium of approximately 43.9% over the closing price of HK\$1.96 per Share as quoted on the Stock Exchange on 28 October 2021, being the last business day prior to the commencement of the offer period;
- (h) a premium of approximately 5.6% over the closing price of HK\$2.67 per Share as quoted on the Stock Exchange on 1 December 2021, being the Last Trading Date;
- (i) a premium of approximately 5.2% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the five trading days up to and including the Last Trading Date of HK\$2.68 per Share;

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## LETTER FROM THE BOARD

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- (j) a premium of approximately 19.0% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Date of HK\$2.37 per Share;
- (k) a premium of approximately 38.9% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the 60 trading days up to and including the Last Trading Date of HK\$2.03 per Share;
- (l) a premium of approximately 42.4% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the 90 trading days up to and including the Last Trading Date of HK\$1.98 per Share;
- (m) a premium of approximately 487.5% over the audited consolidated equity attributable to Shareholders of the Group of approximately HK\$0.48 per Share as at 31 December 2021, which is calculated based on the audited consolidated total equity attributable to Shareholders of the Group of approximately US\$544 million (approximately HK\$4,231,806,520 using an exchange rate of USD/HKD = 7.78) as at 31 December 2021 and 8,826,228,347 Shares in issue as at the Latest Practicable Date.

**The Offeror will not increase the Cancellation Price and does not reserve the right to do so. Shareholders and potential investors should be aware that, following the making of such statement, the Offeror will not be allowed to increase the Cancellation Price.**

### **Highest and lowest prices**

During the six-month period ended on and including the Last Trading Date, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$3.05 on 25 November 2021 and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$1.51 on 6 October 2021.

### **Basis for determining the Cancellation Price**

The Cancellation Price of HK\$2.82 for each Scheme Share has been determined on a commercial basis after taking into account, among other things, the recent and historic trading prices of the Shares, publicly available financial information of the Group and the other privatisation transactions in Hong Kong in recent years.

### **Dividend payment by the Company**

As at the Latest Practicable Date, the Company has not declared any dividend which remains unpaid. The Company does not intend to declare and/or pay any dividend before the Effective Date or the date on which the Scheme is not approved or the Proposal otherwise lapses (as the case may be). However, if: (a) after the Latest Practicable Date, any dividend, distribution and/or return of capital is announced, declared, made and/or paid in respect of the

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## LETTER FROM THE BOARD

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Shares; and (b) the record date to be announced by the Board for determining the entitlement of such dividend, distribution and/or return of capital (as the case may be) falls on a day which is on or before the Effective Date, the Cancellation Price will be reduced by an amount equal to such dividend, distribution and/or return of capital and, unless otherwise specified or the context otherwise requires, any reference in the Joint Announcement, this Scheme Document or any other announcement in relation to the Scheme to the Cancellation Price will be deemed to be a reference to the Cancellation Price as so reduced.

### **Events following the Scheme becoming effective**

If the Conditions are fulfilled and upon the Scheme becoming effective:

- (a) the Offeror will subscribe for, and the Company will allot and issue to the Offeror, one Share fully paid at par;
- (b) all of the Scheme Shares will be cancelled;
- (c) the issued share capital of the Company will be reduced by cancelling all of the Scheme Shares. Immediately after such share capital reduction, the Company will issue to the Offeror such number of new Shares as is equal to the number of Scheme Shares cancelled (minus one) such that the issued share capital of the Company will be restored to its amount in issue immediately before such reduction. The reserve created in the books of accounts of the Company as a result of such reduction will be applied in paying up in full at par the new Shares so issued, credited as fully paid; and
- (d) the listing of the Shares on the Stock Exchange will be withdrawn pursuant to Rule 6.15(2) of the Listing Rules.

Assuming that the Scheme becomes effective on Wednesday, 11 May 2022, cheques for entitlements under the Scheme will be despatched to the Scheme Shareholders whose names appear on the register of members of the Company on the Scheme Record Date (other than the Founder Shareholders and the RSU Trustee) as soon as possible but in any event within seven (7) business days (as defined in the Takeovers Code) following the Effective Date and accordingly, the cheques are expected to be despatched on or before Friday, 20 May 2022. Cheques will be posted at the risk of the addressees and none of the Offeror, the Offeror Concert Parties, the Company, Credit Suisse, the Independent Financial Adviser and the Share Registrar and their respective ultimate beneficial owners, directors, employees, officers, agents, advisers, associates and affiliates and any other persons involved in the Proposal shall be responsible for any loss or delay of despatch of the same.

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## LETTER FROM THE BOARD

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### RSU PROPOSAL

An RSU is a contingent right of the grantee to receive a Share for no consideration upon the vesting of the RSU.

As compared to the 184,156,464 RSUs disclosed in the Joint Announcement as having been granted and not yet vested, as at the Latest Practicable Date:

- (a) 7,152,674 RSUs have been terminated due to the departure of employees;
- (b) 2,723,105 RSUs have vested;
- (c) 362,494 RSUs were granted on 1 January 2022; and
- (d) 1,716,069 RSUs were granted on 18 March 2022.

As at the Latest Practicable Date, 176,359,248 RSUs have been granted, but have not yet vested, under the 2016 Equity Incentive Plan. Upon the satisfaction of all vesting and other conditions as set out in the 2016 Equity Incentive Plan and/or as specified by the Board, and subject to compliance with the rules of the 2016 Equity Incentive Plan, the RSU Holders are entitled to receive an aggregate of 176,359,248 Shares, which will be satisfied by the transfer by the RSU Trustee to the RSU Holders of Shares held by the RSU Trustee (either those already held by the RSU Trustee or new Shares which may be issued by the Company to the RSU Trustee for this purpose).

As at the Latest Practicable Date, 176,359,248 outstanding RSUs have been granted but have not yet vested. The vesting date of 74,253,623 RSUs falls before 23 August 2022 (being the current Long Stop Date), of which 73,034,262 RSUs will vest on 1 April 2022 and 1,219,361 RSUs will vest on 1 July 2022 (being the last vesting date before the Long Stop Date), in each case so long as the relevant RSU Holders continue to be employees of the Group and satisfy all vesting and other conditions.



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## LETTER FROM THE BOARD

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The table below sets out the vesting dates of the outstanding RSUs as at the Latest Practicable Date, subject to their existing terms (including satisfaction of all vesting conditions).

<b>Date of Vesting</b>	<b>Number of Vesting RSUs</b>
1 April 2022	73,034,262
1 July 2022	1,219,361
1 October 2022	23,439,785
1 January 2023	1,978,177
1 April 2023	28,268,677
1 July 2023	69,057
1 October 2023	23,288,621
1 January 2024	1,020,558
1 April 2024	578,334
1 July 2024	69,055
1 October 2024	15,411,865
1 January 2025	516,399
1 April 2025	367,170
1 July 2025	40,397
1 October 2025	6,940,712
1 January 2026	90,622
1 April 2026	26,196
<b>Total</b>	<b>176,359,248</b>

As disclosed in the Company's announcements dated 3 January 2022 and 18 March 2022, the Company granted 362,494 new RSUs to employees of the Group on 1 January 2022 and 1,716,069 new RSUs to Directors and employees of the Group on 18 March 2022. The Proposed RSUs were being granted as part of the Directors' remuneration for their services during the financial year ended 31 December 2021, to incentivize new joiners and reward standout performers, and were being awarded in accordance with the Directors' respective service agreements and the Company's usual practice. Upon the satisfaction of all vesting and other conditions as set out in the 2016 Equity Incentive Plan and/or as specified by the Board, and subject to compliance with the rules of the 2016 Equity Incentive Plan, the holders of the Proposed RSUs are entitled to receive an aggregate of 2,078,563 Shares. For the avoidance of doubt, other than Mr. Tan (who was granted 386,702 March 2022 Proposed RSUs) and Mr. Lim (who was granted 193,351 March 2022 Proposed RSUs) who are Founder RSU Holders, the holders of the Proposed RSUs are Non-Founder RSU Holders and will be treated as such under the RSU Proposal.

The Company made an application to the Executive for, and the Executive granted, waivers from the requirement for Shareholders' approval under Rule 4 of the Takeovers Code in relation to the proposed grant of 370,534 January 2022 Proposed RSUs and 1,716,069 March 2022 Proposed RSUs. Only 362,494 January 2022 Proposed RSUs were granted on 1 January 2022 because one of the grantees had left the Group and 8,040 RSUs originally proposed to be granted to such grantee who had left the Group were not granted.

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## LETTER FROM THE BOARD

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In addition, as disclosed in the Company's announcement dated 18 March 2022, the Company allotted and issued 66,472,656 new Shares to the RSU Trustee to be held on trust under an account for connected persons to satisfy the vesting of certain grants to Mr. Tan on 1 April 2021.

The Company and the Offeror will jointly publish an announcement after the vesting of RSUs on 1 April 2022 (being the last vesting date of outstanding RSUs before the Court Meeting and the General Meeting) to disclose the updated shareholding structure of the Company and the number of Disinterested Shares.

The Offeror is making an appropriate proposal to the RSU Holders in accordance with Rule 13.1 of the Takeovers Code. To implement the RSU Proposal, the Offeror has requested the Remuneration Committee to make, and the Remuneration Committee has made, certain determinations in accordance with the terms of the 2016 Equity Incentive Plan, pursuant to which, among other things:

- (a) each unvested RSU will be cancelled on the Effective Date;
- (b) the Offeror will pay to each Founder RSU Holder the Founder RSU Proposal Consideration (being, in the case of Mr. Tan, the crediting of the unpaid TopCo Shares held by the TML HoldCos and, in the case of Mr. Lim, the crediting of the unpaid TopCo Shares held by Mr. Lim and the LKL HoldCos, in each case as being fully paid in an aggregate amount equivalent to the RSU Proposal Price multiplied by the number of unvested RSUs of such Founder RSU Holder cancelled);
- (c) the Offeror will, subject to the existing terms of the unvested RSUs of such Non-Founder RSU Holder (including vesting and other conditions, such as the continued employment of such Non-Founder RSU Holder with the Group), pay to each Non-Founder RSU Holder the RSU Proposal Price in cash for each unvested RSU of such Non-Founder RSU Holder cancelled, on a staggered basis in accordance with the original vesting schedule applicable to each such unvested RSU; and
- (d) all of the Shares held by the RSU Trustee on the Effective Date will be cancelled for nil consideration.

The RSU Proposal Price of HK\$2.82 per RSU is the "see-through" price of the RSUs, which is equal to the Cancellation Price as there is no exercise price for the RSUs. No action will be required to be taken by any RSU Holder in order for him/her to receive the consideration detailed above in respect of the RSU Proposal.

The RSU Proposal is conditional on the Scheme becoming effective. If any of the Conditions is not fulfilled or (where applicable) waived on or before the Long Stop Date, and the Proposal and the Scheme lapse, the RSU Proposal will lapse.

To facilitate the administration of the 2016 Equity Incentive Plan, Shares have been issued to the RSU Trustee from time to time.

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## LETTER FROM THE BOARD

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As at the Latest Practicable Date:

- (a) an aggregate of 118,256,322 Shares, representing approximately 1.34% of the issued share capital of the Company, are held in trust by the RSU Trustee, of which (i) 96,868,759 Shares are held for the purpose of future satisfaction of RSUs granted to connected persons (as defined in the Listing Rules) of the Company; and (ii) 21,387,563 Shares are held for the purpose of future satisfaction of RSUs granted to persons other than connected persons of the Company;
- (b) an aggregate of 74,253,623 RSUs will, subject to their terms (including satisfaction of all vesting conditions), vest between the Latest Practicable Date and 1 July 2022 (being the last vesting date before the Long Stop Date), of which (i) 68,195,768 RSUs were granted to connected persons of the Company (including 66,617,670 RSUs granted to the Founder RSU Holders); and (ii) 6,057,855 RSUs were granted to persons other than connected persons of the Company;
- (c) with respect to the RSUs granted to connected persons of the Company, if insufficient Shares are held by the RSU Trustee to satisfy the vesting of those RSUs, it is expected that additional Shares would be issued by the Company to the RSU Trustee and/or acquired by the RSU Trustee through on-market purchase(s) (subject to compliance with any applicable Takeovers Code and Listing Rules requirements), after which these will be transferred to the relevant RSU Holders; and
- (d) with respect to the RSUs granted to persons other than connected persons of the Company, the number of Shares held by the RSU Trustee is sufficient to satisfy the vesting of all RSUs which will, subject to their terms (including satisfaction of all vesting conditions), vest between the Latest Practicable Date and 1 July 2022, and accordingly no new Shares will be required to be issued to satisfy these RSUs.

All of the Shares held by the RSU Trustee on the Scheme Record Date (being the RSU Trustee Scheme Shares) will form part of the Scheme Shares and will be cancelled for nil consideration on the Effective Date. For the avoidance of doubt, the RSU Trustee is not acting in concert with the Offeror and therefore the Shares held by the RSU Trustee are Disinterested Shares and are entitled to be voted at the Court Meeting and the General Meeting. However, pursuant to the trust deeds and the rules of the 2016 Equity Incentive Plan, while the Shares are held by the RSU Trustee in the trust, whether or not beneficial interest in such Shares has vested in any RSU Holder, the RSU Trustee shall refrain from exercising any voting rights in respect of the Shares held by it.

If any RSUs vest and the corresponding Shares are transferred by the RSU Trustee to RSU Holders before the Scheme Record Date, such Shares will be Scheme Shares and, if the relevant RSU Holder is not an Offeror Concert Party, such Shares will be Disinterested Shares which may be voted at the Court Meeting and the General Meeting.

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## LETTER FROM THE BOARD

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Further information on the RSU Proposal are set out in a letter to the RSU Holders, which is despatched at or around the same time as the despatch of this Scheme Document.

### CONFIRMATION OF FINANCIAL RESOURCES

On 1 January 2022 and 18 March 2022, Proposed RSUs were granted to employees of the Group and Directors as part of the Directors' remuneration for their services during the financial year ended 31 December 2021, to incentivize new joiners, and reward standout performers, in accordance with the Directors' respective service agreements and the Company's usual practice. On 18 March 2022, the Company allotted and issued 66,472,656 new Shares to the RSU Trustee to be held on trust under an account for connected persons to satisfy the vesting of certain grants to Mr. Tan on 1 April 2021.

Assuming that no new Shares are issued on or before the Scheme Record Date (other than to satisfy any vesting of RSUs after the Latest Practicable Date to the extent insufficient Shares are held by the RSU Trustee to satisfy the vesting of those RSUs) and no new RSUs are granted on or before the Scheme Record Date, and taking into account the fact that the Founder Scheme Shares will be cancelled in consideration for the Founder Scheme Shares Cancellation Consideration and the RSU Trustee Scheme Shares will be cancelled for nil consideration, the Proposal will involve making an offer to cancel:

- (a) if no RSUs vest on or before the Scheme Record Date, 3,734,053,933 Scheme Shares in exchange for the Cancellation Price of HK\$2.82 per Scheme Share in cash. The aggregate amount payable in cash would accordingly be HK\$10,530,032,092; or
- (b) if all of the RSUs which are outstanding as at the Latest Practicable Date vest (and are satisfied by the transfer by the RSU Trustee to the RSU Holders of Shares held by it as at the Latest Practicable Date or new Shares issued by the Company to the RSU Trustee for this purpose to the extent insufficient Shares are held by the RSU Trustee to satisfy the vesting of those RSUs), 3,819,634,333 Scheme Shares in exchange for the Cancellation Price of HK\$2.82 per Scheme Share in cash. The aggregate amount payable in cash would accordingly be HK\$10,771,368,820.

In addition, assuming that no new RSUs (other than the Proposed RSUs) are granted on or before the Scheme Record Date and taking into account the fact that the RSUs held by the Founder RSU Holders will be cancelled in consideration for the Founder RSU Proposal Consideration, the maximum aggregate amount payable in cash to implement the RSU Proposal in full will be HK\$241,336,728.

As such, assuming that no new Shares are issued on or before the Scheme Record Date (other than to satisfy any vesting of RSUs after the Latest Practicable Date to the extent insufficient Shares are held by the RSU Trustee to satisfy the vesting of those RSUs) and no new RSUs are granted on or before the Scheme Record Date (other than the Proposed RSUs), the maximum aggregate amount payable to implement the Proposal and the RSU Proposal in full will be HK\$10,771,368,820.

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## LETTER FROM THE BOARD

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The Offeror proposes to finance the cash consideration payable under the Proposal and the RSU Proposal (including with respect to the Proposed RSUs) with a combination of existing fund facilities available to the Offeror and equity commitments from the CVC Funds. Credit Suisse, the financial adviser to the Offeror in connection with the Proposal and the RSU Proposal (including with respect to the Proposed RSUs), is satisfied that sufficient financial resources are available to the Offeror for satisfying its obligations in respect of the full implementation of the Proposal and the RSU Proposal (including with respect to the Proposed RSUs).

### CONDITIONS OF THE PROPOSAL

#### Conditions of the Proposal

The Proposal will be, and the Scheme will become, effective and binding on the Company and all of the Scheme Shareholders, subject to the fulfilment or (where applicable) waiver of the following Conditions (as further described in the section headed “*Conditions of the Proposal*” in the Explanatory Memorandum on pages 118 to 121 of this Scheme Document):

- (a) the approval of the Scheme at the Court Meeting in accordance with the provisions of section 86 of the Companies Act (as amended) in effect on the date of the Court Meeting (with the Founder Shareholders having provided undertakings to the Grand Court not to attend and vote at the Court Meeting);
- (b) the approval of the Scheme at the Court Meeting (by way of a poll) by not less than 75% of the votes attaching to the Disinterested Shares cast by the Disinterested Shareholders, present and voting either in person or by proxy at the Court Meeting, provided that the number of votes cast (by way of a poll) by the Disinterested Shareholders present and voting either in person or by proxy at the Court Meeting against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attached to all of the Disinterested Shares;
- (c) the passing of:
  - (i) a special resolution by a majority of not less than three-fourths of the votes cast by the Shareholders present and voting in person or by proxy at the General Meeting to approve and give effect to the reduction of the issued share capital of the Company on the Effective Date by cancelling the Scheme Shares; and
  - (ii) an ordinary resolution by a simple majority of the votes cast by the Shareholders present and voting in person or by proxy at the General Meeting immediately thereafter to issue to the Offeror such number of new Shares as is equal to the number of Scheme Shares cancelled (minus one) and apply the reserve created as a result of the aforesaid cancellation of the Scheme Shares to pay up in full at par such new Shares;

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## LETTER FROM THE BOARD

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- (d) the Grand Court's sanction of the Scheme (with or without modification) under section 86 of the Companies Act and its confirmation of the reduction of the issued share capital of the Company involved in the Scheme, and the delivery to the Registrar of Companies in the Cayman Islands of a copy of the order of, and minutes approved by, the Grand Court for registration;
- (e) compliance with the procedural requirements and conditions, if any, under the Companies Act in relation to the reduction of the issued share capital of the Company and the Scheme, respectively;
- (f) all of the Approvals having been obtained, completed and/or made and remaining in full force and effect without modification or variation;
- (g) all Applicable Laws having been complied with and no legal, regulatory or administrative requirement having been imposed by any Authority in any jurisdiction which is not expressly provided for, or is in addition to the legal, regulatory and administrative requirements which are expressly provided for, in the Applicable Laws in connection with the Proposal or the Scheme;
- (h) no Authority in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry (or enacted, made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order), in each case, which would make the Proposal or the Scheme void, unenforceable, illegal or impracticable (or which would impose any material and adverse conditions or obligations in connection with the Proposal or the Scheme);
- (i) since the Latest Practicable Date, there having been no Material Adverse Change; and
- (j) save in connection with the implementation of the Proposal, the listing of the Shares on the Stock Exchange not having been withdrawn, and no indication having been received from the Executive and/or the Stock Exchange to the effect that the listing of the Shares on the Stock Exchange is or is likely to be withdrawn.

To fulfill the Condition set out in paragraph (a) above in accordance with section 86 of the Companies Act (as amended) as in effect on the date of this Scheme Document requires the approval of the Scheme at the Court Meeting (by way of a poll) by a majority in number of the Shareholders entitled to vote at the Court Meeting representing not less than 75% in value of the Shares held by the Shareholders entitled to vote at the Court Meeting, present and voting either in person or by proxy at the Court Meeting (the “**Headcount Test**”).

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## LETTER FROM THE BOARD

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The Cayman Islands has recently gazetted the Companies (Amendment) Act 2021 (the “**Act**”). If the Act is commenced in its current form, a new section 86(2A) of the Companies Act (2022 Revision) will apply to members’ schemes (such as the Scheme) and will provide that:

*“If seventy-five per cent in value of the members or class of members, as the case may be, present and voting either in person or by proxy at the meeting, agree to any compromise or arrangement, the compromise or arrangement shall, if sanctioned by the Court, be binding on all the members or class of members, as the case may be, and also on the company or, where a company is in the course of being wound up, on the liquidator and contributories of the company.”*

If the Act is commenced in its current form, the Headcount Test may no longer apply to members’ schemes of arrangement (such as the Scheme) and the Scheme may only require the approval of 75% in value of the members present and voting either in person or by proxy at the Court Meeting (the “**Value Test**”).

The Act was gazetted on 16 December 2021. The Act will become law on a date to be appointed by Order of the Cabinet. As at the Latest Practicable Date, the legislative timetable has not yet been set. If the Act is commenced and becomes law prior to the Court Meeting date, such that the section 86(2A) is the applicable approval required under the Companies Act for the Scheme, then the Headcount Test will no longer apply and the Value Test will be the only test applicable to the Scheme under the Companies Act. The Company and the Offeror will jointly publish an announcement if the Act is commenced and becomes law in advance of the Court Meeting.

The Company and the Offeror make no representation as to the likelihood of the Act being commenced and becoming law either in advance of the Court Meeting or in the form originally gazetted. Pending clarification of the status of the Act and the application of the Headcount Test to the Scheme, Beneficial Owners are urged to make arrangements to become a registered owner of some or all of their Shares. Please refer to the section headed “*Actions to be taken by Beneficial Owners whose Shares are held by a Registered Owner or Deposited in CCASS*” set out on pages 9 to 10 of this Scheme Document for further information.

The Founder Shareholders and the RSU Trustee have provided undertakings to the Grand Court before the directions hearing for the convening of the Court Meeting before the Grand Court prior to despatch of this Scheme Document to be bound by the Scheme and to receive (in the case of the Founder Shareholders) the Founder Scheme Shares Cancellation Consideration in consideration for cancellation of the Founder Scheme Shares under the Scheme or (in the case of the RSU Trustee) nil consideration for cancellation of the RSU Trustee Scheme Shares under the Scheme – see the section headed “*Arrangements Material to the Proposal – Founder Irrevocable Undertakings*” in the Explanatory Memorandum.

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## LETTER FROM THE BOARD

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The Conditions set out in paragraphs (a) to (e) (inclusive) above may not be waived. The Offeror reserves the right to waive all or any of the Conditions set out in paragraphs (f) to (j) (inclusive) above in whole or in part. The Company does not have the right to waive any of the Conditions. All of the Conditions must be fulfilled or (where applicable) waived on or before the Long Stop Date, failing which the Proposal and the Scheme will lapse.

As at the Latest Practicable Date and based on the information available to the Offeror and the Company, other than those specifically set out as the Pre-Condition (which was satisfied) and Conditions above and the application for the withdrawal of the listing of the Shares on the Stock Exchange upon the Scheme becoming effective, each of the Offeror and the Company is not aware of any Approvals which are required as set out in the Condition in paragraph (f) above, and each of the Offeror and the Company is also not aware of any other circumstances which may result in any of the Conditions in paragraphs (g) to (j) (inclusive) above not being satisfied. In particular, as at the Latest Practicable Date, the Company is not aware of any Authority in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry as set out in the Condition in paragraph (h).

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror may only invoke any of the Conditions as a basis for not proceeding with the Proposal if the circumstances which give rise to the right to invoke such Condition are of material significance to the Offeror in the context of the Proposal.

**If the Scheme is not approved or the Proposal otherwise lapses, there are restrictions under the Takeovers Code on making subsequent offers, to the effect that neither the Offeror nor any person who acted in concert with it in the course of the Proposal (nor any person who is subsequently acting in concert with any of them) may, within 12 months from the date on which the Scheme is not approved or the Proposal otherwise lapses, announce an offer or possible offer for the Company, except with the consent of the Executive. The Offeror has no intention to seek such consent.**

If the Conditions are satisfied or (where applicable) waived, the Scheme will be binding on all of the Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the General Meeting.

An announcement will be made by the Company and the Offeror in relation to the results of the Court Meeting and the General Meeting on Tuesday, 26 April 2022 by no later than 7:00 p.m. and, if all the resolutions are passed at those meetings, further announcements will be made in relation to, among other things, the results of the hearing of the petition for the sanction of the Scheme by the Grand Court, the Effective Date and the date of withdrawal of listing of Shares from the Stock Exchange in accordance with the requirements of the Takeovers Code and the Listing Rules.



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## LETTER FROM THE BOARD

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**Warning: Shareholders, RSU Holders and potential investors should be aware that the implementation of the Proposal, the Scheme and the RSU Proposal are subject to the Conditions being fulfilled or (where applicable) waived. Accordingly, the Proposal and the RSU Proposal may or may not be implemented and the Scheme may or may not become effective. Shareholders, RSU Holders and potential investors are advised to exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.**

### VOTING AT THE COURT MEETING AND THE GENERAL MEETING

All Scheme Shareholders as at the Meeting Record Date may attend and vote at the Court Meeting to approve the Scheme, but only the votes of the Disinterested Shareholders will be taken into account in determining if the Condition in paragraph (b) in the section headed “*Conditions of the Proposal*” above is satisfied. The Founder Shareholders have provided undertakings to the Grand Court not to attend and vote at the Court Meeting.

Each of the Founder Shareholders and the RSU Trustee has provided undertakings to the Grand Court to be bound by the Scheme and to receive (in the case of the Founder Shareholders) the Founder Scheme Shares Cancellation Consideration in consideration for cancellation of the Founder Scheme Shares under the Scheme or (in the case of the RSU Trustee) nil consideration for cancellation of the RSU Trustee Scheme Shares. The Offeror has also provided an undertaking to the Grand Court to be bound by the Scheme.

All Shareholders as at the Meeting Record Date will be entitled to attend the General Meeting and to vote on: (a) the special resolution to approve and give effect to the reduction of the issued share capital of the Company on the Effective Date by cancelling the Scheme Shares; and (b) the ordinary resolution to approve and give effect to, immediately after such share capital reduction, the issuance to the Offeror of such number of new Shares as is equal to the number of Scheme Shares cancelled (minus one) and the application of the reserve created as a result of the aforesaid cancellation of the Scheme Shares to pay up in full at par such new Shares.

For the avoidance of doubt, the RSU Trustee is not acting in concert with the Offeror and therefore the Shares held by the RSU Trustee are Disinterested Shares and are entitled to be voted at the Court Meeting and the General Meeting. However, pursuant to the trust deeds and the rules of the 2016 Equity Incentive Plan, while the Shares are held by the RSU Trustee in the trust, whether or not beneficial interest in such Shares has vested in any RSU Holder, the RSU Trustee shall refrain from exercising any voting rights in respect of the Shares held by it.

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## LETTER FROM THE BOARD

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### ARRANGEMENTS MATERIAL TO THE PROPOSAL

#### Founder Irrevocable Undertakings

On 1 December 2021, each of the Founder Shareholders gave irrevocable undertakings in the Consortium Agreement to take certain actions, including (among other things):

- (a) to agree to and assist in implementing: (i) the cancellation of the Founder Scheme Shares in consideration for the Founder Scheme Shares Cancellation Consideration; and (ii) the cancellation of the RSUs held by the Founder RSU Holders in consideration for the Founder RSU Proposal Consideration;
- (b) to provide undertakings to the Grand Court not to attend and vote at the Court Meeting and to agree to and be bound by the Scheme and to receive the Founder Scheme Shares Cancellation Consideration in consideration for cancellation of their Founder Scheme Shares under the Scheme;
- (c) to the extent permitted by Applicable Laws (including the Takeovers Code), to vote any Shares held by them in favour of any resolutions proposed at the General Meeting to implement the Scheme or which are necessary for the Scheme to become effective; and
- (d) not to: (i) dispose of any interest in any Shares held by them; (ii) accept any other offer to acquire such Shares; or (iii) vote in favour of any resolution which is proposed in competition with the Scheme, until the Scheme becomes effective, lapses or is withdrawn.

As set out in the section headed “*Voting at the Court Meeting and the General Meeting*” above, none of the Founder Shareholders will attend (in their capacities as a Founder Shareholder) or vote at the Court Meeting to approve the Scheme. For the avoidance of doubt, Mr. Tan and Mr. Lim may attend the Court Meeting as Directors of the Company.

The Founder Irrevocable Undertakings will terminate if the Scheme is not approved, lapses or is withdrawn.

#### Implementation Agreement

On 1 December 2021, the Offeror and the Company entered into the Implementation Agreement, pursuant to which the parties have agreed to use all reasonable endeavours to do all such things within their power to implement the Proposal and cooperate to obtain all Approvals required in connection with the Proposal.

The Implementation Agreement will be terminated if the Scheme is not approved or the Proposal otherwise lapses or is withdrawn.

Please refer to the section headed “*Arrangements Material to the Proposal – Implementation Agreement*” in the Explanatory Memorandum on pages 123 to 124 of this Scheme Document for further details.

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## LETTER FROM THE BOARD

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### **Consortium Agreement**

On 1 December 2021, Mr. Tan, Mr. Lim and CVC HoldCo entered into the Consortium Agreement, pursuant to which the parties have agreed to conduct and implement the Proposal in consultation with one another and for TopCo to have the shareholding structure as further described in the section headed “*Information on the Offeror Group*” in the Explanatory Memorandum on pages 135 to 136 of this Scheme Document.

The Consortium Agreement will be terminated if the Scheme is not approved or the Proposal otherwise lapses or is withdrawn.

Please refer to the section headed “*Arrangements Material to the Proposal – Consortium Agreement*” in the Explanatory Memorandum on pages 124 to 126 of this Scheme Document for further details.

### **Shareholders’ Agreement**

On 1 December 2021, Mr. Tan and Mr. Lim (each in his personal capacity), CVC HoldCo and TopCo entered into the Shareholders’ Agreement in respect of the future governance of the Offeror Group, which is intended to take full effect upon the Scheme becoming effective and the equity investment amount by CVC HoldCo in TopCo having been paid in accordance with the Consortium Agreement.

Please refer to the section headed “*Arrangements Material to the Proposal – Shareholders’ Agreement*” in the Explanatory Memorandum on pages 126 to 128 of this Scheme Document for further details.

### **Other arrangements**

As at the Latest Practicable Date:

- (a) save for the Proposal, the Scheme, the RSU Proposal, the Shareholders’ Agreement, the Implementation Agreement and the Consortium Agreement (including the Founder Irrevocable Undertakings given therein), there was no arrangement (whether by way of option, indemnity or otherwise) in relation to the Shares, the Offeror Shares or shares of TopCo which might be material to the Proposal, the Scheme or the RSU Proposal;
- (b) there was no agreement or arrangement to which the Offeror or any of the Offeror Concert Parties is a party which relates to circumstances in which it may or may not invoke or seek to invoke a Condition to the Proposal, the Scheme or the RSU Proposal;

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## LETTER FROM THE BOARD

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- (c) save for the Founder Irrevocable Undertakings, neither the Offeror nor any of the Offeror Concert Parties had received any irrevocable commitment to vote for or against the Proposal or the Scheme; and
- (d) save for the Founder Irrevocable Undertakings and the arrangements disclosed in the section headed “*Arrangements Material to the Proposal*” above, there is no understanding, arrangement or agreement which constitutes a “special deal” (under Rule 25 of the Takeovers Code) between: (i) any Shareholder and (ii) either (A) the Offeror or any Offeror Concert Party; or (B) the Company or any of its subsidiaries or associated companies (each as defined in the Takeovers Code); and
- (e) save for the Founder Scheme Shares Cancellation Consideration, the Cancellation Price, the Founder RSU Proposal Consideration and the RSU Proposal Price, there is no other consideration, compensation or benefit in whatever form paid or to be paid by the Offeror or any of the Offeror Concert Parties to the Scheme Shareholders or RSU Holders in connection with the Proposal, the Scheme or the RSU Proposal.

### SHAREHOLDING STRUCTURE OF THE COMPANY

As at the Latest Practicable Date:

- (a) save for 8,826,228,347 Shares in issue and 176,359,248 RSUs which have been granted but have not yet vested, the Company does not have any outstanding shares, options, warrants, convertible securities or other relevant securities in issue;
- (b) the Founder Group legally and/or beneficially owns 4,973,918,092 Shares in aggregate, representing approximately 56.35% of the issued share capital of the Company, being the Founder Scheme Shares. For the avoidance of doubt, these Shares form part of the Scheme Shares. In addition, the Founder RSU Holders hold 90,778,848 RSUs in aggregate;
- (c) the Offeror, TopCo and MidCo does not legally and/or beneficially own, control or have direction over any Shares;
- (d) CVC HoldCo does not legally and/or beneficially own, control or have direction over any Shares;
- (e) the Offeror Concert Parties (other than the Founder Group, members of the Credit Suisse Group and the entities referred to in paragraph (c) or (d) above):
  - (i) legally and/or beneficially own 39,258,524 Shares in aggregate, representing approximately 0.44% of the issued share capital of the Company; and
  - (ii) hold 2,240,484 RSUs in aggregate;

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## LETTER FROM THE BOARD

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- (f) the Disinterested Shareholders (including the RSU Trustee) legally and/or beneficially own, control or have direction over a total of 3,813,051,731 Shares in aggregate, representing approximately 43.20% of the total issued share capital of the Company;
- (g) the RSU Trustee holds 118,256,322 Shares in aggregate, representing approximately 1.34% of the total issued share capital of the Company, on trust in connection with the 2016 Equity Incentive Plan;
- (h) the RSU Holders (other than the Founder RSU Holders and the Offeror Concert Parties referred to in paragraph (e) above) hold 83,339,916 RSUs in aggregate;
- (i) save as set out in this section, neither the Offeror nor any of the Offeror Concert Parties (including members of the Credit Suisse Group, except members of the Credit Suisse Group which are exempt principal traders or exempt fund managers as recognized by the Executive for the purpose of the Takeovers Code) legally or beneficially owns, controls or has direction over any Shares or RSUs;
- (j) the Offeror and the Offeror Concert Parties have not entered into any outstanding derivative in respect of the securities of the Company; and
- (k) the Offeror and the Offeror Concert Parties have not borrowed or lent any relevant securities of the Company.

The shareholding structure of the Company as at the Latest Practicable Date and immediately upon the Scheme becoming effective (assuming no new Shares will be issued prior thereto) is to be found in the section headed “*Shareholding Structure of the Company and Effect of the Proposal and the Scheme*” in the Explanatory Memorandum on pages 128 to 132 of this Scheme Document.

### **REASONS FOR AND BENEFITS OF THE PROPOSAL**

You are urged to read carefully the section headed “*Reasons for and benefits of the Proposal*” in the Explanatory Memorandum on pages 133 to 134 of this Scheme Document.

### **THE OFFEROR’S INTENTIONS IN RELATION TO THE GROUP**

You are urged to read carefully the section headed “*The Offeror’s intentions in relation to the Group*” in the Explanatory Memorandum on page 134 of this Scheme Document.

The Board is pleased to note that:

- (a) the Offeror intends to continue the existing business of the Group, which principally comprises of the design, manufacture, distribution, research and development of gaming peripherals, systems, software, services, mobiles and accessories;

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## LETTER FROM THE BOARD

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- (b) the Offeror does not have any plan to make any material change to the existing principal business of the Group, including any major redeployment of the fixed assets of the Group; and
- (c) the Offeror does not have any plan to make any material change to the continued employment of the employees of the Group (other than in the ordinary course of business).

The Board also notes that the Offeror plans to contribute additional financial and operational resources to the Company to further the Company's growth in its software and Fintech business segments, as well as new potential markets with the aim of deepening the Company's penetration in Southeast Asia, and tapping into new markets such as Latin America and Middle East.

Please also refer to paragraph (f) in the section headed "*Shareholders' Agreement*" in the Explanatory Memorandum on pages 126 to 128 of this Scheme Document in relation to the proposed eventual exit by CVC HoldCo from its investment in TopCo within five years after the Effective Date.

### **FINANCIAL ADVISERS AND INDEPENDENT BOARD COMMITTEE**

The Offeror has appointed Credit Suisse as its financial adviser in connection with the Proposal.

The Independent Board Committee, comprising Mr. Gideon Yu, Mr. Chau Kwok Fun Kevin and Mr. Lee Yong Sun (being all of the independent non-executive Directors), has been established by the Board in accordance with Rule 2.1 of the Takeovers Code to make recommendations to the Disinterested Shareholders and the RSU Holders as to: (i) whether the terms of the Proposal, the Scheme and the RSU Proposal are, or are not, fair and reasonable; and (ii) whether to vote in favour of the Scheme at the Court Meeting and the resolutions in connection with the implementation of the Proposal at the General Meeting.

As Mr. Lim (being the non-executive Director) is also a director of the Offeror, Mr. Lim is regarded as being interested in the Proposal and does not form part of the Independent Board Committee.

The full text of the letter from the Independent Board Committee is set out on pages 54 to 55 of this Scheme Document.

### **INDEPENDENT FINANCIAL ADVISER**

The Board has, with the approval of the Independent Board Committee, appointed Anglo Chinese Corporate Finance, Limited as the Independent Financial Adviser pursuant to Rule 2.1 of the Takeovers Code to advise the Independent Board Committee in connection with the Proposal and the RSU Proposal.

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## LETTER FROM THE BOARD

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The full text of the letter from the Independent Financial Adviser is set out on pages 56 to 107 of this Scheme Document.

### INFORMATION ABOUT THE OFFEROR AND THE COMPANY

Your attention is drawn to Appendix I headed “*Financial Information Relating to the Group*” on pages 152 to 155 of this Scheme Document, and the sections headed “*Information on the Group*”, “*Information on the Offeror Group*”, “*Information on Founder Group*” and “*Information on the CVC Network*” in the Explanatory Memorandum on pages 135 to 138 of this Scheme Document.

### OVERSEAS HOLDERS OF THE SCHEME SHARES AND OVERSEAS RSU HOLDERS

If you are an overseas Scheme Shareholders or an overseas RSU Holder, your attention is drawn to the section headed “*Overseas holders of the Scheme Shares and overseas RSU Holders*” in the Explanatory Memorandum on pages 141 to 144 of this Scheme Document.

### COURT MEETING AND GENERAL MEETING

For the purpose of exercising your right to vote at the Court Meeting and/or the General Meeting, you are requested to read carefully the section headed “*Court Meeting and General Meeting*” in the Explanatory Memorandum on pages 145 to 146 of this Scheme Document, the section headed “*Actions to be taken*” on pages 8 to 11 of this Scheme Document, and the notices of the Court Meeting and the General Meeting on pages 190 to 193 and pages 194 to 198 respectively of this Scheme Document.

### ACTIONS TO BE TAKEN

The actions which you are required to take in relation to the Proposal and the RSU Proposal are set out under “*Actions to be Taken*” on pages 8 to 11 and the section headed “*Actions to be taken*” in the Explanatory Memorandum on pages 147 to 150 of this Scheme Document.

### RECOMMENDATION

The Independent Financial Adviser has advised the Independent Board Committee that it considers the terms of the Proposal, the Scheme and the RSU Proposal to be fair and reasonable as far as the Disinterested Shareholders and the RSU Holders (as applicable) are concerned, and advises the Independent Board Committee to recommend the Disinterested Shareholders to vote in favour of the relevant resolution(s) to be proposed at the Court Meeting and the General Meeting to approve and implement the Scheme.

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## LETTER FROM THE BOARD

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The Independent Board Committee, having considered the terms of the Proposal, the Scheme and the RSU Proposal, and having taken into account the advice of the Independent Financial Adviser, in particular the factors, reasons and recommendations set out in its letter, considers the terms of the Proposal, the Scheme and the RSU Proposal to be fair and reasonable as far as the Disinterested Shareholders and the RSU Holders (as applicable) are concerned.

Your attention is drawn to the recommendations of the Independent Financial Adviser to the Independent Board Committee, in respect of the Proposal, the Scheme and the RSU Proposal as set out in the “*Letter from the Independent Financial Adviser*” on pages 56 to 107 of this Scheme Document. Your attention is also drawn to the recommendation of the Independent Board Committee in respect of the Proposal, the Scheme and the RSU Proposal as set out in the “*Letter from the Independent Board Committee*” on pages 54 to 55 of this Scheme Document.

### **WITHDRAWAL OF LISTING OF THE SHARES ON THE STOCK EXCHANGE**

Upon the Scheme becoming effective, all of the Scheme Shares will be cancelled (with the equivalent number of new Shares being issued, credited as fully paid, to the Offeror) and the share certificates in respect of the Scheme Shares will thereafter cease to have effect as documents or evidence of title. The Company will make an application to the Stock Exchange for the withdrawal of the listing of the Shares on the Stock Exchange, in accordance with Rule 6.15(2) of the Listing Rules, with effect from 9:00 a.m. on Friday, 13 May 2022.

Subject to the requirements of the Takeovers Code, the Scheme will lapse if any of the Conditions described in the section headed “*Conditions of the Proposal*” in the Explanatory Memorandum on pages 118 to 121 of this Scheme Document has not been fulfilled or waived, as applicable, on or before the Long Stop Date.

The Scheme Shareholders will be notified by way of an announcement of the exact dates of the last day for dealing in the Shares and the day on which the Scheme and the withdrawal of the listing of the Shares on the Stock Exchange will become effective.

### **IF THE SCHEME IS NOT APPROVED OR THE PROPOSAL LAPSES**

Subject to the requirements of the Takeovers Code, the Proposal and the Scheme will lapse if any of the Conditions has not been fulfilled or (where applicable) waived on or before the Long Stop Date. If the Scheme is not approved or the Proposal otherwise lapses, the listing of the Shares on the Stock Exchange will not be withdrawn and, as the RSU Proposal is conditional upon the Scheme becoming effective, the RSU Proposal will lapse.

**If the Scheme is not approved or the Proposal otherwise lapses, there are restrictions under the Takeovers Code on making subsequent offers, to the effect that neither the Offeror nor any person who acted in concert with it in the course of the Proposal (nor any person who is subsequently acting in concert with any of them) may, within 12 months from the date on which the Scheme is not approved or the Proposal otherwise lapses, announce an offer or possible offer for the Company, except with the consent of the Executive. The Offeror has no intention to seek such consent.**



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## LETTER FROM THE BOARD

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### REGISTRATION AND PAYMENT

Your attention is drawn to the sections entitled “*Registration and Payment*” in the Explanatory Memorandum set out on pages 139 to 141 of this Scheme Document.

### TAXATION, EFFECTS AND LIABILITIES

Scheme Shareholders and RSU Holders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of the Proposal, the Scheme or the RSU Proposal. It is emphasised that none of the Offeror, the Offeror Concert Parties, the Company, Credit Suisse, the Independent Financial Adviser or any of their respective ultimate beneficial owners, directors, employees, officers, agents or associates or any other person involved in the Proposal accepts responsibility (other than in respect of themselves, if applicable) for any taxation effects on, or liabilities of, any other persons as a result of their acceptance or rejection of the Proposal. Accordingly, you are urged to read the section entitled “*Taxation and Independent Advice*” in the Explanatory Memorandum set out on pages 144 to 145 of this Scheme Document and if you are in any doubt as to any aspect of this Scheme Document or as to the action to be taken, you are recommended to consult an appropriately qualified professional adviser.

### FURTHER INFORMATION

You are urged to read carefully the letters from the Independent Board Committee and from the Independent Financial Adviser, as set out on pages 54 to 55, and pages 56 to 107 respectively of this Scheme Document, the Explanatory Memorandum as set out on pages 108 to 151 of this Scheme Document, the appendices to this Scheme Document, the terms of the Scheme as set out on pages 152 to 189 of this Scheme Document, the notice of the Court Meeting as set out on pages 190 to 193 of this Scheme Document and the notice of the General Meeting as set out on pages 194 to 198 of this Scheme Document. In addition, a **pink** form of proxy in respect of the Court Meeting and a **white** form of proxy in respect of the General Meeting are enclosed with this Scheme Document. If you are an RSU Holder, you are also urged to read carefully the letter to the RSU Holders.

By order of the Board of  
**RAZER INC.**  
**Min-Liang TAN**  
*Chairman*



RAZER INC.

雷蛇\*

(incorporated in the Cayman Islands with limited liability)  
(Stock Code: 1337)

30 March 2022

*To the Disinterested Shareholders and RSU Holders*

Dear Sir or Madam,

**(1) PROPOSAL FOR THE PRIVATISATION OF RAZER INC. BY THE OFFEROR  
BY WAY OF A SCHEME OF ARRANGEMENT  
UNDER SECTION 86 OF THE COMPANIES ACT  
AND  
(2) PROPOSED WITHDRAWAL OF LISTING OF RAZER INC.**

We refer to the announcement dated 1 December 2021 jointly issued by the Offeror and the Company in relation to the Proposal and the RSU Proposal and the scheme document dated 30 March 2022 jointly issued by the Offeror and the Company in relation to the Proposal and the RSU Proposal (the “**Scheme Document**”), the latter of which this letter forms part. Terms defined in the Scheme Document shall have the same meanings in this letter unless the context otherwise requires.

We have been appointed by the Board as the Independent Board Committee to make a recommendation to the Disinterested Shareholders and the RSU Holders in respect of the Proposal, the Scheme and the RSU Proposal, details of which are set out in the “*Letter from the Board*” and the “*Explanatory Memorandum*” of the Scheme Document.

Anglo Chinese Corporate Finance, Limited, the Independent Financial Adviser, has been appointed with our approval, to advise us in connection with the Proposal, the Scheme and the RSU Proposal. The details of its advice and the principal factors taken into consideration in arriving at its recommendations are set out in the “*Letter from the Independent Financial Adviser*” of the Scheme Document.

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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In the “*Letter from the Independent Financial Adviser*” of the Scheme Document, the Independent Financial Adviser states that it considers the terms of the Proposal, the Scheme and the RSU Proposal to be fair and reasonable as far as the Disinterested Shareholders and the RSU Holders (as applicable) are concerned, and advises the Independent Board Committee to recommend the Disinterested Shareholders to vote in favour of the relevant resolution(s) to be proposed at the Court Meeting and the General Meeting to approve and implement the Scheme.

The Independent Board Committee, having considered the terms of the Proposal, the Scheme and the RSU Proposal, and having taken into account the advice of the Independent Financial Adviser, in particular the factors, reasons and recommendations set out in its letter, considers that the terms of the Proposal, the Scheme and the RSU Proposal to be fair and reasonable as far as the Disinterested Shareholders and the RSU Holders (as applicable) are concerned.

Accordingly, the Independent Board Committee recommends:

- (1) at the Court Meeting, the Disinterested Shareholders to vote in favour of the Scheme;
- (2) at the General Meeting:
  - (a) the Shareholders to vote in favour of:
    - (i) the special resolution to approve the reduction of the issued share capital of the Company as a result of the cancellation of the Scheme Shares; and
    - (ii) the ordinary resolution to immediately thereafter increase the issued share capital of the Company to the amount prior to the cancellation of the Scheme Shares and apply the reserve created as a result of the aforesaid cancellation of the Scheme Shares to pay up in full at par such number of Shares as is equal to the number of Scheme Shares cancelled as a result of the Scheme for issue to the Offeror.

The Independent Board Committee draws the attention of the Disinterested Shareholders and the RSU Holders to (i) the “*Letter from the Board*” set out in the Scheme Document; (ii) the “*Letter from the Independent Financial Adviser*”, which sets out the factors and reasons taken into account in arriving at its recommendations to the Independent Board Committee, set out in the Scheme Document; and (iii) the Explanatory Memorandum set out in the Scheme Document. RSU Holders are also urged to read carefully the letter in relation to the RSU Proposal which is sent separately to RSU Holders at or around the same time as the despatch of this Scheme Document.

Yours faithfully,  
**the Independent Board Committee**

**Gideon Yu**  
*Independent Non-executive  
Director*

**Chau Kwok Fun Kevin**  
*Independent Non-executive  
Director*

**Lee Yong Sun**  
*Independent Non-executive  
Director*

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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*Set out below is the letter of advice from the Independent Financial Adviser to the Independent Board Committee regarding the Proposal, the Scheme and the RSU Proposal prepared for the purpose of incorporation in this Scheme Document.*

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### ANGLO CHINESE

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CORPORATE FINANCE, LIMITED  
40<sup>th</sup> Floor, Two Exchange Square, 8 Connaught Place, Central, Hong Kong  
www.anglochinesegroup.com

財務顧問有限公司  
英高

The Independent Board Committee,  
the Disinterested Shareholders and  
the RSU Holders of  
Razer Inc.

30 March, 2022

Dear Sirs,

**(1) PROPOSAL FOR THE PRIVATISATION OF  
RAZER INC. BY THE OFFEROR  
BY WAY OF A SCHEME OF ARRANGEMENT  
UNDER SECTION 86 OF THE COMPANIES ACT; AND  
(2) PROPOSED WITHDRAWAL OF LISTING OF RAZER INC.**

#### I. INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee, the Disinterested Shareholders and the RSU Holders in relation to the Proposal, the Scheme and the RSU Proposal. The terms defined in the scheme document of the Company dated 30 March, 2022 (the “**Scheme Document**”), of which this letter forms part, shall have the same meanings in this letter, unless the context otherwise requires.

The Independent Board Committee, which comprises the following independent non-executive Directors, namely, Mr. Gideon Yu, Mr. Chau Kwok Fun Kevin and Mr. Lee Yong Sun, who are not interested in the Proposal, has been formed to advise the Disinterested Shareholders and the RSU Holders on the Proposal, the Scheme and the RSU Proposal. As Mr. Lim (being the non-executive Director) is also a director of the Offeror, Mr. Lim is regarded as being interested in the Proposal and will not form part of the Independent Board Committee. We have been appointed to advise the Independent Board Committee, the Disinterested Shareholders and the RSU Holders as to whether the terms of the Proposal, the Scheme, and the RSU Proposal are fair and reasonable and as to voting on the Proposal and the Scheme.

In formulating our opinion and recommendations, we have reviewed, amongst other things, (i) published information on the Group, including its audited annual financial statements for the three financial years, the last of which ended on 31 December, 2021; (ii) the consolidated management accounts of the Group for the 1 month ended 31 January, 2022; (iii) the cashflow projections of the Group for the 14 months ending 31 March, 2023; (iv) the

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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information in the Scheme Document; and (v) the past performance of the Shares. We have assumed that the information, facts, representations and opinions were true at the time provided or made and continue to be true at the date of the Scheme Document and will continue to be true at the date of the General Meeting. We consider the information we have reviewed is sufficient to reach the conclusions set out in this letter and have no reason to doubt the truth, accuracy or completeness of the information provided to us by the Company, and have been advised by the Directors that, to the best of their knowledge, no material information has been omitted or withheld from the information supplied to us or the information relating to the Company referred to in the Scheme Document. We have not, however, carried out any independent verification of the information provided to us by the Company, nor have we conducted any form of in-depth investigation into the business and affairs or the prospects of the Group. The Directors will notify the Disinterested Shareholders of any material changes to information contained or referred to in the Scheme Document as soon as possible in accordance with Rule 8.1 of the Takeovers Code. Disinterested Shareholders will also be informed of our opinion in relation to such changes, if any, as soon as practicable.

We have not considered the tax and regulatory implications as regards the Proposal, the Scheme and the RSU Proposal since these depend on individual circumstances. In particular, the Disinterested Shareholders and RSU Holders who are overseas residents or subject to overseas taxation or Hong Kong taxation on securities dealings should consider their own tax positions and, if in any doubt, should consult their own professional advisers.

Apart from normal professional fees for our services to the Company in connection with the engagement described above, no arrangement exists whereby we will receive any fees or benefits from the Company, its subsidiaries, directors, chief executive, substantial shareholders or any associates of any of them. As at the Latest Practicable Date, we did not have any relationship with, or interest in, the Company, the Offeror, or any other parties that could reasonably be regarded as relevant to our independence. In the two years prior to the Latest Practicable Date, we have not previously acted as the independent financial adviser to the Company's other transactions. We therefore consider ourselves suitable to give independent advice to the Independent Board Committee in respect of the Proposal pursuant to Rule 2.6 of the Takeovers Code.

## II. THE PROPOSAL

### The background

The respective directors of the Offeror and the Company jointly announced that on 1 December, 2021, the Offeror requested that the Board put forward the Proposal to the Scheme Shareholders for the privatisation of the Company by way of a scheme of arrangement under section 86 of the Companies Act, subject to the Pre-Condition (which was satisfied on 18 February, 2022) and the Conditions being fulfilled or waived, as applicable.

Under the Proposal, the Scheme will provide that all the Scheme Shares (other than the Founder Scheme Shares and the RSU Trustee Scheme Shares) be cancelled on the Effective Date in consideration for:

For each Scheme Share . . . . . the Cancellation Price of HK\$2.82 in cash

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### Principal terms of the Proposal

If the Proposal is approved and implemented:

- (a) the Offeror will subscribe for, and the Company will allot and issue to the Offeror, one Share fully paid at par;
- (b) the Founder Scheme Shares will be cancelled on the Effective Date in consideration for the Founder Scheme Shares Cancellation Consideration, being the crediting of the unpaid TopCo Shares held by the TML HoldCos, Mr. Lim and the LKL HoldCos as being fully paid in an amount equivalent to the aggregate Cancellation Price for all of the Founder Scheme Shares;
- (c) the RSU Trustee Scheme Shares (which are held by the RSU Trustee pending the vesting of RSUs granted under the 2016 Equity Incentive Plan) will be cancelled on the Effective Date for nil consideration on the basis that pursuant to and in accordance with the terms of the RSU Proposal, the RSU Proposal Price, which is equal to the Cancellation Price, will be paid directly to the RSU Holders in cash;
- (d) all Scheme Shares (other than the Founder Scheme Shares and the RSU Trustee Scheme Shares) will be cancelled on the Effective Date in consideration for the Cancellation Price of HK\$2.82 per Scheme Share, which will be paid in cash;
- (e) such number of new Shares as is equal to the number of Scheme Shares cancelled (minus one) will be issued to the Offeror, credited as fully paid, such that the Company will become wholly owned by the Offeror; and
- (f) the listing of the Shares on the Stock Exchange will be withdrawn with effect immediately following the Effective Date in accordance with Rule 6.15(2) of the Listing Rules.

In compliance with Rule 20.1(a) of the Takeovers Code, upon the Scheme becoming effective, the Cancellation Price of HK\$2.82 per Scheme Share will be paid to the Scheme Shareholders whose names appear on the register of members of the Company on the Record Date (other than the Founder Shareholders and the RSU Trustee) as soon as possible but in any event within seven business days (as defined in the Takeovers Code) following the Effective Date.

Please refer to the section headed “TERMS OF THE PROPOSAL” in the letter from the Board for the further details of the principal terms of the Proposal.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### Pre-condition to the Proposal

The making of the Proposal was, and the implementation of the Scheme had been, subject to the satisfaction of the Pre-Condition (being, with respect to the applicable Antitrust Laws, all notifications, filings or applications which are necessary having been made and (a) the receipt of approvals or clearances from the relevant Authorities; or (b) relevant waiting periods (and any extensions thereof) having expired, lapsed or been terminated (as appropriate) with no objection having been received from the relevant Authorities, as applicable, on or prior to the Pre-Condition Long Stop Date).

On 18 February, 2022, the Pre-Condition was satisfied.

### Conditions of the Proposal

The Proposal will be, and the Scheme will become effective and binding on the Company and all of the Scheme Shareholders, subject to the fulfilment or (where applicable) waiver of all the Conditions on or before 23 August, 2022 (or such later date as may be agreed between the Offeror and the Company or, to the extent applicable, as the Executive may consent and, or the Grand Court may direct), failing which the Proposal and the Scheme will lapse.

The main Conditions include, amongst others, (i) approval of the Scheme at the Court Meeting in accordance with the provisions of Section 86 of the Companies Act (as amended) in effect on the date of the Court Meeting; (ii) the approval of the Scheme at the Court Meeting (by way of a poll) by not less than 75% of the votes attaching to the Disinterested Shares cast by the Disinterested Shareholders, present and voting either in person or by proxy at the Court Meeting; (iii) passing of a special resolution and ordinary resolution in relation to the Scheme at the General Meeting; (iv) the Grand Court's sanction of the Scheme; (v) compliance with the procedural requirements and conditions; (vi) all of the Approvals having been obtained, completed and, or made; (vii) all Applicable Laws having been complied with; (viii) no Authority in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry; (ix) no Material Adverse Change; and (x) save in connection with the implementation of the Proposal, the listing of the Shares on the Stock Exchange not having been withdrawn, and no indication having been received from the Executive and, or the Stock Exchange to the effect that the listing of the Shares on the Stock Exchange is or is likely to be withdrawn.

To fulfill the Condition set out in paragraph (i) above in accordance with Section 86 of the Companies Act (as amended) as in effect on the date of the Scheme Document requires the approval of the Scheme at the Court Meeting (by way of a poll) by a majority in number of the Shareholders entitled to vote at the Court Meeting representing not less than 75% in value of the Shares held by the Shareholders entitled to vote at the Court Meeting, present and voting either in person or by proxy at the Court Meeting (the "**Headcount Test**").

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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The Cayman Islands has recently gazetted the Companies (Amendment) Act 2021 (the “Act”). If the Act is commenced in its current form, the Headcount Test may no longer apply to members’ schemes of arrangement (such as the Scheme) and the Scheme may only require the approval of 75% in value of the members present and voting either in person or by proxy at the Court Meeting (the “Value Test”).

The Act was gazetted on 16 December, 2021. The Act will become law on a date to be appointed by Order of the Cabinet. Although the legislative timetable has not yet been set, indications are that the Act may become law on or about 31 March, 2022. If the Act is commenced and becomes law prior to the Court Meeting date, such that the section 86(2A) is the applicable approval required under the Companies Act for the Scheme, then the Headcount Test will no longer apply and the Value Test will be the only test applicable to the Scheme under the Companies Act.

Please refer to the section headed “6. CONDITIONS OF THE PROPOSAL” in the Explanatory Memorandum of the Scheme Document for further details of the Conditions.

The Founder Shareholders and the RSU Trustee have provided undertakings to the Grand Court before the directions hearing for the convening of the Court Meeting before the Grand Court prior to despatch of the Scheme Document to be bound by the Scheme and to receive (in the case of the Founder Shareholders) the Founder Scheme Shares Cancellation Consideration in consideration for cancellation of the Founder Scheme Shares under the Scheme or (in the case of the RSU Trustee) nil consideration for cancellation of the RSU Trustee Scheme Shares under the Scheme. Please refer to the sub-section headed “IV. Founder Irrevocable Undertakings” below for details.

The Conditions set out in paragraphs (i) to (v) (inclusive) above may not be waived. The Offeror reserves the right to waive all or any of the Conditions set out in paragraphs (vi) to (x) (inclusive) above in whole or in part. The Company does not have the right to waive any of the Conditions. All of the Conditions must be fulfilled or (where applicable) waived on or before the Long Stop Date, failing which the Proposal and the Scheme will lapse.

As at the Latest Practicable Date and based on the information available to the Offeror and the Company, other than those specifically set out as the Pre-Condition (which was satisfied) and Conditions above and the application for the withdrawal of the listing of the Shares on the Stock Exchange upon the Scheme becoming effective, each of the Offeror and the Company is not aware of any Approvals which are required as set out in the Condition in paragraph (vi) (as detailed in the letter from the Board) and each of the Offeror and the Company is also not aware of any other circumstances which may result in any of the Conditions in paragraphs (vii) to (x) (inclusive) (as detailed in the letter from the Board) above not being satisfied. In particular, as at the Latest Practicable Date, the Company is not aware of any Authority in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry as set out in the Condition in paragraph (viii) (as detailed in the letter from the Board).



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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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**If the Scheme is not approved or the Proposal otherwise lapses, there are restrictions under the Takeovers Code on making subsequent offers, to the effect that neither the Offeror nor any person who acted in concert with it in the course of the Proposal (nor any person who is subsequently acting in concert with any of them) may, within 12 months from the date on which the Scheme is not approved or the Proposal otherwise lapses, announce an offer or possible offer for the Company, except with the consent of the Executive. The Offeror has no intention to seek such consent.**

If the Conditions are satisfied or (where applicable) waived, the Scheme will be binding on all of the Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the General Meeting.

### **No price increase statement**

As stated in the sub-section headed “3. TERMS OF THE PROPOSAL – Comparison of value” in the Explanatory Memorandum of the Scheme Document, the Cancellation Price will not be increased, and the Offeror does not reserve the right to do so.

### **III. RSU PROPOSAL**

An RSU is a contingent right of the grantee to receive a Share for no consideration upon the vesting of the RSU. Please refer to the section headed “RSU PROPOSAL” in the letter from the Board for the details in relation to the summary of RSU under the 2016 Equity Incentive Plan as at the Latest Practicable Date. The Company has made an application to the Executive for, and the Executive has granted a waiver from the requirement for Shareholders’ approval under Rule 4 of the Takeovers Code in relation to the grant of new RSUs in January 2022 and March 2022.

The Offeror is making an appropriate proposal to the RSU Holders in accordance with Rule 13.1 of the Takeovers Code. To implement the RSU Proposal, the Offeror has requested the Remuneration Committee to make, and the Remuneration Committee has made, certain determinations in accordance with the terms of the 2016 Equity Incentive Plan, pursuant to which, among other things:

- (a) each unvested RSU will be cancelled on the Effective Date;
- (b) the Offeror will pay to each Founder RSU Holder the Founder RSU Proposal Consideration (being, in the case of Mr. Tan, the crediting of the unpaid TopCo Shares held by the TML HoldCos and, in the case of Mr. Lim, the crediting of the unpaid TopCo Shares held by Mr. Lim and the LKL HoldCos, in each case as being fully paid in an aggregate amount equivalent to the RSU Proposal Price multiplied by the number of unvested RSUs of such Founder RSU Holder cancelled);

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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- (c) the Offeror will, subject to the existing terms of the unvested RSUs of such Non-Founder RSU Holder (including vesting and other conditions, such as the continued employment of such Non-Founder RSU Holder with the Group), pay to each Non-Founder RSU Holder the RSU Proposal Price in cash for each unvested RSU of such Non-Founder RSU Holder cancelled, on a staggered basis in accordance with the original vesting schedule applicable to each such unvested RSU; and
- (d) all of the Shares held by RSU Trustee on the Effective Date will be cancelled for nil consideration.

The RSU Proposal Price of HK\$2.82 per RSU is the “see-through” price of the RSUs, which is equal to the Cancellation Price as there is no exercise price for the RSUs. No action will be required to be taken by any RSU Holder in order for him, or her to receive the consideration detailed above in respect of the RSU Proposal.

The RSU Proposal will be conditional on the Scheme becoming effective. If any of the Conditions is not fulfilled or (where applicable) waived on or before the Long Stop Date, and the Proposal and the Scheme lapse, the RSU Proposal will lapse.

Further information on the RSU Proposal is set out in a letter to the RSU Holders, which is to be despatched at or around the same time as the despatch of the Scheme Document and a form of which is set out in the Scheme Document.

#### **IV. FOUNDER IRREVOCABLE UNDERTAKINGS**

On 1 December, 2021, each of the Founder Shareholders has given irrevocable undertakings in the Consortium Agreement to take certain actions. Please refer to the sub-section headed “Founder Irrevocable Undertakings” in the letter from the Board for the details.

As set out in the section headed “VOTING AT THE COURT MEETING AND THE GENERAL MEETING” in the letter from the Board, none of the Founder Shareholders will attend or vote at the Court Meeting to approve the Scheme. The Founder Irrevocable Undertakings will terminate if the Scheme is not approved, lapses or is withdrawn.

#### **V. THE AGREEMENTS IN CONNECTION WITH THE PROPOSAL AND THE SCHEME**

##### **Implementation Agreement**

On 1 December, 2021, the Offeror and the Company entered into the Implementation Agreement, pursuant to which the parties have agreed to use all reasonable endeavours to do all such things within their power to implement the Proposal and cooperate to obtain all Approvals required in connection with the Proposal.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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The Implementation Agreement will be terminated if the Scheme is not approved or the Proposal otherwise lapses or is withdrawn.

The Implementation Agreement sets out how the Company will use all reasonable endeavours to implement the Scheme, as well as undertakings not to (i) carry on its business other than the in the ordinary and usual course; (ii) allot, issue, authorise or propose the issue of any securities or making any change to its share capital; (iii) recommend, propose, declare, pay or make any bonus issue, dividend or other distribution; (iv) enter into any merger or acquiring or disposing of any assets or announce any intention to propose to do so, other than in the ordinary course of business; (v) issue, authorise or propose the issue of any debentures or incur or increase any indebtedness or contingent liability, other than in the ordinary and usual course of business; (vi) create or agree to create any encumbrance over its business or any assets except in the ordinary and usual course of business of the Group; or (vii) transfer or assign to any third party any intellectual property which it owns or has the right of use as at the date of the Implementation Agreement as well as any other intellectual property which it subsequently acquires or obtains the right of use of.

It also further sets out that the Company shall not (i) solicit, encourage, or otherwise seek to procure the submission of proposals, indications of interests or offers of any kind which are reasonably likely to lead to an alternative offer from any person other than the Offeror; or (ii) enter into, or participate in, any discussions or negotiations (other than responding to unsolicited enquiries) with any such person in relation to an alternative offer or provide any due diligence information on the Company and the Group to any third party in connection therewith, save to the extent that, based on the written advice of external legal counsel: (a) the Board reasonably considers that they are likely to be in breach of their directors' duties or statutory duties not to do so; or (b) they are required to do so under Rule 6 of the Takeovers Code or other Applicable Laws.

### **Consortium Agreement**

In connection with the Proposal and the Scheme, on 1 December, 2021, Mr. Tan, Mr. Lim and CVC HoldCo entered into the Consortium Agreement, pursuant to which the parties have agreed to conduct and implement the Proposal in consultation with one another and for TopCo to have the shareholding structure as further discussed in the sub-section headed "Shareholding structure of the Company and the corresponding information" below.

The Consortium Agreement will be terminated if the Scheme is not approved or the Proposal otherwise lapses or is withdrawn.

The Consortium Agreement sets out that CVC HoldCo shall fund, or procure the funding, by way of equity investment in cash to TopCo at such time required to enable the Offeror to satisfy its obligations in respect of the cash consideration payable under the Scheme and the RSU Proposal in accordance with the Takeovers Code.

It also sets out the conditions and obligation of each party upon the Scheme becoming effective.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### Shareholders' Agreement

On 1 December, 2021, Mr. Tan and Mr. Lim (each in his personal capacity), CVC HoldCo and TopCo entered into the Shareholders' Agreement in respect of the future governance of the Offeror Group, which is intended to take full effect upon the Scheme becoming effective and the equity investment amount by CVC HoldCo in TopCo having been paid in accordance with the Consortium Agreement.

The Shareholders' Agreement shall (a) terminate (i) by the parties' written agreement or (ii) upon all TopCo Shares being held by one person; and (b) terminate with respect to any party if such party ceases to hold any TopCo Shares.

Key terms of the Shareholders' Agreement include (i) board composition; (ii) voting rights; (iii) quorum of shareholders' meetings; (iv) dividend rights; (v) reserved matters; (vi) exit; (vii) pre-emption rights; (viii) employee incentive plan; (ix) non-compete and non-solicit; (x) default; and (xi) termination, which are set out in the section headed "Shareholders' Agreement" of the Explanatory Memorandum, to which the Independent Board Committee and the Disinterested Shareholders are referred.

Regarding any future exit by CVC Holdco from its investment in TopCo, the shareholders of TopCo have agreed that they will work together to facilitate CVC Holdco's eventual exit within five years after the Effective Date. Depending on market conditions at the time of exit, CVC HoldCo, Mr. Tan, Mr. Lim and TopCo will explore the best options for a potential liquidity event, including a qualified initial public offering or a trade sale of some or all of the TopCo Shares held by CVC HoldCo. The Shareholders' Agreement provides that the parties will use commercially reasonable efforts and cooperate to facilitate an exit but does not strictly impose any eventual exit. As advised by the management of the Company, the exit strategy has yet to be agreed and confirmed as at the Latest Practicable Date.

### VI. THE DIVIDEND

As at the Latest Practicable Date, as stated in the sub-section headed "Dividend payment by the Company" in the letter from the Board, the Company has not declared any dividend which remains unpaid. The Company does not intend to declare and, or, pay any dividend before the Effective Date or the date on which the Scheme is not approved or the Proposal otherwise lapses (as the case may be).

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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However, if: (a) after the Latest Practicable Date, any dividend, distribution and, or return of capital is announced, declared, made and, or paid in respect of the Shares; and (b) the record date to be announced by the Board for determining the entitlement of such dividend, distribution and, or return of capital (as the case may be) falls on a day which is on or before the Effective Date, the Cancellation Price will be reduced by an amount equal to such dividend, distribution and, or return of capital and, unless otherwise specified or the context otherwise requires, any reference in the Joint Announcement, the Scheme Document or any other announcement in relation to the Scheme to the Cancellation Price will be deemed to be a reference to the Cancellation Price as so reduced.

In addition, the Company has not paid any dividend since its listing in 2017.

### **VII. BACKGROUND OF THE GROUP, THE OFFEROR AND OTHER RELATED PARTIES**

#### **Information of the Group**

The Company is a company incorporated in the Cayman Islands with limited liability, the shares of which have been listed on the Main Board of the Stock Exchange since November 2017 with the stock code 1337. The principal activities of the Group are those relating to the design, manufacture, distribution, research and development of gaming peripherals, systems, software, services, mobiles and accessories. The Group's headquarters are located in Singapore and the United States.

#### ***Business and financial performance of the Group***

The Company has three principal business segments, namely (i) hardware (peripherals and systems); (ii) software and services; and (iii) others. Hardware (peripherals) segment consists primarily of gaming mice, keyboards, audio devices and mouse mats developed, marketed and sold. Hardware (systems) segment consists of laptops developed, marketed and sold. Peripherals and systems collectively constitute the Company's hardware business. Software and services primarily consist of the provision of software over the Razer Software Platform, virtual credits and payment related services. This includes Razer Gold, a universal credit for game and digital entertainment, and Razer Fintech, which operates two verticals, Razer Merchant Services, and Razer Pay till the first half of 2021. Razer Pay provides a B2C (business-to-consumer) e-wallet service which was available in Singapore and Malaysia as a Beta-version product, while Razer Merchant Services provides B2B (business-to-business) card processing gateway services to power online payments and operates an offline payment network for physical acceptance points. Others consist primarily of new products and services including the THX Ltd., Razer Phone in 2019, and Respawn in 2021. THX Ltd. develops premium audio and visual set-ups relative to spatial design and operates an audio-visual certification business. Respawn is focused on bringing mental performance to gamers and its product portfolio includes drinks, gum and shakers.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The tabulation below illustrates the audited financial results of the of the Group for the three financial years ended 31 December, 2021.

**Table 1 – Summary of the financial results of the Group**

	For the year ended 31 December,		
	2019 <i>(audited)</i> US\$ million	2020 <i>(audited)</i> US\$ million	2021 <i>(audited)</i> US\$ million
<b>Revenue</b>			
– Hardware			
Peripherals	444.9	773.2	1,084.3
Systems	269.1	310.5	368.2
– Software and services	77.0	128.4	162.5
– Others	29.8	2.5	4.6
<b>Total revenue</b>	<b>820.8</b>	<b>1,214.6</b>	<b>1,619.6</b>
Cost of sales	(652.7)	(943.6)	(1,230.4)
<b>Gross profit</b>			
– Hardware			
Peripherals	117.5	208.2	294.2
Systems	26.4	10.4	29.6
– Software and services	32.7	56.3	62.5
– Others	(8.5)	(3.8)	2.9
<b>Total gross profit</b>	<b>168.1</b>	<b>271.0</b>	<b>389.2</b>
<i>Gross profit margin</i>	20.5%	22.3%	24.0%
– <i>Hardware</i>			
<i>Peripherals</i>	26.4%	26.9%	27.1%
<i>Systems</i>	9.8%	3.3%	8.0%
– <i>Software and services</i>	42.4%	43.8%	38.5%
– <i>Others</i>	(28.6)%	(153.7)%	63.0%
Selling and marketing expenses	(112.7)	(135.5)	(183.2)
Research and development expenses	(52.4)	(54.0)	(61.1)
Other expenses <sup>(Note 1)</sup>	(98.8)	(88.5)	(93.0)
<b>Profit/(loss) from operations</b>	<b>(95.8)</b>	<b>(7.0)</b>	<b>51.9</b>
Other non-operating and finance (costs)/income, net <sup>(Note 2)</sup>	18.0	11.3	0.4
<b>Profit/(loss) before income tax</b>	<b>(77.8)</b>	<b>4.4</b>	<b>52.3</b>
<b>Profit/(loss) attributable to:</b>			
– Equity shareholders of the Company	(84.2)	5.6	46.2
– Non-controlling interests	0.7	(4.8)	(2.8)
<b>Profit/(loss) per share attributable to equity shareholders of the Company</b>			
Basic and diluted (US\$)	(0.010)	0.001	0.005

*Sources: Annual reports and annual results announcement of the Company for the relevant years*

*Notes:*

- Other expenses comprise of (i) general and administrative expenses; and, or, (ii) impairment of goodwill and other assets.
- Other non-operating and net finance (costs)/income, net, comprise of (i) finance income; (ii) finance costs; and (iii) other non-operating (expenses)/income.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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*For the financial year ended 31 December, 2021 compared to 2020*

### *Revenue*

The total revenue for the Group increased by approximately 33.3% from approximately US\$1,214.6 million for the year ended 31 December, 2020 to approximately US\$1,619.6 million for the year ended 31 December, 2021. This was mainly due to the increase of revenue in the hardware (consisting of peripherals and systems) and software and services segments for the year ended 31 December, 2021 as compared to the year ended 31 December, 2020.

- Hardware (peripherals and hardware systems)

The revenue from the hardware segment increased by approximately 34.0% to approximately US\$1,452.4 million for the year ended 31 December, 2021 from approximately US\$1,083.7 million for the year ended 31 December, 2020 because of the strong consumer demand for the Group's hardware products attributed to the increased gaming activities and continued remote working trends. The Group recorded an increase in revenue from the sales of (i) peripherals of approximately 40.2% from US\$773.2 million in the year ended 31 December, 2020 to US\$1,084.3 million for the year ended 31 December, 2021, mainly attributable to the overall increase in the sales of the Group's mice, keyboards and audio devices; and (ii) systems by approximately 18.6% from US\$310.5 million in the year ended 31 December, 2020 to US\$368.2 million in the year ended 31 December, 2021, mainly attributable to the sales generated from the new product lines.

- Software and services

The revenue from the software and services segment increased by approximately 26.6% to approximately US\$162.5 million for the year ended 31 December, 2021 from approximately US\$128.4 million for the year ended 31 December, 2020. Such increase was primarily driven by (i) stronger performance of the Group's contents; and (ii) continual expansion in channels and contents.

- Others

The revenue from the others segment increased by approximately 84.0% to approximately US\$4.6 million for the year ended 31 December, 2021 from approximately US\$2.5 million for the year ended 31 December, 2020. Such increase was mainly attributable to the increase in certification services for THX Ltd. and Respawn products.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### *Gross profit and gross profit margin*

The gross profit for the Group increased by approximately 43.6% from approximately US\$271.0 million for the year ended 31 December, 2020 to approximately US\$389.2 million for the year ended 31 December, 2021. The gross profit margin increased slightly from approximately 22.3% for the year ended 31 December, 2020 to approximately 24.0% for the year ended 31 December, 2021. The increase in gross profit and gross margin was mainly driven by the (i) increase sales of higher margin hardware products; and (ii) higher provision recognised for slow moving stocks in 2020.

### *Expenses*

The selling and marketing expenses for the Group increased by approximately 35.2% from approximately US\$135.5 million for the year ended 31 December, 2020 to approximately US\$183.2 million for the year ended 31 December, 2021. Such increase was mainly driven by (i) an overall increase in sales and marketing spending of US\$47.3 million due to increased efforts in online marketing; and (ii) increase in personnel costs to support the growth in regional sales and marketing activities.

The research and development expenses for the Group increased by approximately 13.1% from approximately US\$54.0 million for the year ended 31 December, 2020 to approximately US\$61.1 million for the year ended 31 December, 2021, mainly attributable to the increase in personnel costs.

The general and administrative expenses for the Group increased by approximately 19.7% from approximately US\$77.7 million for the year ended 31 December, 2020 to approximately US\$93.0 million for the year ended 31 December, 2021. Such increase was mainly attributable to the increase in storage charges due to a higher level of inventories in order to cater the growing demand in the Group's products.

The impairment of goodwill and other assets of approximately US\$10.8 million were recognised during the year ended 31 December, 2020, which were related to the write-off of assets related to THX Ltd., assessed to be impaired. No impairment of goodwill and other assets recognised during the year ended 31 December, 2021.

### *Profit attributable to the equity holders*

The profit attributable to the equity holders increased significantly from approximately US\$5.6 million for the year ended 31 December, 2020 to approximately US\$46.2 million for the year ended 31 December, 2021. The increase was mainly driven by (i) the increase in revenue, as well as such increase outpaced the increase in cost of sales, research and development expenses and general and administrative expenses as discussed above; and (ii) no impairment of goodwill and other assets were recognised for the year ended 31 December, 2021, whereas approximately US\$10.8 million impairment of goodwill and other assets were recognised for the year ended 31 December 2020.



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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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*For the financial year ended 31 December, 2020 compared to 2019*

### *Revenue*

The total revenue for the Group increased by approximately 48.0% from approximately US\$820.8 million for the year ended 31 December, 2019 to approximately US\$1,214.6 million for the year ended 31 December, 2020. This was mainly due to the increase of revenue in the hardware (consisting of peripherals and systems) and software and services segments, of which was partially offset by the decrease in revenue from others sector for the year ended 31 December, 2020 as compared to the year ended 31 December, 2019.

– Hardware (peripherals and systems)

The revenue from the hardware (peripherals and systems) segment increased by approximately 51.8% to approximately US\$1,083.7 million for the year ended 31 December, 2020 from approximately US\$714.0 million for the year ended 31 December, 2019. Due to the increased gaming activities and continued remote working trends, the Group recorded an increase in revenue from the sales of (i) peripherals of approximately 73.8% from US\$444.9 million in the year ended 31 December, 2019 to US\$773.2 million in the year ended 31 December, 2020, mainly attributable to the overall increase in sales of mice, keyboards and audio devices, and particularly strong demand for the Company's flagship products; and (ii) systems by approximately 15.4% from US\$269.1 million in the year ended 31 December, 2019 to US\$310.5 million in the year ended 31 December, 2020, mainly attributable to the sales from the Group's refreshed model lines, especially the period since May as a result of pent-up demand from consumers during the COVID-19 pandemic.

– Software and services

The revenue from the software and services segment increased by approximately 66.8% to approximately US\$128.4 million for the year ended 31 December, 2020 from approximately US\$77.0 million for the year ended 31 December, 2019. Such increase was primarily driven by the continual expansion of channels and content, as well as a stronger performance of the Group's content.

– Others

The revenue from the others segment decreased by approximately 91.6% to approximately US\$2.5 million for the year ended 31 December, 2020 from approximately US\$29.8 million for the year ended 31 December, 2019. Such decrease was mainly attributable to the Group's decision to cease the sales of the Razer Phone since early 2020.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### *Gross profit and gross profit margin*

The gross profit for the Group increased by approximately 61.2% from approximately US\$168.1 million for the year ended 31 December, 2019 to approximately US\$271.0 million for the year ended 31 December, 2020. Such increase was mainly driven by (i) the increase in revenue from the sales of peripherals; (ii) the increase in revenue from the sales of systems, which was partially offset by the decrease in systems gross margin attributable to higher freight costs due to the COVID-19 pandemic and a one-time spare parts write-off of US\$9.3 million; and (iii) the increase in revenue from the software and services segment, and a slightly higher software and services gross margin attributable to the increase in online gaming activities and utilisation of Razer Gold, the Group's global game/digital entertainment payment service, which was partially offset by the decrease in revenue from the others segment, as well as the decrease in the others segment's gross margin which was attributable to the write-down of Razer Phone spare parts during the year.

### *Expenses*

The selling and marketing expenses for the Group increased by approximately 20.2% from approximately US\$112.7 million for the year ended 31 December, 2019 to approximately US\$135.5 million for the year ended 31 December, 2020. Such increase was mainly attributable to (i) the Group's overall increase in sales and marketing spending of approximately US\$6.9 million due to the expansion in online marketing; and (ii) increase in personnel costs to support the growth in regional sales and marketing activities.

The research and development expenses for the Group increased by approximately 3.1% from approximately US\$52.4 million for the year ended 31 December, 2019 to approximately US\$54.0 million for the year ended 31 December, 2020, mainly attributable to the increase in personnel costs.

The general and administrative expenses for the Group decreased by approximately 13.0% from approximately US\$89.3 million for the year ended 31 December, 2019 to approximately US\$77.7 million for the year ended 31 December, 2020. Such decrease was mainly attributable to the decrease in share-based compensation expenses of approximately US\$16.1 million during 2020.

The impairment of goodwill and other assets of approximately US\$9.5 million were recognised during the year ended 31 December, 2019, which were related to the write-off of mobile related assets, assessed to have no recoverable value.

The impairment of goodwill and other assets of approximately US\$10.8 million were recognised during the year ended 31 December, 2020, which were related to the write-off of assets related to THX Ltd., assessed to be impaired.

### *Profit/(loss) attributable to the equity holders*

The profit attributable to the equity holders increased from a loss of approximately US\$84.2 million for the year ended 31 December, 2019 to a profit of approximately US\$5.6 million for the year ended 31 December, 2020. The increase was mainly driven by the decrease in general and administrative expenses of approximately 13.0% and the increase in revenue, of which such increase outpaced the increase in cost of sales, the selling and marketing expenses, the research and development expenses and the impairment of goodwill and other assets as discussed above.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The tabulation below summarises the financial position of the Group as at 31 December, 2019, 2020 and 2021:

**Table 2 – Financial positions of the Group**

	As at 31 December		
	2019 US\$ million (audited)	2020 US\$ million (audited)	2021 US\$ million (audited)
<b>Non-current assets</b>			
Property, plant and equipment	30.0	30.1	58.7
Intangible assets and goodwill	104.9	91.0	89.6
Other investments	1.3	61.3	14.5
Other non-current assets <sup>(Note 1)</sup>	10.7	17.9	20.2
<b>Sub-total</b>	<b>146.9</b>	<b>200.3</b>	<b>183.1</b>
<b>Current assets</b>			
Inventories	74.8	124.9	186.4
Trade and other receivables	215.1	267.7	275.2
Prepayments	6.3	8.3	12.6
Restricted cash	14.4	18.2	1.7
Cash and bank balances	528.3	621.8	567.6
Other current assets <sup>(Note 2)</sup>	9.0	1.8	2.0
<b>Sub-total</b>	<b>847.9</b>	<b>1,042.6</b>	<b>1045.6</b>
<b>Total assets</b>	<b>994.8</b>	<b>1,242.9</b>	<b>1228.7</b>
<b>Current liabilities</b>			
Trade and other payables	377.6	584.2	600.5
Customer funds	12.9	20.1	25.0
Other current liabilities <sup>(Note 3)</sup>	11.5	16.2	17.8
<b>Sub-total</b>	<b>401.9</b>	<b>620.6</b>	<b>643.3</b>
<b>Non-current liabilities</b>			
Lease liabilities	10.0	6.7	26.7
Other non-current liabilities <sup>(Note 4)</sup>	8.1	8.4	9.2
<b>Sub-total</b>	<b>18.1</b>	<b>15.1</b>	<b>35.9</b>
<b>Total Liabilities</b>	<b>420.0</b>	<b>635.7</b>	<b>679.2</b>
<b>Capital and reserves</b>			
Share capital	89.5	88.8	87.6
Share premium	683.8	672.5	615.8
Reserves	(205.1)	(179.4)	(159.5)
Total equity attributable to equity shareholders of the Company	568.3	581.9	543.9
Non-controlling interests	6.5	25.3	5.5
<b>TOTAL EQUITY</b>	<b>574.8</b>	<b>607.2</b>	<b>549.5</b>

Sources: Annual reports and annual results announcement of the Company for the relevant years

Notes:

1. Other non-current assets comprise of (i) deferred tax assets; (ii) restricted cash; (iii) prepayments; and (iv) other receivables.
2. Other current assets comprise of (i) current tax receivables; and (ii) other investments.
3. Other current liabilities comprise of (i) contract liabilities; (ii) lease liabilities; (iii) current tax payables; and (iv) other tax liabilities.
4. Other non-current liabilities comprise of (i) deferred tax liabilities; (ii) contract liabilities; (iii) net defined benefit retirement obligation; (iv) other payables; and (v) other tax liabilities.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### *Total assets*

As at 31 December, 2021, the Group recorded total assets of approximately US\$1,228.7 million which primarily consisted of (i) property, plant and equipment; (ii) intangible assets and goodwill; (iii) inventories; (iv) trade and other receivables; and (v) cash and bank balances.

The Group's property, plant and equipment mainly consists of tooling assets, computers, software and equipment, increased significantly by approximately 95.4% from approximately US\$30.1 million as at 31 December, 2020 to approximately US\$58.7 million as at 31 December, 2021, which was mainly due to the additions of approximately US\$50.0 million during the year ended 31 December, 2021.

The Group's intangible assets and goodwill decreased slightly by approximately 1.5% from approximately US\$91.0 million as at 31 December, 2020 to approximately US\$89.6 million as at 31 December, 2021, which was mainly due to depreciation and amortisation and was partially offset by additional goodwill and intangible assets arising from acquiring the business and assets of the controller gear business unit.

The Group's inventories increased by approximately 49.3% from approximately US\$124.9 million as at 31 December, 2020 to approximately US\$186.4 million as at 31 December, 2021, which was attributed to the increase in raw materials and finished goods.

The Group's trade and other receivables increased slightly by approximately 2.8% from approximately US\$267.7 million as at 31 December, 2020 to approximately US\$275.2 million as at 31 December, 2021, which was mainly due to the increase in trade receivables on 31 December, 2021 as compared to 31 December, 2020.

The Group's cash and bank balances decreased by approximately 8.7% from approximately US\$621.8 million as at 31 December, 2020 to approximately US\$567.6 million as at 31 December, 2021, mainly due to (i) the share buy-back conducted by the Group of approximately US\$57.2 million; and (ii) the acquisition of non-controlling interests in a subsidiary for a consideration of US\$53.6 million, of which was partially offset by the cash generated from operations of approximately US\$43.5 million.

### *Total liabilities*

The Group's total liabilities amounted to approximately US\$679.2 million as at 31 December, 2021, which primarily consisted of trade and other payables which represented approximately 88.8% of the Group's total liabilities. As at 31 December, 2021, the Group's trade and other payables were amounted to approximately US\$603.0 million.

The majority of the total liabilities were comprised of trade payables. The Group's trade payables decreased by approximately 3.3% from approximately US\$469.8 million as at 31 December, 2020 to approximately US\$454.4 million as at 31 December, 2021.

The Group had no bank borrowings and other borrowings as at 31 December, 2019, 2020, 2021 respectively.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

### Shareholding structure of the Company and the corresponding information

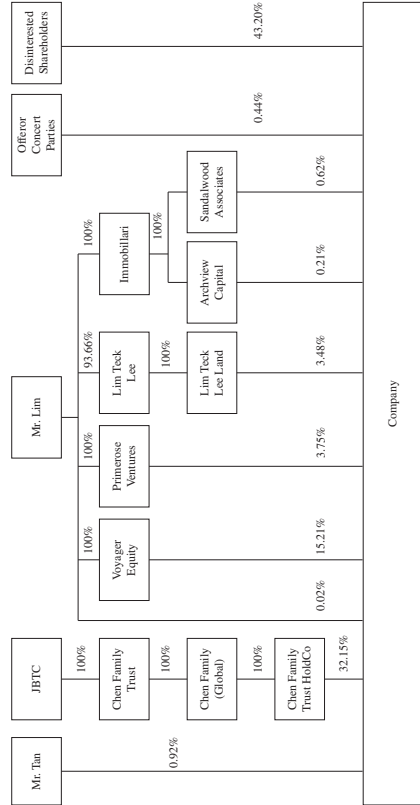
The table below sets out the shareholding structure of the Company as at the Latest Practicable Date and immediately following implementation of the Scheme assuming that: (a) no further Shares will be issued and no further RSUs will be granted under the 2016 Equity Incentive Plan on or before the Record Date; and (b) there will be no other change in the shareholding of the Company before the Effective Date.

	As at the Latest Practicable Date			Immediately following implementation of the Scheme	
	Number of Shares	Number of Shares as a percentage of total number of Shares in issue (%)	Number of RSUs which have been granted but have not yet vested	Number of Shares	%
(A1) Founder Group Mr. Tan	81,343,906	0.92	90,395,353	-	-
Chen Family Trust HoldCo	2,837,935,801	32.15	-	-	-
Chen Family Trust SPV 1	-	-	-	-	-
Chen Family Trust SPV 2	-	-	-	-	-
Mr. Lim	1,464,300	0.02	383,495	-	-
Voyager Equity	1,342,446,474	15.21	-	-	-
Primerose Ventures	330,643,967	3.75	-	-	-
Lim Teck Lee Land	307,424,615	3.48	-	-	-
Archview Capital Ltd	18,358,843	0.21	-	-	-
Sandalwood Associates	54,300,186	0.62	-	-	-
(A2) CVC HoldCo	-	-	-	-	-
(A3) Offeror	-	-	-	8,826,228,347	100
<b>(A) Sub-total = (A1) + (A2) +(A3)</b>	<b>4,973,918,092</b>	<b>56.35</b>	<b>90,778,848</b>	<b>8,826,228,347</b>	
<b>(B) Offeror Concert Parties other than the Founder Group, the CVC Funds and CVC Holdco</b>					
Mr. Tan's close relatives	37,026,412	0.42	-	-	-
Mr. Tan Chong Neng	2,232,112	0.03	2,240,484	-	-
<b>(B) Sub-total</b>	<b>39,258,524</b>	<b>0.44</b>	<b>2,240,484</b>		
<b>(C) Disinterested Shareholders</b>					
RSU Trustee	118,256,322	1.34	-	-	-
Mr. Chau Kwok Fun Kevin	1,534,755	0.02	703,074	-	-
Nottinghill Holdings Limited	600,000	0.01	-	-	-
Mr. Lee Yong Sun	1,116,187	0.01	511,324	-	-
Mr. Gideon Yu	5,165,149	0.06	511,324	-	-
Others	3,686,379,318	41.77	81,614,194	-	-
<b>(C) Sub-total</b>	<b>3,813,051,731</b>	<b>43.20</b>	<b>83,339,916</b>		
<b>Total (A) + (B) + (C)</b>	<b>8,826,228,437</b>	<b>100</b>	<b>176,359,248</b>	<b>8,826,228,347</b>	<b>100</b>

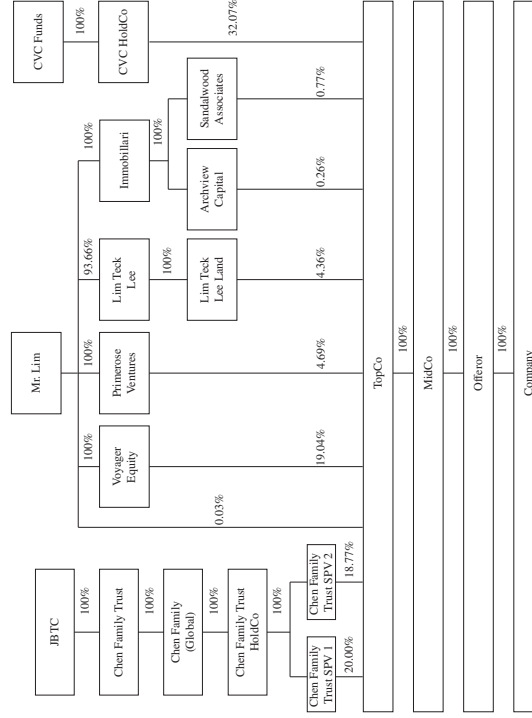
For further details, please refer to the section headed "10. SHAREHOLDING STRUCTURE OF THE COMPANY AND EFFECT OF THE PROPOSAL AND THE SCHEME" in the Explanatory Memorandum of the Scheme Document and the sub-sections below.

The chart below sets out the illustrative shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) the illustrative shareholding structure of the Company immediately upon the Scheme becoming effective and completion of the transfer of 100,302,787 fully paid TopCo Shares by Chen Family Trust SPV 2 to CVC HoldCo:

**Shareholding chart as at the Latest Practicable Date**



**Shareholding chart immediately upon the Scheme becoming effective and completion of the transfer of 100,302,787 fully paid TopCo Shares by Chen Family Trust SPV 2 to CVC HoldCo**



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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### *Information of the Offeror Group (A3)*

The Offeror Group comprises TopCo, MidCo, the Offeror and the Offeror's subsidiaries (which will include the Group upon the Scheme becoming effective).

- (a) TopCo is an exempted company incorporated in the Cayman Islands with limited liability and set up for the implementation of the Proposal. As at the Latest Practicable Date, TopCo has 1,002,255 ordinary shares and 2,562,019,394 preference shares in issue, among which: (i) Chen Family Trust SPV 1 holds 1 ordinary share on a fully paid basis and 200,450 ordinary shares and 512,403,879 preference shares on an unpaid basis; (ii) Chen Family Trust SPV 2 holds 227,435 ordinary shares and 581,381,859 preference shares on an unpaid basis; (iii) Mr. Lim holds 262 ordinary shares and 671,532 preference shares on an unpaid basis; (iv) Voyager Equity holds 190,856 ordinary shares and 487,876,191 preference shares on an unpaid basis; (v) Primerose Ventures holds 47,008 ordinary shares and 120,163,689 preference shares on an unpaid basis; (vi) Lim Teck Lee Land holds 43,707 ordinary shares and 111,725,236 preference shares on an unpaid basis; (vii) Archview Capital holds 2,610 ordinary shares and 6,672,029 preference shares on an unpaid basis; (viii) Sandalwood Associates holds 7,720 ordinary shares and 19,733,948 preference shares on an unpaid basis; and (ix) CVC HoldCo holds 282,206 ordinary shares and 721,391,031 preference shares on an unpaid basis.
- (b) Each of MidCo and the Offeror is an exempted company incorporated in the Cayman Islands with limited liability and set up for the implementation of the Proposal. As at the Latest Practicable Date, the Offeror is wholly owned by MidCo, which in turn is wholly owned by TopCo.
- (c) As at the Latest Practicable Date, the board of each of the Offeror, MidCo and TopCo comprises Mr. Tan, Mr. Lim, Mr. Paul Robert Anderson, Mr. Jacobus Christiaan Van Der Spuy, Mr. Michal Stanislaw Pawlica, and Mr. Edward Michael Fletcher.

Please refer to the section headed "10. SHAREHOLDING STRUCTURE OF THE COMPANY AND EFFECT OF THE PROPOSAL AND THE SCHEME" in the Explanatory Memorandum of the Scheme Document for the chart which sets out the shareholding structure of the Offeror Group, the Founder Group and the CVC Network as at the Latest Practicable Date.

### *Information of the Founder Group (A1)*

As illustrated in the shareholding table above, the Founder Group comprises Mr. Tan, Mr. Lim, the Chen Family Trust Holding Companies, the TML HoldCos, the LKL HoldCos, Lim Teck Lee and Immobiliari.

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- (a) Mr. Tan is a co-founder of the Group and has served as the Group's chief executive officer since September 2006. Mr. Tan is also an executive Director and Chairman of the Board. He is responsible for the overall strategic development and business operations. In addition, he is in charge of directing and overseeing the design and development of all products of the Group;
- (b) Mr. Lim has been a founding investor since May 2005 and has served as a member of the Board since November 2012. He is a non-executive Director and is responsible for participating in decision-making in respect of major matters, such as strategy;
- (c) The Chen Family Trust Holding Companies are directly or indirectly wholly owned by JBTC on trust for the benefit of Mr. Tan and his family members;
- (d) The TML HoldCos are companies incorporated in the British Virgin Islands with limited liability and set up for the implementation of the Proposal. The TML HoldCos comprise Chen Family Trust SPV 1 and Chen Family Trust SPV 2, each of which is wholly owned by Chen Family Trust HoldCo;
- (e) The LKL HoldCos comprise (i) Voyager Equity, which is directly wholly owned by Mr. Lim; (ii) Primerose Ventures, which is directly wholly owned by Mr. Lim; (iii) Lim Teck Lee Land, which is wholly owned by Lim Teck Lee which is in turn 93.66% owned by Mr. Lim; (iv) Archview Capital, which is wholly owned by ImmoBillari which is in turn wholly owned by Mr. Lim; and (v) Sandalwood Associates, which is wholly owned by ImmoBillari which is in turn wholly owned by Mr. Lim;
- (f) Lim Teck Lee is a company incorporated in Singapore which is 93.66% owned by Mr. Lim; and
- (g) ImmoBillari is a company incorporated in the British Virgin Islands with limited liability which is wholly owned by Mr. Lim.

### ***Information of the CVC Network (A2 and B)***

The CVC Network comprises CVC HoldCo, CVC and the CVC Funds.

CVC HoldCo is a private company incorporated in Jersey with limited liability and set up for the implementation of the Proposal. CVC HoldCo is ultimately wholly-owned by the CVC Funds. CVC HoldCo is an independent third party and is not connected with and is not a person acting in concert with the Company or its subsidiaries or any connected persons of the Company (other than members of the Founder Group).



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CVC is a leading private equity and investment advisory firm. Founded in 1981, CVC today has a network of 25 offices and approximately 550 employees throughout Europe, Asia and the United States. To date, CVC has secured commitments of more than US\$125 billion from some of the world's leading institutional investors across its private equity strategies. In total, CVC currently manages over US\$97 billion of assets. Today, funds managed or advised by CVC are invested in more than 100 companies worldwide, which have combined annual sales of over US\$100 billion and employ more than 400,000 people.

The CVC Funds are widely held among a large number of investors, including pension funds, sovereign wealth funds, financial institutions and various other partners.

CVC Capital Partners Asia V Limited is the general partner of the CVC Funds. CVC Capital Partners Asia V Limited is ultimately controlled by CVC Capital Partners SICAV-FIS S.A.

### VIII. BASIS OF OPINION AND FACTORS TAKEN INTO CONSIDERATION

The Disinterested Shareholders and the RSU Holders should refer to the reasons for, and benefits of, the Proposal, the Scheme and the RSU Proposal as described in the Explanatory Memorandum to the Scheme Document. The following are the principal factors which we have taken into account in assessing the fairness and reasonableness of the Proposal, the Scheme and the RSU Proposal, and in giving our advice to the Independent Board Committee, the Disinterested Shareholders and the RSU Holders:

#### **Reasons for, and benefits of, the Proposal**

As stated in the section headed "11. REASONS FOR AND BENEFITS OF THE PROPOSAL" to the Explanatory Memorandum, the overall consideration for the Company and its Shareholders include the following:

#### ***1. Unpredictable performance of the Company's future business developments***

##### *(i) Business developments in the past*

As stated in the Scheme Document, building on its successful hardware business, the Company has in recent years sought to create an ecosystem and expand into other business segments such as software and fintech services. Over the past few years, the hardware business (i.e., peripherals and systems) has contributed to most of the Company's revenue as analysed above, while its software and services, and other businesses are at a relatively earlier stage of development. As discussed in the sub-section headed "- Business and financial performance of the Group" above, although the revenue from the software and services segment increased by approximately 26.6% to approximately US\$162.5 million for the year ended 31 December, 2021 from approximately US\$128.4 million for the year ended 31 December, 2020, such segment only contributed approximately 10.0% of the total revenue for the financial year of 2021, which remained relatively insignificant to the Group's total revenue.

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As advised by the management of the Company, by leveraging on the Company's brand position, loyal user base, and capabilities in rolling out innovative, category-defining products, the Group has continuously been evaluating and investing into new areas of growth since inception and building out Razer's unique gaming ecosystem, which has been discussed in the Company's prospectus dated 1 November, 2017 and its previous financial reports. These growth areas require ongoing investments to prove out the business case over a longer period.

The Company has been engaged in various new businesses and products, including but not limited to RazerPay e-wallet APP and Razer mobile phone in the past. For the Razer mobile phone, while the Company saw substantial potential for mobile gaming and achieved considerable success when it released its first-generation Razer Phone in 2017, and subsequently launched Razer Phone 2 in 2018, the Group saw that the gaming phone category had been established. Therefore, in response to this development, the Group announced in its earnings release for the financial year ended 31 December, 2018 that the Company would pivot its mobile gaming strategy to focus on mobile gaming software and services. The Group subsequently discontinued mobile phone operations and launched new products in the mobile peripherals category. For the Razer Pay e-wallet app (a B2C payment service) under Razer Fintech, the Group decided to end the beta testing of the Razer Pay e-wallet app in Singapore and Malaysia. As Razer Merchant Services contributed to over 95% of Razer Fintech's total payment volume ("TPV") for the year ended 31 December, 2021, the management of the Company decided to focus on Razer Merchant Services instead, as part of the strategy to drive Razer Fintech's high growth ambitions as a merchant-focused B2B payment solution provider in its next stage of development. As advised by the management of the Group, the Razer Phone and the Razer Pay e-wallet app have been discontinued by the Group due primarily to strategic shifts in its business focus, while balancing various considerations such as return on investment and business viability, with an aim to utilise the cash resources, research and operational capabilities of the Group more productively.

*(ii) Current business development*

The Company has increased its focus on expanding in these emerging segments, such as software and fintech services, and expanding into regions such as Latin America, the Middle East and Southeast Asia, as well as enhancing the core infrastructure and recruiting talent to improve user experience, acquiring new users and driving usage, or spending per user, as discussed in the 2021 interim report of the Company. As disclosed in the 2021 interim report, the Company intends to reinvest part of its full year profits into high potential areas such as Razer Gold and Razer Fintech, as well as to increase investments in new growth opportunities in the Razer ecosystem. Specifically, as disclosed in the 2021 interim report, key investment areas will include (i) additional investments for research and development of both existing gaming peripherals and new hardware categories to

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increase the market share; (ii) development in new services for the software segment to increase user acquisition, engagement, and retention, exploration of new monetisation initiatives on the Group's existing digital-based ecosystem, and deepening big data analytics capabilities to drive user acquisition and nurture user activity; (iii) for the services segment, further expansion into new potential regions internationally and deepen penetration in high growth regions such as Latin America, the Middle East and Southeast Asia as mentioned above, as well as the enhancement of core infrastructure and recruitment of talent to improve user experience, acquisition of new users and driving usage, or spending per user for Razer Gold; and (iv) for Razer Fintech, continued geographical expansion across Southeast Asia, scaling TPV aggressively with an expanded merchant base, enhancement of service capabilities for existing customers or, where opportunities arise, through acquisitions.

As further advised by the management of the Company and as shown in the Company's 2021 interim report, the Group is planning to expand internationally for Razer Gold, while for Razer Fintech, the Company intends to scale up TPV and further expand geographically across the Southeast Asia region. Such geographical expansion will require additional investment to establish local partners and greater operating costs to develop teams to be able to drive growth. In addition, as outlined by the management of the Company in its 2021 annual general meeting, cryptocurrency has been gaining in popularity amongst the youth and millennials in recent times and with the Company's global reach to hundreds of millions of gamers and the youth worldwide, and its Razer Gold and Razer Fintech businesses that process billions of dollars worldwide, there should be potential for development of blockchain and crypto applications. Accordingly, the management of the Company has indicated that it intends to explore decentralised finance and blockchain opportunities although no specifics as to the nature of these opportunities have been disclosed by the Company. The chief executive officer of the Company has stated previously that he believes innovation in the metaverse segment should spur the demand for hardware products, or new monetisation models in which its services business could participate. In respect of hardware (peripherals and systems) segment, the Group's hardware offerings have been extended to new gaming equipment and lifestyle categories including gaming focused furniture, smart wearables, apparel, etc., which require further investment and time to build up logistics and distribution capabilities as these differ from those for typical peripherals or for the Group's other systems partners.

The Company's focus on these new growth areas will require significant investments and time to prove themselves. Necessary changes to the business strategy of the Group may therefore be required to accommodate any new development. For example, the Group decided to end the beta testing of the Razer Pay e-wallet app in Singapore and Malaysia in 2021 and instead to focus on Razer Merchant Services as part of the strategy to drive Razer Fintech's high growth ambitions in its next stage of development. These investments will involve increases

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in operating expenses, which may have an impact on overall operating expenses. Further, until the new initiatives are fully established, they are not expected to make a significant contribution to overall results. Therefore, the management of the Company believes that the investments and strategies needed to execute on such new plans may affect the performance of the business and the market reactions in the short to medium term.

Although the revenue derived from the software and services segment has been increasing over the previous years, as discussed above, and this segment generates gross profits, we understand from the Company that (i) the revenue growth in the software and services segment has slowed down as compared to the previous years which the management of the Company believes is the result of the growth rates returning to pre-pandemic levels following the exceptional growth in FY2020 which benefitted from the lockdown during COVID-19 pandemic; (ii) contributory businesses in this segment have a relatively short operating history compared to its hardware business; (iii) the evolving regulatory environment of the fintech industry may hinder the growth of the Company; and (iv) decision on whether to continue to develop the business does not only depend on whether it generates a gross profit, but also the allocation of the Group's resources to support it.

*(iii) Intentions of the Offeror and current outlook in respect of the Group*

As discussed above, the Company designs and builds gamer-focused ecosystem of hardware, software and services, and in particular, its peripherals business has maintained a market leading position across the U.S., Europe, and Asia Pacific. As stated in the letter from the Board, it is the intention of the Offeror for the Group to continue to carry on its existing business and the Offeror does not have any plan to make any material change to: (i) the business of the Group (including any redeployment of any fixed asset of the Group); or (ii) the continued employment of the employees of the Group (other than in the ordinary course of business). The Offeror plans to contribute additional financial resources and operational resources to the Company to further the Company's growth in its software and fintech business segments, as well as the new potential markets as discussed in the sub-section headed "(ii) Current business development" above, without downsizing the existing business, which would occur upon the completion of the implementation of the Proposal.

We have conducted independent research from the public domain and obtained related insights regarding the overall gaming market, and the markets related to the Company's hardware, and software and services segment, and made reference to the reports published by Newzoo, Accenture, International Data Corporation ("IDC"), and co-published by Google, Temasek and Bain & Company. Newzoo, a games market research firm, is a provider of market research, intelligence and advice to companies in the global gaming and esports markets, and has been commissioned by the Company in the listing of its Shares to conduct market research on global games,

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gaming peripherals and systems, esports, mobile gaming, smartphones and software, as well as virtual reality, augmented reality, virtual credits and the lifestyle of millennials. Newzoo is also being quoted by some of the Hardware Comparable Companies in their respective financial reports. Accenture is a global professional services company and a Fortune 500 company as of January 2022 with leading capabilities in digital, cloud and security, which provides strategy and consulting, interactive, technology and operations services over more than 40 industries in over 120 countries. IDC is a global provider of market intelligence, advisory services and events for the information technology, telecommunications, and consumer technology markets, and a wholly-owned subsidiary of Blackstone. IDC is also being quoted by some of the Hardware Comparable Companies in their respective financial reports. Lastly, Google is one of the largest internet and technology multinational company in the world. Temasek is a global investment company with a net portfolio of S\$381 billion as at 31 March, 2021, while Bain & Company is a global consultancy firm with 63 offices in 38 countries. In this regard, we consider Newzoo, Accenture, IDC, Google, Temasek and Bain & Company as reliable references to our understanding of the global gaming market, and those related to the Company's hardware, and software and services segments.

### 1. Overall gaming market

According to the “2021 Global Games Market Report” published by Newzoo, the global number of players is forecasted to reach beyond 3 billion by 2022, and the growth is expected to continue and reach to approximately 3.3 billion by 2024. The report published by Accenture in April 2021 titled “Gaming: the next super platform”, has provided a similar view and generally optimistic projections in the growth of gamers internationally.

Furthermore, based on Newzoo's “2021 Global Games Market Report”, the global games market experienced growth over the past few years, from approximately US\$144.4 billion in 2019 to an estimated amount of approximately US\$180.3 billion in 2021 which represented a compounded annual growth rate (“CAGR”) of approximately 11.7% from 2019 to 2021. According to the latest forecast made by Newzoo in “2021 Global Esports and Live Streaming Market Report”, the games live streaming audience has also experienced growth over the past few years, from approximately 593.2 million in 2019 to an estimated number of 728.8 million in 2021, representing a CAGR of approximately 10.8% from 2019 to 2021. The report also stated that despite the esports revenue having recording a slight decline of approximately 1.1% from US\$957.5 million to US\$947.1 million from 2019 and 2020, it is expected to rebound and record a growth of approximately 14.5% to US\$1,084.1 million in 2021, representing a CAGR of approximately 6.4% from 2019 to 2021.

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According to the Newzoo report and data as stated above, in the long term, the global games market and games live streaming audience is expected to continue to growth at a slower annual rate of 6.7% and 8.1% to reach US\$218.8 billion and US\$920.3 billion in 2024, respectively. Esports revenue growth is expected to remain strong with a CAGR of 14.3% from 2021 to 2024 to reach US\$1,617.7 million in 2024.

### 2. Hardware

In the report titled “Gaming: the next super platform” by Accenture, it was stated that the growing number of gamers and live streaming created value to the gaming industry and boosted the market growth as a result of growing demand for industries such as gaming peripherals, systems and software. According to the reports titled “Gaming PCs and Monitors Market in Asia Pacific experienced Record Growth of 12.3% in 2020” dated 2 June, 2021 and “The Surge in Gaming PC and Monitors Expected to Remain Strong Through 2025” dated 30 September, 2021 published by IDC, the value of the combined gaming PC and monitor markets is expected to reach over US\$60 billion in 2025, which represents a CAGR of 7.4% from 2020 to 2025. The worldwide shipments of gaming PCs and gaming monitor are expected to reach approximately 52.3 million units and 26.4 million units in 2025, which represents a CAGR of approximately 4.8% and 13.2% from 2020 to 2025 respectively.

On the other hand, although the Newzoo’s report titled “2021 Global Games Market Report” stated that COVID-19 resulted in spiked engagement and spending in the global games market during 2020, as discussed with the management of the Company, it is believed that the shift in consumer spending away from goods that benefitted during the COVID-19 pandemic which will limit growth in the coming years. According to the 2020 annual report of the Company, the Group’s supply chain was impacted by COVID-19 at the start of 2020. We have also reviewed the report titled “Worsening Computer Chip Crisis Shows Supply Chains Are Still At Risk” published by Forbes on 12 July, 2021 and the report titled “Computer mouse maker Logitech hit by supply chain problems” published by Reuters on 26 October, 2021, as well as the latest published financial reports and earning presentations of the Hardware Comparable Companies, from these, we understand that, even though COVID-19 has contributed to the growth of the market, it has also caused disruption to the supply chain, which has had an impact on revenue and profitability of the industry. Suspension in manufacturing and transportation delays has led to a shortage in electronic components, for which higher costs have been incurred, and the operations of the companies in the industry have been negatively affected. This was evidenced by (i) the disclosure in the Corsair Gaming Inc.’s fourth quarter 2021 earnings presentation for the three months ended 31 December, and November 2021 investor presentation, where

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the shortage of semiconductor content has led to a short supply of graphics cards, which in turn caused the price to surge above to 150% of the manufacturer's suggested retail prices last year and as such negatively impacted its revenue and gross profit margin as many games enthusiasts held off building performance gaming PCs; and (ii) Logitech International SA's full year sales growth for the year ending 31 March, 2022 estimation to be "+2% to +5%", which provided an indication that the sales in the fourth quarter for the three months ending 31 March, 2022 are expected to decline by 18% to 28%. For further details of Corsair Gaming Inc. and Logitech International SA, please refer to the sub-section headed "XI. FURTHER ASSESSMENT AND CONSIDERATION IN THE ASSESSMENT OF THE PROPOSAL – Comparable companies" below.

In addition, as discussed in the 2021 interim report of the Company, the Group's revenue and operating results has followed seasonal trends in the past which is expected to continue. In particular, the Group typically has higher sales during the second half of each year which is primarily due to a concentration of shipping towards the year-end shopping season. Although the overall results in 2021 improved as compared to 2019 and 2020, the Company's net profit for the second half of 2021 decreased by approximately 34.5% as compared to the second half of 2020. This was primarily due to (i) the decrease in gross profit margin in the second half of 2021 as compared to the second half of 2020, which was attributable to the increase in freight costs caused by both global and industry-wide supply chain and logistics challenges during the renewed outbreak from COVID-19 variants resulting in custom clearances being disrupted as containers carrying finished goods were not cleared; and (ii) the increase in selling and marketing expense during the second half of 2021 as a result of the Company's greater marketing efforts. As discussed in the annual results announcement for the year ended 31 December, 2021, as the Company navigates the uncertainties and challenges attributable to geopolitical tensions, macro environment as well as the ongoing COVID-19 pandemic, the lingering industrywide supply chain shocks is expected to continue to have an ongoing impact on the Company's business, with freight and logistics to remain a challenge through the year. Such global supply chain and logistic challenges also had an adverse impact on the performance of Corsair Gaming Inc. as discussed above.

### 3. Software and services

As discussed above, the Company has in recent years sought to build an ecosystem and expanded into other business segments such as software and fintech services by building on its successful hardware business.

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Razer Gold is a virtual credit provider for mobile games, partners with companies looking to monetise mobile games and lifestyle contents, which provides a pivotal role in helping mobile and cloud gaming companies to monetise. According to the “2021 Global Cloud Gaming Report” of Newzoo, the total cloud gaming paying users was approximately 23.7 million in 2021, of which approximately 42%, 6% and 3% were located in Asia Pacific, Latin America and Middle East & Africa respectively. The number of total cloud gaming paying users is expected to increase significantly to approximately 60.7 million by 2024, representing a CAGR of approximately 36.8% from 2021 to 2024. Cloud gaming revenue was approximately US\$1,571 million in 2021, of which approximately 36%, 3% and 2% were generated from Asia Pacific, Latin America and Middle East & Africa respectively. The cloud gaming revenue is expected to increase to approximately US\$6,532 million by 2024, representing a CAGR of approximately 60.8% from 2021 to 2024.

According to the report titled “More digital, fewer branches not worst thing for regional banks” by Bloomberg on 24 August, 2020, social distancing measures and disruptions to the services offered by traditional bank branches due to the outbreak of COVID-19 have accelerated the development of digital finance in Asia. In particular, millennials and generation Z are the target age groups for Asia fintech firms. According to Newzoo’s report titled “Generations Report: How Different Generations Engage with Games”, approximately 80% of them played games during the period between February and July 2021. Due to this and the expanding internet economy as outlined in the Company’s 2021 interim results presentation, the digital payments market in the Southeast Asia (SEA) is forecasted to provide massive growth opportunities. According to the report titled “e-Conomy SEA 2020” co-published by Google, Temasek and Bain & Company, the SEA internet economy is forecasted to reach US\$309 billion in gross merchant value in 2025, representing a CAGR of 24% from 2020 to 2025. The gross transaction value of digital payments is forecast to reach US\$1,200 billion in 2025, representing a CAGR of 15% from 2020 to 2025.

In this respect, the Group has leveraged such demand and recorded significant growth in its Razer Gold and Razer Fintech businesses with its software and services revenue increasing by approximately 26.6% in 2021. However, we note that these businesses also come with a number of risks, as evidenced by the Group’s now discontinued ventures in its RazerPay e-wallet app. Further, the fintech sector is subject to stringent and growing regulation. While the Company has made some progress in obtaining relevant licences, such as the Major Payment Institution licence from Monetary Authority of Singapore (MAS) for domestic and cross-border money transfers and merchant acquisition services; and the Financial Supervisory Commission (FSC) in Taiwan for cross-border payments, there remains uncertainty as to whether such requirements can be fully met in the future. As disclosed in its 2021



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interim report, the Company intends to reinvest part of its full year profits into high potential growth areas such as Razer Gold and Razer Fintech, as well as to increase investments in new growth opportunities in the Razer ecosystem. Although the emerging segments are relatively small as compared to the hardware segment, the Company could face a period of uncertainty given that (i) the Company intends to reinvest part of its full year profits from its hardware segment into the emerging segment; (ii) the decline in profitability in the second half of the 2021 financial year partly due to the increase in freight cost; and (iii) the considerable uncertainties presents by COVID-19 and its impact on the global economy and the gaming market as evidenced by the projections by Corsair Gaming Inc. and Logitech International SA, as well as the business performance of the Company as discussed in the sub-section headed “– Business and financial performance of the Group” above. Accordingly, the Proposal should provide an opportunity for the Disinterested Shareholders to realise their shareholdings in the Company at a price higher than it would be expected to trade in the absence of the Proposal.

Generally, risk averse investors would be expected to seek to invest in listed companies that generate more stable revenues and earnings, which may in turn influence the Company in the scale and risk profile of the investments it makes. It is generally accepted that the software and services segment, which are likely to be riskier and have a greater potential to have an adverse impact on its results.

As the Company has already been increasing its focus on expanding in these emerging segments as further detailed in the latest interim report and the 2021 annual results announcement, the Offeror believes that the successful implementation of the Proposal will provide more flexibility to the Group as a privately-operated business to implement its business strategies or to pursue other business opportunities that it may not be practicable to pursue as a listed company, without being subject to regulatory restrictions and compliance obligations arising from being listed on the Stock Exchange and without focusing on short-term market reactions.

The Company has been increasing its focus in new sectors of the technology industry which (i) are generally considered to be riskier with greater volatility for business performance; and (ii) usually involve a path to success for such businesses that may be uncertain and long term in nature with significant investments being required. As such we are of the view that such a dynamic may create conditions of greater uncertainty which may have an impact on how investors and the market generally will value the Company.

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### ***2. Event providing an opportunity for the Shareholders to monetise their investment at a premium to the prevailing market price up to and including the Undisturbed Date***

As stated in the Scheme Document, relatively low institutional investor participation in the Shares compounded by prolonged low trading liquidity has had a negative impact on the Company's share price. As advised by the Company, the percentage held by institutional investors as at 30 June, 2018 (being the earliest available data since its listing) and 30 November, 2021 (being the latest available data prior to the Last Trading Date which the Last Trading Date is the last reference date for the assessment of the Cancellation Price prior to the publication of the Joint Announcement) amount to approximately 13.5% and 25.0%, respectively, whereas the institutional investors from Hong Kong and overseas account for about 65% of the total turnover of the Hong Kong stock market, according to the Stock Exchange.

The Proposal therefore provides an opportunity for Shareholders to realise their investment in the Company at a premium to the recent historic market prices of the Shares. As at the date of the Joint Announcement, the average daily trading volume of the Shares for the 12-months up to and including the Undisturbed Date was approximately 29,844,022 Shares per day, which is approximately 0.34% of the issued Shares as at date of the Joint Announcement. Even after the Company's announcement of its strong financial performance for the six months ended 30 June, 2021, trading in the Shares continued to be muted and price performance remained relatively weak. The Offeror believes it is unlikely that there will be any significant improvement in trading liquidity and share performance in the near term.

The Proposal allows the Company to reduce the administrative costs and management resources associated with maintaining its listing, so as to enable the Company to focus on developing its long-term business growth area as a private company.

### ***3. Operational resources from CVC Network***

The Founder Group considers the partnership with CVC Holdco, ultimately owned by CVC Funds being a leading global long-term strategic financial investor with efficiency optimisation capabilities and a synergetic brand portfolio, to be advantageous. CVC Network could bring valuable operational resources with CVC Funds as a significant minority shareholder. In particular, we note that CVC Network's strong track record in managing technology and financial payment companies, is global advisory board with wide ranging experience in the industry, and its extensive global network are expected to contribute to the growth of the Group. We also note that CVC Network's participation is contingent on the Proposal being accepted.

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As stated in the Scheme Document, the Cancellation Price of HK\$2.82 for each Scheme Share has been determined on a commercial basis after taking into account, among other things, the recent and historic trading prices of the Shares, publicly available financial information of the Group and the other privatisation transactions in Hong Kong in recent years. Please refer to the following sub-sections below for our detailed discussion and analysis.

(i) *The Share price performance and the Cancellation Price, and the trading liquidity*

In assessing the reasonableness of the Cancellation Price, we have considered the relative historical share price performance of the Shares from 1 January, 2019 to the Last Trading Date (the “**Review Period**”), with the Cancellation Price. The Review Period, which covers a period of three full financial years of the Company, is considered to represent a sufficient period of time to provide a general overview of the market performance of the Shares, especially under the environment before and after the onset of the COVID-19 outbreak, for the purpose of our analysis. See chart 1 below showing the movement of the closing price of the Shares during the Review Period to illustrate the general trend and movement of the closing price of the Shares.

**Chart 1 – Historical share price performance of the Shares during the Review Period and up to the Latest Practicable Date**



Sources: Bloomberg and the Stock Exchange

During the Review Period, the lowest and highest closing prices of the Shares as quoted on the Stock Exchange were HK\$0.93 per Share recorded on 3 April, 2020 and HK\$3.31 per Share recorded on 16 February, 2021. The average closing price of the Share during the Review Period was approximately HK\$1.79 per Share.

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The Cancellation Price represents (i) a premium of approximately 57.9% and 203.2% to the average closing price and lowest closing price during the Review Period, respectively; and (ii) a discount of approximately 14.8% to the highest closing price during the Review Period.

The closing price of the Shares displayed an increasing trend from January 2019 up to April 2019. The Shares peaked at HK\$2.18 on 16 April, 2019 before falling gradually to HK\$1.19 on 4 December, 2019. A small rebound in the Share price was seen in January, 2020 upon the publication of announcement dated 2 January, 2020 in relation to Razer Fintech having submitted its application for a Digital Full Bank License to be issued by the Monetary Authority of Singapore to establish the “Razer Youth Bank”, before the unprecedented outbreak of COVID-19 has negatively impacted the financial market. In early 2020, the Share price performance deteriorated from HK\$1.44 per Share on 16 and 17 January, 2020 which bottomed at HK\$0.93 on 3 April, 2020, being the lowest closing price of the Share during the Review Period. The closing price of the Shares then exhibited a general increasing trend and reached HK\$2.60 on 20 January, 2021. After the publication of the profit alert announcement of the Company on 20 January, 2021 which indicated the Company would record a breakeven profit or loss for the year ended 31 December, 2020 on a GAAP basis, the Share price spiked to an all-time high in the Review Period of HK\$3.31 on 16 February, 2021, before dropping sharply to a low of HK\$2.14 on 8 March, 2021. The Share price recovered slightly after the publication of the annual results announcement for the year ended 31 December, 2020, but following the sale of Shares by controlling and substantial Shareholders on 3 June, 2021, the Shares showed a general downward trend, despite the publication of the profit alert announcement on 14 July, 2021 which indicated the Company would turn profitable with no less than US\$30 million net profit for the six months ended 30 June, 2021 compared to a loss of US\$17.7 million in the previous corresponding period, to a low of HK\$1.51 on 6 October, 2021. The Company is not aware of any specific reason for such downward trend.

The closing price of the Shares increased from HK\$1.51 on 6 October, 2021 to HK\$1.81 on 27 October, 2021, being the Undisturbed Date, and further increased to HK\$1.96 on 28 October, 2021. The daily trading volume jumped from an average of 9,162,272 Shares for the consecutive 30 trading days prior to 28 October, 2021 to 43,847,202 Shares on 28 October, 2021. Trading in the Shares were then suspended on the morning of 29 October, 2021, and on the same day the Company announced that Mr. Tan and Mr. Lim were in preliminary discussions with financial investors to explore the possibility of a transaction involving the Company, the structure of which was yet to be determined but which may or may not lead to a general offer being made for the Shares. Following the resumption in the trading of the Shares on 1 November, 2021, the closing price of the Shares increased sharply to reach HK\$2.11 on 1 November, 2021. On 16 November, 2021, the media reported that top executives of the Company intend to privatise the Company with a cancellation price up to HK\$4.00 per Share. The Shares subsequently reached HK\$3.05 on 25 November, 2021 before falling to HK\$2.67 on the Last Trading Date.

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The closing price of the Shares decreased to HK\$2.46 on 2 December, 2021 after the publication of the Joint Announcement, and closed at HK\$2.42 as at the Latest Practicable Date. It fluctuated between HK\$2.11 and HK\$2.54 between 3 December, 2021 and Latest Practicable Date. The closing price of the Shares remained relatively stable prior to 24 February, 2022 and fell to HK\$2.11 on 15 March, 2022. This was possibly due to (i) deteriorating the COVID-19 pandemic in Hong Kong; (ii) the Russia and Ukraine conflict; and (iii) the recent Hong Kong financial market turmoil in particular in the technology sector. The Cancellation Price represents a premium of 16.5% to the closing price of the Shares as at the Latest Practicable Date. Given the current state of the market, the Proposal would appear to be more attractive for the Disinterested Shareholders than at the time when it was first announced as the Share price is less likely to be sustained at its current level in the absence of the Proposal.

The Cancellation Price of HK\$2.82 would represent a premium of 43.9% over the closing price of HK\$1.96 per Share as quoted on the Stock Exchange on 28 October, 2021, being the last business day prior to the commencement of the offer period, and also a premium of:

	<b>The Last Trading Date</b>	<b>The Undisturbed Date</b>
(a) the closing price of as quoted on the Stock Exchange up to and including the Last Trading Date (or the Undisturbed Date)	5.6%	55.8%
(b) the average of the closing prices of the Shares as quoted on the Stock Exchange for the five trading days up to and including the Last Trading Date (or the Undisturbed Date)	5.2%	58.4%
(c) the average of the closing prices of the Shares as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Date (or the Undisturbed Date)	19.0%	67.9%
(d) the average of the closing prices of the Shares as quoted on the Stock Exchange for the 60 trading days up to and including the Last Trading Date (or the Undisturbed Date)	38.9%	59.3%
(e) the average of the closing prices of the Shares as quoted on the Stock Exchange for the 90 trading days up to and including the Last Trading Date (or the Undisturbed Date)	42.4%	51.6%

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In addition, the Cancellation Price represents a premium of (i) 464.0% to the unaudited consolidated equity attributable to Shareholders of the Group of approximately HK\$0.50 per Share as at 30 June, 2021, which is calculated based on the total equity attributable to Shareholders of the Group of HK\$4,388,534,620 as at 30 June, 2021 and 8,759,755,691 Shares in issue as at the date of the Joint Announcement; and (ii) 487.5% to the audited consolidated equity attributable to Shareholders of the Group of approximately HK\$0.48 per Share as at 31 December, 2021, which is calculated based on the total equity attributable to Shareholders of HK\$4,231,806,520 as at 31 December, 2021 and 8,826,228,347 Shares in issue as at the Latest Practicable Date.

There were 719 trading days during the Review Period. The Cancellation Price was higher than the closing prices of Shares in 696 trading days of 719 trading days.

The Company was listed on 13 November, 2017 and the offer price of the Company's IPO was HK\$3.88 per Share ("**IPO Offer Price**"), of which the Cancellation price of HK\$2.82 per Share represents a discount of approximately 27.3%. The Share price recorded a large increase on the first day of trading on 13 November, 2017, with a closing price of HK\$4.58. The Share price reached a record high at HK\$4.69 on 14 November, 2017 before entering into a prolonged downward trend. The Share price bottomed at HK\$1.03 on 24 December, 2018, or shortly after one year from the listing. The Share price has not returned to the IPO Offer Price level since 16 January, 2018 which was over four years ago. In addition, the Shares were traded below (i) the IPO Offer Price for 969 trading days out of 998 trading days (being the total number of trading days from the date of its listing to the Last Trading Date); and (ii) the Cancellation Price for 879 trading days out of 998 trading days. While the traded price of the Shares has not sustained the initial valuation at listing, our assessment on the Proposal focuses primarily on the more recent trading performances of the Shares during the period referred to in this section, which gives a much more accurate assessment of the value investors place on the Shares and the prospect of the Company in the foreseeable future.

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Set out below illustrates (i) the average daily trading volumes of the Shares; (ii) the percentages of the average trading volume to the total issued Shares; and (iii) the public float of the Company during the Review Period, and up to the Latest Practicable Date:

**Table 3 – Trading volume during the Review Period,  
and up to the Latest Practicable Date**

		Average daily trading volume	Percentage of the average volume to total number of issued Shares <sup>(note 1)</sup> %	Percentage of the average volume to total number of issued Shares held by the public <sup>(notes 2,3,4)</sup> %
<b>2019</b>	January	10,737,825	0.12%	0.31%
	February	14,046,592	0.16%	0.41%
	March	16,440,268	0.19%	0.48%
	April	34,634,535	0.39%	1.05%
	May	9,497,285	0.11%	0.29%
	June	9,611,975	0.11%	0.30%
	July	4,473,265	0.05%	0.14%
	August	5,380,669	0.06%	0.17%
	September	3,626,027	0.04%	0.11%
	October	4,649,975	0.05%	0.14%
	November	9,764,377	0.11%	0.30%
	December	4,135,367	0.05%	0.13%
<b>2020</b>	January	12,707,875	0.14%	0.37%
	February	5,851,868	0.07%	0.17%
	March	9,179,604	0.10%	0.26%
	April	9,417,785	0.11%	0.27%
	May	6,230,361	0.07%	0.18%
	June	13,766,006	0.15%	0.40%
	July	19,803,602	0.22%	0.57%
	August	13,486,118	0.15%	0.39%
	September	16,037,501	0.18%	0.46%
	October	71,644,921	0.81%	2.09%
	November	50,298,186	0.57%	1.47%
	December	31,276,690	0.35%	0.91%
<b>2021</b>	January	49,971,658	0.56%	1.46%
	February	65,381,611	0.74%	1.91%
	March	32,211,335	0.36%	0.94%
	April	18,724,583	0.21%	0.54%
	May	15,205,389	0.17%	0.44%
	June	44,112,415	0.50%	1.19%
	July	20,229,870	0.23%	0.55%
	August	10,786,557	0.12%	0.30%
	September	8,498,723	0.10%	0.24%
	October	12,106,429	0.14%	0.33%
	November	83,953,592	0.96%	2.31%
	December (up to the Last Trading Date)	29,021,000	0.33%	0.80%
	December (2 December up to 31 December)	22,594,668	0.26%	0.62%

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		Average daily trading volume	Percentage of the average volume to total number of issued Shares <sup>(note 1)</sup> %	Percentage of the average volume to total number of issued Shares held by the public <sup>(notes 2,3,4)</sup> %
<b>2022</b>	January	10,631,129	0.12%	0.29%
	February	13,031,718	0.15%	0.36%
	March (up to the Latest Practicable Date)	18,245,821	0.21%	0.50%

*Sources: Bloomberg and information provided by the Company*

*Notes:*

1. The calculation is based on the monthly total trading volumes of the Shares divided by the total number of issued Shares at the end of each month.
2. The calculation is based on the monthly total trading volumes of the Shares divided by the total number of issued Shares held by the public at the end of each month.
3. The calculation of total number of issued Shares held by the public is based on the total number of issued Shares minus by the total number of issued Shares held by non-public.
4. The calculation of issued Shares held by non-public is based on the total number of issued Shares held by the Directors and substantial Shareholders added by the total number of issued Shares held by trusts on behalf of the 2016 Equity Incentive Plan.

As shown in the above table, during the Review Period, the monthly average trading volumes of the Shares represented approximately 0.04% to 0.96% of the total issued Shares, and approximately 0.11% to 2.31% of the Shares constituting the public float of the Company. In general, trading of the Shares was relatively thin during most of the time during the Review Period.

As mentioned above, as at the date of the Joint Announcement, the average daily trading volume of the Shares for the 12-month up to and including the Undisturbed Date was approximately 29,844,022 Shares, represented approximately 0.34% of the total issued Shares as at date of the Joint Announcement. Even after the Company's publication of its interim results which demonstrated a strong financial performance for the six months ended 30 June, 2021, trading in the Shares continued to be muted and the price performance remained relatively weak. The liquidity of the Shares was exceptionally high during November 2021, which was likely attributable to the reports by the media in relation to the top executives of the Company intending to privatise the Company with a cancellation price up to HK\$4.00 per Share. However, the liquidity of the Shares has been at a relatively low level over a long period of time even with the support provided by the Company through Share buybacks. Without Share buybacks, the liquidity of the Shares in the future would likely be lower than in the past when Share buybacks were taking place.



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In view of the share price, the Company has conducted Share buybacks in the market began in July 2018, which utilised a portion of its surplus cash reserves with a view to support the Company's value and for the benefit of its Shareholders generally. Accordingly, we have reviewed the share buy-back activities of the Company as discussed in further detail below. The Company conducted Share buybacks in 17 months during the Review Period. Despite the Share buy-back conducted by the Company during the Review Period, the liquidity of the Shares was still very low. Amongst the 17 months of which the Company conducted Share buy-backs, the Share buy-backs conducted in January 2019, February 2019, May 2019, September 2020, April 2021 and May 2021 have attributed to over 10% of the total trading volume during these respective months. In particular, the Share buy-back conducted in January 2019 has represented over 20% of the total trading volume during that month. The table below provides the details of Shares buybacks conducted by the Company during the Review Period:

**Table 4 – Share repurchased by the Company during the Review Period**

		<b>Total number of Share repurchased</b>	<b>Percentage of trading volume during the month</b>
<b>2019</b>	January	52,619,000	22.27%
	February	30,735,000	12.87%
	March	7,507,000	2.17%
	April	38,400,000	5.84%
	May	22,847,000	11.46%
	June	15,826,000	8.67%
	<b>Sub-total</b>	<b>167,934,000</b>	
<b>2020</b>	April	500,000	0.28%
	May	1,130,000	0.91%
	June	8,045,000	2.78%
	September	36,987,000	10.48%
	October	7,830,000	0.61%
	December	7,239,000	1.05%
	<b>Sub-total</b>	<b>61,731,000</b>	

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		<b>Total number of Share repurchased</b>	<b>Percentage of trading volume during the month</b>
<b>2021</b>	March	25,437,000	3.43%
	April	45,594,000	12.82%
	May	44,307,000	14.57%
	June	53,451,000	5.77%
	July	6,900,000	1.62%
	<b>Sub-total</b>	<b>175,689,000</b>	
	<b>Total</b>	<b>405,354,000</b>	

*Source: Bloomberg and HKExnews*

*Note:* the percentage of trading volume during the month is calculated based on the total number of shares repurchased during the month divided by the trading volume of the month.

The low level of liquidity in the Shares would indicate that any sale of a large number of Shares through the market would be difficult to accomplish in a short period of time without adversely affecting the Share price.

During the period from the day after the Last Trading Date up to the Latest Practicable Date, the average daily trading volume was 16,003,407 Shares.

As illustrated above, the positive 2021 interim results did not lead to a notable improvement in the Share price implying that the current Share price may have priced in the Company's future growth and financial performance, and partly in line with the general downward trend of the Hong Kong stock market in the second half of 2021. The current valuation of the Shares may also reflect that there are no other comparable companies listed on the Stock Exchange and that it has a comparatively small exposure to Greater China with approximately 88% of its revenue derived from outside this region for the year ended 31 December, 2021. The share price performance and trading liquidity as discussed above may make it difficult for the Shareholders to monetise their investments in the open market. Therefore, in light of the above, we concur with the Offeror's view that the Proposal would provide the Scheme Shareholders with an opportunity to realise for fully the value of their investment in interest in the Company at a premium over the market price of the Shares in particular the Share price prior to the Undisturbed Date and in the light of deterioration in the market as a whole since that date.

**XI. FURTHER ASSESSMENT AND CONSIDERATION IN THE ASSESSMENT OF THE PROPOSAL**

**Comparable Companies**

The Group's fundamental strategy is to focus on the gamer demographic (which is essentially youth, millennials and Generation Z) and build its ecosystem around them by leveraging on its brand and its intensely passionate or loyal fanbase. The Razer ecosystem comprises hardware, software, and services. For the year ended 31 December, 2021, the aggregate revenue of its hardware segment (consisting of peripherals and systems) contributed to approximately 90% of its total revenue. In addition, approximately (i) 44.6% of its total revenue was derived from America; (ii) 25.5% of its total revenue was derived from Europe, Middle East, and Africa (EMEA); (iii) 18.5% of its total revenue was derived from Asia Pacific excluding China; and (iv) 11.4% of its total revenue was derived from China. Please refer to the section headed "VII. BACKGROUND OF THE GROUP, THE OFFEROR AND OTHER RELATED PARTIES – Information of the Group" above for our discussion on the historical performance of the Group. Accordingly, in assessing the fairness and reasonableness of the Cancellation Price, we searched for an exhaustive list of comparable companies listed in Hong Kong that focus on the gaming industry according to the technology hardware classification by Bloomberg, which are principally engaged in the peripheral business (which also focus in gaming), or principally engaged in gaming systems with (i) over 50% of their total respective latest published annual revenue generated from their hardware segment; and (ii) over 50% of their total revenue derived from America and EMEA. However, there are no such comparable companies that we could identify on the Stock Exchange.

Therefore, in order to provide the Disinterested Shareholders a reference on the valuation as implied by the Cancellation price, as a result, we have expanded our selection to include peer companies listed on global stock exchanges outside Hong Kong that could be identified on Bloomberg according to its technology hardware classification as the Company generates revenue globally, covering America, EMEA and Asia Pacific regions. We regard such approach has reference value and provides a basis to assess the Cancellation Price. We would also anticipate that listed companies in this sector serving similar customers in similar market to be valued on a broadly similar basis, making allowance for such factors as size, profitability, financial condition, and prospects.

Based on the criteria as discussed above with the expansion of our selection, we have identified an exhaustive list of six listed comparable companies (the "**Hardware Comparable Companies**") that focus on the gaming industry according to the technology hardware classification by Bloomberg for purpose of our analysis. Mad Catz Interactive Inc. (MCZAF.US) had been excluded in our list of Hardware Comparable Companies as the share price was US\$0.00 as at Last Trading Date which is not meaningful for comparison. In selecting these Hardware Comparable Companies, we have also consulted with the management of the Company, and made reference to industry research reports by market research consultants GfK Group and NPD Group. GfK Group is a provider of data and analytics which was founded over 85 years ago and provides services to customers in over 50 countries.

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NPD Group is a market research company which was founded over 55 years ago and provides data, industry expertise, and prescriptive analytics to their clients. Although the listing venues of the Hardware Comparable Companies may vary, they are all principally engaged in peripheral business (which also focus in gaming), or principally engaged in gaming systems with (i) over 50% of their total respective latest published annual revenue generated from their hardware segment which in the case of the Group amounts to approximately 90% for the hardware segment; and (ii) over 50% of their total revenue derived from America and EMEA regions which in the case of the Group amounts to some 70%.

We have also considered that the fact that the Hardware Comparable Companies are listed on different stock exchanges and have different market capitalisation as compared to those of the Group, however, our analysis here is meant to represent an exhaustive list of comparable companies based on the criteria as discussed above, i) the comparable companies are principally engaged in the business of gaming peripheral and gaming system that is comparable to the Company; and ii) the revenues of the Hardware Comparable Companies by geographical distribution segments are comparable to that of the Company. Accordingly, we are of the view that, on balance, the Hardware Comparable Companies represent a fair sample for comparison purposes, and provide a useful comparison reference value for the purposes of assessing the Cancellation Price.

Given the principal business activities of Group and the Hardware Comparable Companies which are sales driven and earnings based, we have considered various commonly adopted valuation benchmarks in comparing the valuation of a company's shares, and adopted the enterprise value to sales multiple (the "**EV/Sales**"), the enterprise value to earnings before interest, tax, depreciation and amortisation multiple (the "**EV/EBITDA**") and price-to-earnings multiple (the "**P/E**") of the Hardware Comparable Companies against that as implied by the Cancellation Price. We have not considered the price-to-book multiple as the Company is not an asset-heavy company.

**Table 5 – EV/EBITDA, EV/Sales and P/E Ratios of the Hardware Comparable Companies**

Company (Stock Code)	Principal business and geographical breakdown of revenue for the most recent financial year	As at the Last Trading Date			As at the Latest Practicable Date				
		Market capitalisation (US\$ million) (Note 1)	EV/EBITDA (times) (Notes 2,3,4)	P/E (times) (Note 5)	TTM	Market capitalisation (US\$ million) (Note 7)	EV/EBITDA (times) (Notes 2,3,4)	P/E (times) (Note 5)	TTM
Logitech International SA (LOGI.US)	Produces computer mice, trackballs, game controllers, keyboards, PC video cameras, and multimedia speakers. It sells its products worldwide. (America: 42.0%, EMEA: 33.0%, Asia Pacific: 24.9%)	13,279	9.92x	14.21x	2.09x	13,385	11.60x	17.56x	2.08x
Micro-Star International Co., Ltd (2377.TW)	Operates under the gaming brand MSI and manufacturing and sales of motherboards, interface cards, notebook computers and other electronic products. (Asia: 36.7%, Europe: 29.7%, America: 31.4%, Others: 2.2%)	5,018	6.69x	9.25x	0.69x	4,088	4.21x	6.69x	0.46x
Corsair Gaming, Inc. (CRSR.US)	Designs and sells gaming and streaming peripherals, components, and systems. It serves customers worldwide. (America: 45.5%, Europe and Middle East: 36.7%, Asia Pacific: 17.8%)	2,013	10.65x	16.88x	1.15x	2,012	12.73x	19.92x	1.19x
NACON SAS (NACON.FP)	Manufactures gaming peripherals and accessories including keyboards, mice, mouse pads, controllers, gaming chairs, and audio systems. It serves customers worldwide. (France: 16.3%, Europe: 48.0%, North America: 28.5%, Asia: 7.1%, Africa: 0.2%)	469	9.19x	33.25x	2.47x	523	10.27x	37.05x	2.76x
Turtle Beach Corporation (HEAR.US)	Designs and markets audio peripherals for video game consoles, personal computers, and mobile devices. It serves customers in the United States and the United Kingdom. (North America: 72.8%, United Kingdom: 10.6%, Europe: 12.7%, Other: 3.9%)	404	9.49x	13.71x	0.99x	330	11.60x	18.60x	0.82x
<b>Comparable Companies:</b>		<b>Average</b>	<b>9.19x</b>	<b>17.46x</b>	<b>1.48x</b>		<b>10.08x</b>	<b>19.97x</b>	<b>1.46x</b>
		<b>Median</b>	<b>9.49x</b>	<b>14.21x</b>	<b>1.15x</b>		<b>11.60x</b>	<b>18.60x</b>	<b>1.19x</b>
		<b>Maximum</b>	<b>10.65x</b>	<b>33.25x</b>	<b>2.47x</b>		<b>12.73x</b>	<b>37.05x</b>	<b>2.76x</b>
		<b>Minimum</b>	<b>6.69x</b>	<b>9.25x</b>	<b>0.69x</b>		<b>4.21x</b>	<b>6.69x</b>	<b>0.46x</b>
<b>The Company (1337.HK)</b>	Designs and builds gamer-focused ecosystem of hardware, software, and services. It serves customers worldwide. (America: 44.6%, EMEA: 25.5%, Asia Pacific (excluding China): 18.5%, China: 11.4%)	<b>3,168</b>	<b>35.09x</b>	<b>55.63x</b>	<b>1.78x</b>	<b>3,192</b>	<b>34.02x</b>	<b>69.13x</b>	<b>1.64x</b>

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*Sources: Bloomberg, annual and interim reports, or announcements of the Hardware Comparable Companies*

*Notes:*

1. The market capitalisation of the Hardware Comparable Companies and the Company are calculated as the closing price of the shares of the relevant Hardware Comparable Companies and the Company as at the Last Trading Date multiplied by the number of shares in issue as at the Last Trading Date.
2. Enterprise value of the Hardware Comparable Companies and the Company are calculated as the market capitalisation on the Last Trading Date, or the Latest Practicable Date, where applicable, adding by the then latest published debt, lease liabilities, minority interest and preferred stock, and minus the cash and bank balances.
3. EBITDA of the Hardware Comparable Companies and the Company are calculated as the profit before tax of the relevant Hardware Comparable Companies and the Company excluding depreciation and amortisation, interest income, and interest cost, for the latest twelve months of the relevant companies on the Last Trading Date, or the Latest Practicable Date, where applicable.
4. EV/EBITDA of the Hardware Comparable Companies and the Company are calculated by way of dividing the enterprise value by the EBITDA.
5. P/E of the Hardware Comparable Companies and the Company are calculated by way of dividing the market capitalisation by the latest published earnings attributable to shareholders for the latest twelve months of the relevant companies on the Last Trading Date, or the Latest Practicable Date, where applicable.
6. Sales of the Hardware Comparable Companies and the Company are calculated as the total revenue of the relevant Hardware Comparable Companies and the Company, for the latest twelve months of the relevant companies on the Last Trading Date, or the Latest Practicable Date, where applicable.
7. The market capitalisation of the Hardware Comparable Companies and the Company are calculated as the closing price of the shares of the relevant Hardware Comparable Companies and the Group as at the Latest Practicable Date multiplied by the number of shares in issue as at the Latest Practicable Date.
8. EV/EBITDA of the Company is calculated by way of dividing the enterprise value of the Company based on the Cancellation Price of HK\$2.82 per Scheme Share by its EBITDA for the latest twelve months on the Last Trading Date, or the Latest Practicable Date, where applicable.
9. Based on the Cancellation Price of HK\$2.82 per Scheme Share and the earnings per share attributable to equity holders of the Company for the latest twelve months on the Last Trading Date, or the Latest Practicable Date.
10. Based on the Cancellation Price of HK\$2.82 per Scheme Share and the total revenue of the Company for the latest twelve months on the Last Trading Date, or the Latest Practicable Date.

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As can be seen from the table above, the P/E as implied by the Cancellation Price was 55.63 times as at the Last Trading Date, which was higher than the upper range of the P/E of those of the Hardware Comparable Companies. The EV/EBITDA as implied by the Cancellation Price was 35.09 times as at the Last Trading Date, which was higher than the upper range of those of the Hardware Comparable Companies. In addition, the EV/Sales as implied by the Cancellation Price was 1.78 times as at the Last Trading Date, which was higher than the median and average of those of the Hardware Comparable Companies.

The P/E as implied by the Cancellation Price was 69.13 times as at the Latest Practicable Date, which was higher than the upper range of the P/E of those of the Hardware Comparable Companies. The EV/EBITDA as implied by the Cancellation Price was 34.02 times as at the Latest Practicable Date, which was higher than the upper range of those of the Hardware Comparable Companies. In addition, the EV/Sales as implied by the Cancellation Price was 1.64 times as at the Latest Practicable Date, which was higher than the median and average of those of the Hardware Comparable Companies.

Given the Hardware Comparable Companies have different market capitalisation and different listing venues when comparing with the Company as discussed above, we are of the view that the results of the above comparisons could still serve as reference for providing indication on how the ratios implied by the Cancellation Price compare with those of the Hardware Comparable Companies. In view of the above, we consider the Cancellation Price, from a comparable analysis and referencing perspective, is justifiable.

### **Value of the Group based on sum-of-the-parts (“SOTP”)**

Since the Group comprises two distinct businesses, the hardware segment which represents by far the larger business activity of the Group and the software and services segment which comprises Razer Gold and Razer Fintech, generating approximately 10.6% of the total revenue of the Group for the year ended 31 December, 2020, we believe it will be helpful also to assess the value as implied by the Cancellation Price with an argument of a SOTP valuation. This SOTP valuation will more accurately reflect the offering valuation placed by the market on the different businesses. In this regard, we note that (i) the revenue of the software and services segment has increased from approximately US\$128.4 million for the year ended 31 December, 2020 to approximately US\$162.5 million for the year ended 31 December, 2021; and (ii) businesses with a large software or fintech component tend to trade at a higher valuation than the traditional hardware segment, we have therefore performed an assessment on the value of the Group based on the sum of value of its (a) hardware segment (consisting of peripherals and systems); and (b) software and services segment. As advised by the Company, for the year ended 31 December, 2021, the contribution of Razer Fintech to the software and services segment was 44.4%, and the contribution of Razer Gold to the software and services segment was approximately 55.6% respectively.

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To assess the equity value of the software and services segment of the Group, we have selected comparable companies listed on the Main Board of the Stock Exchange (i) having the software classification by Bloomberg that focuses on gaming; or (ii) which are principally engaged in the provision of payment services (which is similar to Razer Gold and Razer Fintech), for the purpose of our analysis. Based on the above selection criteria, an exhaustive list of one comparable company was identified (“**Services Comparable Company**”).

**Table 6 – EV/Sales of the Services Comparable Company**

Company (Stock Code)	Description of the principal business	As at the Last Trading Date		As at the Latest Practicable Date	
		Market capitalisation (US\$' million) (Note 1)	TTM EV/ Sales (times) (Notes 2,3)	Market capitalisation (US\$' million) (Note 4)	TTM EV/ Sales (times) (Note 2,3)
Yeahka Limited (9923.HK)	Provides one-stop payment services and technology-enabled business services for retailers and consumers.	1,651	3.32x	1,333	2.55x

*Sources: Annual and interim reports of the Services Comparable Company, and Bloomberg and Reuters*

*Notes:*

1. The market capitalisation of the Services Comparable Company and the Company are calculated as the closing price of the shares of the relevant Services Comparable Company and the Company as at the Last Trading Date multiplied by the number of shares in issue as at the Last Trading Date.
2. Enterprise value of the Services Comparable Company and the Company are calculated as the market capitalisation on the Last Trading Date, or the Latest Practicable Date, where applicable, adding by the then latest published debt, lease liabilities, minority interest and preferred stock, and minus the cash and bank balances.
3. Sales of the Services Comparable Company and the Company are calculated as the total revenue of the relevant Services Comparable Company and the Company, for the latest twelve months of the relevant companies on the Last Trading Date, or the Latest Practicable Date, where applicable.
4. The market capitalisation of the Services Comparable Company and the Company are calculated as the closing price of the shares of the relevant Services Comparable Company and the Company as at the Latest Practicable Date multiplied by the number of shares in issue as at the Latest Practicable Date.
5. For the year ended 31 December, 2021, the majority of the revenue of software and services segment of the Company was generated from its Razer Gold and Razer Fintech businesses as mentioned above. Razer Gold is a global game/digital entertainment payment service which provides unified virtual credits for gamers to buy games and in-game content and is driven by TPV, while Razer Fintech provides B2C (business-to-consumer) e-wallet service and B2B (business-to-business) card processing gateway services to power online payments and operates offline payment network of physical acceptance points. Accordingly, we consider that Razer Gold and Razer Fintech businesses are both integrated payment service providers with technology-enabled business services within the software and services segment, and therefore Yeahka Limited is comparable to the software and services segment of the Company.



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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Given (i) the software and services segment of the Group is sales driven; and (ii) only revenue of the software and services segment of the Group is clearly delineable and publicly available, we consider EV/Sales multiple is appropriate method of valuation in the context of valuation of both the software and services segment and the SOTP valuation. Based on the above analysis, the SOTP valuation of the Group is as follows:

**Table 7 – The SOTP valuation of the Group**

	As at the Last Trading Date	As at the Latest Practicable Date
<b>Hardware segment</b>		
TTM revenue of the hardware segment	US\$1,378.3 million	US\$1452.4 million
EV/Sales adopted <sup>(Note 1)</sup>	1.15x	1.19x
<b>Implied enterprise value of hardware segment</b>	<b>US\$1,591.4 million</b>	<b>US\$1,722.0 million</b>
<b>Software and services segment</b>		
TTM revenue of the software and services segment	US\$137.2 million	US\$162.5 million
EV/Sales adopted	3.32x	2.55x
<b>Implied enterprise value of services segment</b>	<b>US\$455.7 million</b>	<b>US\$413.8 million</b>
<b>Total Enterprise value</b>	<b>US\$2,047.0 million</b>	<b>US\$2,135.7 million</b>
(-) Minority interest	US\$22.3 million	US\$5.5 million
(+) Other investments	US\$167.1 million	US\$14.5 million
(-) Net debt	(-)US\$517.0 million	(-)US\$567.6 million
<b>Total Equity value</b>	<b>US\$2,708.8 million</b>	<b>US\$2,712.3 million</b>
Total shares outstanding	8,759,755,691	8,826,228,347
<b>Implied valuation per Share</b>	<b>US\$0.31</b>	<b>US\$0.31</b>
US\$ to HK\$	HK\$7.80	HK\$7.80
<b>Implied valuation per Share</b>	<b>HK\$2.41</b>	<b>HK\$2.40</b>

*Sources: The Stock Exchange, annual results announcement, annual report and interim report of the Group, and Bloomberg*

*Note:*

1. The median EV/Sales of the Hardware Comparable Companies value has been adopted as we consider that the adoption of the median figure reduces the distortion caused by the relatively wide distribution of the EV/Sales of the Hardware Comparable Companies.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Based on the above result, as at the Last Trading Date, the sum of the Group's hardware, and software and services business values under the EV/Sales adopted would be approximately HK\$21,122 million or HK\$2.41 per Share. Accordingly, the Cancellation Price of HK\$2.82 per Share represents a premium of approximately 17.0% over such calculated SOTP value as at the Last Trading Date.

As at the Latest Practicable Date, the sum of the Group's hardware, and software and services business values under the EV/Sales adopted would be approximately HK\$21,156 million or HK\$2.40 per Share. Accordingly, the Cancellation Price of HK\$2.82 per Share represents a premium of approximately 17.6% over such calculated SOTP value as at the Latest Practicable Date.

### **Privatisation precedents proposals in Hong Kong**

As discussed in the section headed "VIII. BASIS OF OPINION AND FACTORS TAKEN INTO CONSIDERATION – Reasons for and benefits of, the Proposal" above, we note that the Offeror has taken into account other privatisation transactions in Hong Kong in recent years as one of the factors for determining the Cancellation Price. Accordingly, to further assess the fairness and reasonableness of the Cancellation Price, we selected privatisation transactions of other listed companies on the Main Board of the Stock Exchange implemented by way of a scheme of arrangement, and offering a cash consideration only, and announced and approved by the disinterested shareholders during the period of 12 months prior the Last Trading Date (the "**Privatisation Precedents**"). Based on these criteria, we have identified a list of 17 Privatisation Precedents, which we consider as exhaustive and a fair representation of transactions comparable to the Proposal.

However, it should be noted that the Privatisation Precedents were conducted under different market conditions. Therefore, the factors and considerations that affect the premia or discounts of cancellation prices vary on a case-by-case basis, and may be different from those applicable to the Proposal and the Scheme. Given that the Privatisation Precedents could provide us with a meaningful analysis of the recent market trend of the pricing of privatisation in the Hong Kong equity capital market, as well as a meaningful benchmark for the Disinterested Shareholders when evaluating the premium provided in the Proposal, we regard the Privatisation Precedents has reference value and is one of the bases used in our assessment of the Cancellation Price. Set out below is a table which shows the comparisons of premia, or discount over the then market prices at which the Privatisation Precedents were priced.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

**Table 8 – List of successful privatisations of Hong Kong listed companies**

No.	Company (stock code)	Date of initial announcement (note 1)	Premium/(Discount) of the cancellation price over/(to) the average closing share price up to and including the				
			Last trading day	Last 5 trading days	Last 30 trading days	Last 60 trading days	Last 90 trading days
1	Good Friend International Holdings Inc. (2398)	12-Aug-21	50.0%	73.6%	61.6%	49.0%	38.9%
2	Nature Home Holding Company Limited (2083)	27-Jul-21	39.3%	38.2%	31.8%	30.8%	38.2%
3	Beijing Capital Land Ltd. (2868)	09-Jul-21	62.8%	61.9%	127.6%	150.0%	143.5%
4	Bestway Global Holding Inc. (3358)	25-Jun-21	27.0%	29.5%	47.0%	62.8%	71.8%
5	Chong Hing Bank Limited (1111)	18-May-21	97.0%	101.2%	107.4%	109.9%	113.5%
6	Zhuhai Holdings Investment Group Limited (0908)	21-Apr-21	37.8%	36.7%	52.4%	56.1%	57.4%
7	Xiezhong International Holdings Limited (3663)	28-Feb-21	17.6%	17.7%	25.0%	37.9%	42.9%
8	Sichuan Languang Justbon Services Group Co., Ltd. (2606)	25-Feb-21	31.1%	36.7%	38.0%	50.0%	48.0%
9	Polytec Asset Holding Limited (0208)	21-Jan-21	61.3%	58.6%	72.6%	94.2%	104.1%
10	Zhejiang New Century Hotel Management Co., Ltd. (1158)	20-Jan-21	24.7%	23.9%	20.8%	19.8%	20.3%
11	HKC (Holdings) Limited (0190)	17-Jan-21	120.4%	122.2%	119.8%	109.4%	100.3%
12	China Machinery Engineering Corporation (1829)	13-Jan-21	45.1%	73.7%	118.9%	127.0%	127.0%
13	Huifu Payment Limited (1806)	22-Dec-20	26.8%	39.1%	47.0%	55.4%	44.9%
14	SHK Hong Kong Industries Limited (0666)	18-Dec-20	50.0%	54.4%	56.7%	66.7%	69.4%
15	Rivera (Holdings) Limited (0281)	17-Dec-20	62.5%	65.0%	63.7%	71.1%	73.3%
16	Creative Enterprise Holdings Limited (3992)	14-Dec-20	(23.4)%	(6.9)%	14.5%	17.0%	27.3%
17	I.T Limited (0999)	06-Dec-20	54.6%	84.7%	135.5%	162.4%	173.0%
<b>Average</b>			<b>46.2%</b>	<b>53.5%</b>	<b>67.1%</b>	<b>74.7%</b>	<b>76.1%</b>
<b>Median</b>			<b>45.1%</b>	<b>54.4%</b>	<b>56.7%</b>	<b>62.8%</b>	<b>69.4%</b>
<b>Maximum</b>			<b>120.4%</b>	<b>122.2%</b>	<b>135.5%</b>	<b>162.4%</b>	<b>173.0%</b>
<b>Minimum</b>			<b>(23.4)%</b>	<b>(6.9)%</b>	<b>14.5%</b>	<b>17.0%</b>	<b>20.3%</b>
<b>The Company (Undisturbed Date)</b>			<b>55.8%</b>	<b>58.4%</b>	<b>67.9%</b>	<b>59.3%</b>	<b>51.6%</b>
<b>The Company (Last Trading Date)</b>			<b>5.6%</b>	<b>5.2%</b>	<b>19.0%</b>	<b>38.9%</b>	<b>42.4%</b>

Sources: Scheme documents of respective listed companies, and Bloomberg

Notes:

- The date of initial announcement represents the date of the Takeovers Code Rule 3.5 announcement or Rule 3.7 announcement, whichever is earlier. Unless otherwise stated, the above premium of the offer, or cancellation price over the last trading price and average closing price per share (up to and including the relevant last trading day) are calculated based on the last trading price prior the commencement of the offer period.
- We noted that on 5 February, 2021, Zhejiang Cangnan Instrument Group Limited (stock code: 1743) has initially announced its proposed conditional cash offer by itself to buy-back all the issued H shares and proposed voluntary withdrawal of listing of the H shares on the Stock Exchange. As the Proposal involves an offeror's intention to take private a company, we consider the privatisation by share buyback is different from the nature of the Proposal. As a result, we have not included this transaction in our analysis.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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As shown in the table above, except for Creative Enterprise Holdings Limited, all the offer, or cancellation prices of the Privatisation Precedents represent premia over the then prevailing market prices of the relevant shares prior to the initial announcement of the privatisation over the last trading date, or periods indicated. As shown in the table above, the offer, or cancellation prices of the Privatisation Precedents ranged from:

- (a) a discount of approximately 23.4% to a premium of approximately 120.4% over the respective last trading date with an average and median premium of 46.2% and 45.1%;
- (b) a discount of approximately 6.9% to a premium of approximately 122.2% over the respective average closing prices of their shares for the last five trading days up to and including the last trading date with an average and median premium of 53.5% and 54.4%;
- (c) a premium of approximately 14.5% to approximately 135.5% over the respective average closing prices of their shares for the last 30 trading days up to and including the last trading date with an average and median premium of 67.1% and 56.7%;
- (d) a premium of approximately 17.0% to approximately 162.4% over the respective average closing prices of their shares for the last 60 trading days up to and including the last trading date with an average and median premium of 74.7% and 62.8%; and
- (e) a premium of approximately 20.3% to approximately 173.0% over the respective average closing prices of their shares for the last 90 trading days up to and including the last trading date with an average and median premium of 76.1% and 69.4%.

The premiums offered by the Cancellation Price over the Last Trading Date, 5, 30, 60 and 90 trading days (up to and including the Last Trading Date) average Share price are approximately 5.6%, 5.2%, 19.0%, 38.9% and 42.4%, respectively. Accordingly, the premiums represented by the Cancellation Price over the Last Trading Date, 5, 30, 60 and 90 trading days (up to and including the Last Trading Date) average Share price are within range of the premiums represented by the Privatisation Precedents but below the average and median.

However, we believe a comparison of the Undisturbed Date is necessary to eliminate the effects of the short-term distortion of share price due to the Rule 3.7 announcement published on 29 October, 2021. The premiums offered by the Cancellation Price over the Undisturbed Date, 5, 30, 60 and 90 trading days (up to and including the Undisturbed Date) average Share price are approximately 55.8%, 58.4%, 67.9%, 59.3% and 51.6%, respectively. Accordingly, the premiums represented by the Cancellation Price over the Undisturbed Date, 5 and 30 trading days (up to and including the Undisturbed Date) average Share price are above the average and median premium represented by the Privatisation Precedents, and the 60 and 90 trading days (up to and including the Undisturbed Date) average Share price are within range of the premiums represented by the Privatisation Precedents, but below the average and median. Accordingly, on the basis of these comparisons the premium represented by the Cancellation Price is considered to be acceptable to the Disinterested Shareholders.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### RSU Proposal

The RSU Proposal Price of HK\$2.82 per each unvested RSU is set on a “see-through” basis, which is normally adopted in Hong Kong in such circumstance, and which we consider to be fair. No action will be required to be taken by any RSU Holder in order for him or her to receive the consideration as detailed in the “LETTER TO THE RSU HOLDERS” in respect of the RSU Proposal. If any RSUs vest and the corresponding Shares are transferred by the RSU Trustee to RSU Holders before the Scheme Record Date, such Shares will be Scheme Shares and, if the relevant RSU Holder is not an Offeror Concert Party, such Shares will be Disinterested Shares which may be voted at the Court Meeting and the General Meeting.

We note that the Offeror will, subject to the existing terms of the unvested RSUs of such Non-Founder RSU Holder (including vesting and other conditions, such as the continued employment of such Non-Founder RSU Holder with the Group), pay to each Non-Founder RSU Holder the RSU Proposal Price in cash for each unvested RSU of such Non-Founder RSU Holder cancelled, on a staggered basis in accordance with the original vesting schedule applicable to each such unvested RSU.

We noted that staggered payment arrangement is not uncommon in privatisation cases of companies listed on the Stock Exchange, it is noted that similar staggered payment arrangement was previously adopted in the share incentives offer under (i) the privatisation of Alibaba.com Limited (Stock code:1688) in 2012; (ii) the RSU offer under the privatisation of Bracell Limited (Stock code: 1768) in 2016; (iii) the share option offer under the privatisation of Intime Retail (Group) Company Limited (Stock code: 1833) in 2017; and (iv) the share award offer under the privatisation of Chong Hing Bank Limited (stock code: 1111) in 2021 where all were approved by its respective independent shareholders.

On that basis and given that the RSU Proposal allows RSU holders to receive a guaranteed return as discussed above, we consider the staggered payment arrangement commercially acceptable.

### X. CONCLUSIONS AND RECOMMENDATION

In making our recommendation, we have considered the foregoing and in particular the following principal reasons:

- (i) the Cancellation Price represents a premium of (a) 51.6% to 67.9% over the closing prices of the Shares on the Undisturbed Date, average five, 30, 60 and 90 trading days up to and including the Undisturbed Date; (b) 5.2% to 42.4% over the closing prices of the Shares on the Last Trading Date, average five, 30, 60 and 90 trading days up to and including the Last Trading Date; and (c) 57.9% over the average closing price of the Share during the Review Period. Out of the 719 trading days during the Review Period, the Cancellation Price was higher than the closing prices of Shares in 696 trading days. In addition, the Cancellation Price represents a premium of 16.5% to the closing price of the Shares as at the Latest Practicable

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Date. Given the current state of the market, the Proposal would appear to be more attractive for the Disinterested Shareholders than at the time when it was first announced as the Share price is less likely to be sustained at its current level in the absence of the Proposal;

- (ii) during the Review Period, the Share Price continued to show a general downward trend despite the publication of a profit alert announcement in August, 2021 and the Company first turned profitable for the year ended 31 December, 2020 since the listing of the Shares. However, the Company is not aware of any specific reason for such downward trend. In addition, based on the historical trading volume of the Shares, we do not regard the Shares as having been actively traded taking into consideration the Share buybacks so that Shareholders may find it difficult to dispose of a significant number of Shares in the open market without causing an adverse impact on the market price level of the Shares. The Proposal, therefore, represents an opportunity for the Shareholders to dispose of their entire holdings at the Cancellation Price of HK\$2.82 per Share at a premium to the recent market prices;
- (iii) the financial information and business performance of the Company for the past three years ended 31 December, 2021. Although the Group became profitable in the financial years of 2020 and 2021, the Company's net profit for the second half of 2021 decreased by approximately 34.5% as compared to the second half of 2020 even though the profit for financial year 2021 increased compared to 2020, which have been discussed in the section headed "Reasons for, and benefits of, the Proposal – 1. Unpredictable performance of the Company's future business developments";
- (iv) through leveraging on the current Razer ecosystem supported by its established hardware segment, the Company will continue to explore and further develop its business in relatively new areas within the technology sector such as Razer Fintech, decentralised finance, blockchain and metaverse opportunities targeting the youth and millennials, which will require significant investments and time to prove themselves. Necessary changes to the business strategy of the Group may therefore be required to accommodate any new development. As a result, the financial performance of the Group and the market reaction to it may be affected in the short to medium term, and the payment of the Cancellation Price of HK\$2.82 per Scheme Share gives the Scheme Shareholders flexibility to redeploy capital invested in the Company at a time of considerable uncertainty on the prospects of the Group into other investments that they consider more attractive; and
- (v) the premiums offered by the Cancellation Price over (a) the Undisturbed Date, 5 and 30 trading days (up to and including the Undisturbed Date) average Share price are above the average premiums represented by the Privatisation Precedents; and (b) although the 60 and 90 trading days (up to and including the Undisturbed Date) average Share price are below the median and average, it is within range of the premiums represented by the Privatisation Precedents.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Accordingly, we consider (i) the terms of the Proposal to be fair and reasonable so far as the Disinterested Shareholders are concerned; and (ii) that the terms of the RSU Proposal are also fair and reasonable so far as the RSU Holders are concerned, and advise the Independent Board Committee to recommend the Shareholders, Scheme Shareholders, or Disinterested Shareholders, where applicable, to vote in favour of the relevant resolutions to approve the Proposal and the Scheme. Shareholders who wish to realise their investment and are concerned that the Share price may fall below the current price of the Shares on the Stock Exchange due to the lapse of the Scheme may consider selling some or all of their Shares in the market at current market prices.

Yours faithfully,

For and on behalf of

**Anglo Chinese Corporate Finance, Limited**

**Stephen Clark**

*Managing Director*

**Raymond Cheung**

*Director*

1. Mr. Stephen Clark is a licensed person registered with the Securities and Futures Commission and as a responsible officer of Anglo Chinese Corporate Finance, Limited to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO. He has over 35 years of experience in corporate finance.
2. Mr. Raymond Cheung is a licensed person registered with the Securities and Futures Commission and as a responsible officer of Anglo Chinese Corporate Finance, Limited to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO. He has over 10 years of experience in corporate finance.

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## EXPLANATORY MEMORANDUM

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*This Explanatory Memorandum constitutes the statement required under Order 102, rule 20(4)(e) of the Rules of the Grand Court of the Cayman Islands 1995 (revised).*

### SCHEME OF ARRANGEMENT (UNDER SECTION 86 OF THE COMPANIES ACT OF THE CAYMAN ISLANDS) TO CANCEL AND EXTINGUISH ALL THE SCHEME SHARES

#### 1. INTRODUCTION

Reference is made to the joint announcement dated 1 December 2021 issued by the Offeror and the Company in relation to the Proposal. On 1 December 2021, the Offeror requested the Board to put forward the Proposal to the Scheme Shareholders for the privatisation of the Company by way of a scheme of arrangement under section 86 of the Companies Act, subject to the Pre-Condition (which was satisfied on 18 February 2022) and the Conditions being fulfilled or waived, as applicable.

If the Proposal is approved and implemented:

- (a) the Offeror will subscribe for, and the Company will allot and issue to the Offeror, one Share fully paid at par;
- (b) the Founder Scheme Shares will be cancelled on the Effective Date in consideration for the Founder Scheme Shares Cancellation Consideration, being the crediting of the unpaid TopCo Shares held by the TML HoldCos, Mr. Lim and the LKL HoldCos as being fully paid in an amount equivalent to the aggregate Cancellation Price for all of the Founder Scheme Shares;
- (c) the RSU Trustee Scheme Shares (which are held by the RSU Trustee pending the vesting of the RSUs granted under the 2016 Equity Incentive Plan) will be cancelled on the Effective Date for nil consideration on the basis that pursuant to and in accordance with the terms of the RSU Proposal, the RSU Proposal Price, which is equal to the Cancellation Price, will be paid directly to the RSU Holders in cash;
- (d) all Scheme Shares (other than the Founder Scheme Shares and the RSU Trustee Scheme Shares) will be cancelled on the Effective Date in consideration for the Cancellation Price of HK\$2.82 per Scheme Share, which will be paid in cash;
- (e) such number of new Shares as is equal to the number of Scheme Shares cancelled (minus one) will be issued to the Offeror, credited as fully paid, such that the Company will become wholly owned by the Offeror; and
- (f) the listing of the Shares on the Stock Exchange will be withdrawn with effect immediately following the Effective Date in accordance with Rule 6.15(2) of the Listing Rules.



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## EXPLANATORY MEMORANDUM

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The purpose of this Explanatory Memorandum is to explain the terms and effects of the Proposal and, specifically, to provide the Scheme Shareholders with additional information in relation to the Scheme and the RSU Proposal.

Your attention is also drawn to (i) the letter from the Board set out on pages 30 to 53 of this Scheme Document; (ii) the letter from the Independent Board Committee set out on pages 54 to 55 of this Scheme Document; (iii) the letter from the Independent Financial Adviser set out on pages 56 to 107 of this Scheme Document; (iv) the terms of the Scheme set out on pages 176 to 189 of this Scheme Document; (v) the notice of the Court Meeting and the notice of the General Meeting set out on pages 190 to 198 of this Scheme Document; and (vi) proxy forms in respect of the Court Meeting and the General Meeting as enclosed with this Scheme Document.

RSU Holders are also urged to read carefully the letter in relation to the RSU Proposal which is sent separately to RSU Holders at or around the same time as the despatch of this Scheme Document.

### **2. PRE-CONDITION TO THE PROPOSAL**

The making of the Proposal was, and the implementation of the Scheme had been, subject to the satisfaction of the Pre-Condition (being, with respect to the applicable Antitrust Laws, all notifications, filings or applications which are necessary having been made and (a) the receipt of approvals or clearances from the relevant Authorities, or (b) relevant waiting periods (and any extensions thereof) having expired, lapsed or been terminated (as appropriate) with no objection having been received from the relevant Authorities, as applicable, on or prior to the Pre-Condition Long Stop Date). On 18 February 2022, the Pre-Condition was satisfied.

### **3. TERMS OF THE PROPOSAL**

#### **The Scheme**

Subject to the Pre-Condition (which was satisfied on 18 February 2022) and the Conditions described in the sections headed “*Pre-Condition to the Proposal*” and “*Conditions of the Proposal*” in the Explanatory Memorandum on pages 109 and 118 to 121 of this Scheme Document being fulfilled or waived, as applicable, the proposed privatisation of the Company will be implemented by way of the Scheme between the Company and the Scheme Shareholders.

The Board has, upon the satisfaction of the Pre-Condition (which was satisfied), put forward the Proposal. Upon the fulfilment of the Conditions and the Scheme becoming effective, all Scheme Shares will be cancelled and:

- (a) for cancellation of the Founder Scheme Shares, Founder Shareholders will be entitled to receive the Founder Scheme Shares Cancellation Consideration, being the crediting of the unpaid TopCo Shares held by the TML HoldCos, Mr. Lim and the LKL HoldCos as being fully paid in an amount equivalent to the aggregate Cancellation Price for all of the Founder Scheme Shares;

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## EXPLANATORY MEMORANDUM

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- (b) for cancellation of the RSU Trustee Scheme Shares (which are held by the RSU Trustee pending the vesting of RSUs granted under the 2016 Equity Incentive Plan), the RSU Trustee will be entitled to nil consideration on the basis that pursuant to and in accordance with the terms of the RSU Proposal, the RSU Proposal Price, which is equal to the Cancellation Price, will be paid directly to the RSU Holders in cash; and
- (c) for all other Scheme Shares, the Scheme Shareholders (other than the Founder Shareholders and the RSU Trustee) will be entitled to receive the Cancellation Price of HK\$2.82 per Scheme Share, which will be paid in cash.

In compliance with Rule 20.1(a) of the Takeovers Code, upon the Scheme becoming effective, the Cancellation Price of HK\$2.82 per Scheme Share will be paid to the Scheme Shareholders whose names appear on the register of members of the Company on the Scheme Record Date (other than the Founder Shareholders and the RSU Trustee) as soon as possible but in any event within seven (7) business days (as defined in the Takeovers Code) following the Effective Date.

In the paragraphs below titled “*Comparison of value*” and “*Highest and lowest prices*”, the historical closing prices per Share mentioned as quoted on the Stock Exchange were obtained from the website of the Stock Exchange (<http://www.hkex.com.hk>) on the Last Trading Date, and thus have been adjusted for corporate actions and entitlement events including special dividends based on adjustment methods adopted by the Stock Exchange. Please refer to the website of the Stock Exchange for the adjustment method of historical securities prices.

### **Comparison of value**

The Cancellation Price of HK\$2.82 per Scheme Share represents:

- (a) a premium of approximately 16.5% over the closing price of HK\$2.42 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (b) a premium of approximately 55.8% over the closing price of HK\$1.81 per Share as quoted on the Stock Exchange on 27 October 2021, being the Undisturbed Date;
- (c) a premium of approximately 58.4% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the five trading days up to and including the Undisturbed Date of HK\$1.78 per Share;
- (d) a premium of approximately 67.9% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the 30 trading days up to and including the Undisturbed Date of HK\$1.68 per Share;

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## EXPLANATORY MEMORANDUM

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- (e) a premium of approximately 59.3% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the 60 trading days up to and including the Undisturbed Date of HK\$1.77 per Share;
- (f) a premium of approximately 51.6% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the 90 trading days up to and including the Undisturbed Date of HK\$1.86 per Share;
- (g) a premium of approximately 43.9% over the closing price of HK\$1.96 per Share as quoted on the Stock Exchange on 28 October 2021, being the last business day prior to the commencement of the offer period;
- (h) a premium of approximately 5.6% over the closing price of HK\$2.67 per Share as quoted on the Stock Exchange on 1 December 2021, being the Last Trading Date;
- (i) a premium of approximately 5.2% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the five trading days up to and including the Last Trading Date of HK\$2.68 per Share;
- (j) a premium of approximately 19.0% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Date of HK\$2.37 per Share;
- (k) a premium of approximately 38.9% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the 60 trading days up to and including the Last Trading Date of HK\$2.03 per Share;
- (l) a premium of approximately 42.4% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the 90 trading days up to and including the Last Trading Date of HK\$1.98 per Share; and
- (m) a premium of approximately 487.5% over the audited consolidated equity attributable to Shareholders of the Group of approximately 0.48 per Share as at 31 December 2021, which is calculated based on the audited consolidated total equity attributable to Shareholders of the Group of approximately US\$544 million (approximately HK\$4,231,806,520 using an exchange rate of USD/HKD = 7.78) as at 31 December 2021 and 8,826,228,347 Shares in issue as at the Latest Practicable Date.

**The Offeror will not increase the Cancellation Price and does not reserve the right to do so. Shareholders and potential investors should be aware that, following the making of such statement, the Offeror will not be allowed to increase the Cancellation Price.**

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## EXPLANATORY MEMORANDUM

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### **Highest and lowest prices**

During the six-month period ended on and including the Last Trading Date, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$3.05 on 25 November 2021 and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$1.51 on 6 October 2021.

### **Basis for determining the Cancellation Price**

The Cancellation Price of HK\$2.82 for each Scheme Share has been determined on a commercial basis after taking into account, among other things, the recent and historic trading prices of the Shares, publicly available financial information of the Group and the other privatisation transactions in Hong Kong in recent years.

### **Dividend payment by the Company**

As at the Latest Practicable Date, the Company has not declared any dividend which remains unpaid. The Company does not intend to declare and/or pay any dividend before the Effective Date or the date on which the Scheme is not approved or the Proposal otherwise lapses (as the case may be). However, if: (a) after the Latest Practicable Date, any dividend, distribution and/or return of capital is announced, declared, made and/or paid in respect of the Shares; and (b) the record date to be announced by the Board for determining the entitlement of such dividend, distribution and/or return of capital (as the case may be) falls on a day which is on or before the Effective Date, the Cancellation Price will be reduced by an amount equal to such dividend, distribution and/or return of capital and, unless otherwise specified or the context otherwise requires, any reference in the Joint Announcement, this Scheme Document or any other announcement in relation to the Scheme to the Cancellation Price will be deemed to be a reference to the Cancellation Price as so reduced.

### **Events following the Scheme becoming effective**

If the Conditions are fulfilled and upon the Scheme becoming effective:

- (a) the Offeror will subscribe for, and the Company will allot and issue to the Offeror, one Share fully paid at par;
- (b) all of the Scheme Shares will be cancelled;
- (c) the issued share capital of the Company will be reduced by cancelling all of the Scheme Shares. Immediately after such share capital reduction, the Company will issue to the Offeror such number of new Shares as is equal to the number of Scheme Shares cancelled (minus one) such that the issued share capital of the Company will

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be restored to its amount in issue immediately before such reduction. The reserve created in the books of accounts of the Company as a result of such reduction will be applied in paying up in full at par the new Shares so issued, credited as fully paid; and

- (d) the listing of the Shares on the Stock Exchange will be withdrawn pursuant to Rule 6.15(2) of the Listing Rules.

Assuming that the Scheme becomes effective on Wednesday, 11 May 2022, cheques for entitlements under the Scheme will be despatched to the Scheme Shareholders whose names appear on the register of members of the Company on the Scheme Record Date (other than the Founder Shareholders and the RSU Trustee) as soon as possible but in any event within seven (7) business days (as defined in the Takeovers Code) following the Effective Date and accordingly, the cheques are expected to be despatched on or before Friday, 20 May 2022. Cheques will be posted at the risk of the addressees and none of the Offeror, the Offeror Concert Parties, the Company, Credit Suisse, the Independent Financial Adviser and the Share Registrar and their respective ultimate beneficial owners, directors, employees, officers, agents, advisers, associates and affiliates and any other persons involved in the Proposal shall be responsible for any loss or delay of despatch of the same.

#### **4. RSU PROPOSAL**

An RSU is a contingent right of the grantee to receive a Share for no consideration upon the vesting of the RSU.

As compared to the 184,156,464 RSUs disclosed in the Joint Announcement as having been granted and not yet vested, as at the Latest Practicable Date:

- (a) 7,152,674 RSUs have been terminated due to the departure of employees;
- (b) 2,723,105 RSUs have vested;
- (c) 362,494 RSUs were granted on 1 January 2022; and
- (d) 1,716,069 RSUs were granted on 18 March 2022.

As at the Latest Practicable Date, 176,359,248 RSUs have been granted, but have not yet vested, under the 2016 Equity Incentive Plan. Upon the satisfaction of all vesting and other conditions as set out in the 2016 Equity Incentive Plan and/or as specified by the Board, and subject to compliance with the rules of the 2016 Equity Incentive Plan, the RSU Holders are entitled to receive an aggregate of 176,359,248 Shares, which will be satisfied by the transfer by the RSU Trustee to the RSU Holders of Shares held by the RSU Trustee (either those already held by the RSU Trustee or new Shares which may be issued by the Company to the RSU Trustee for this purpose).

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As at the Latest Practicable Date, 176,359,248 outstanding RSUs have been granted but have not yet vested. The vesting date of 74,253,623 RSUs falls before 23 August 2022 (being the current Long Stop Date), of which 73,034,262 RSUs will vest on 1 April 2022 and 1,219,361 RSUs will vest on 1 July 2022 (being the last vesting date before the Long Stop Date), in each case so long as the relevant RSU Holders continue to be employees of the Group and satisfy all vesting and other conditions.

The table below sets out the vesting dates of the outstanding RSUs as at the Latest Practicable Date, subject to their existing terms (including satisfaction of all vesting conditions).

<b>Date of Vesting</b>	<b>Number of Vesting RSUs</b>
1 April 2022	73,034,262
1 July 2022	1,219,361
1 October 2022	23,439,785
1 January 2023	1,978,177
1 April 2023	28,268,677
1 July 2023	69,057
1 October 2023	23,288,621
1 January 2024	1,020,558
1 April 2024	578,334
1 July 2024	69,055
1 October 2024	15,411,865
1 January 2025	516,399
1 April 2025	367,170
1 July 2025	40,397
1 October 2025	6,940,712
1 January 2026	90,622
1 April 2026	26,196
<b>Total</b>	<b><u>176,359,248</u></b>

As disclosed in the Company's announcements dated 3 January 2022 and 18 March 2022, the Company granted 362,494 new RSUs to employees of the Group on 1 January 2022 and 1,716,069 new RSUs to Directors and employees of the Group on 18 March 2022. The Proposed RSUs were being granted as part of the Directors' remuneration for their services during the financial year ended 31 December 2021, to incentivize new joiners and reward standout performers, and were being awarded in accordance with the Directors' respective service agreements and the Company's usual practice. Upon the satisfaction of all vesting and other conditions as set out in the 2016 Equity Incentive Plan and/or as specified by the Board, and subject to compliance with the rules of the 2016 Equity Incentive Plan, the holders of the Proposed RSUs are entitled to receive an aggregate of 2,078,563 Shares. For the avoidance of doubt, other than Mr. Tan (who was granted 386,702 March 2022 Proposed RSUs) and Mr. Lim (who was granted 193,351 March 2022 Proposed RSUs) who are Founder RSU Holders, the holders of the Proposed RSUs are Non-Founder RSU Holders and will be treated as such under the RSU Proposal.

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The Company made an application to the Executive for, and the Executive granted, waivers from the requirement for Shareholders' approval under Rule 4 of the Takeovers Code in relation to the proposed grant of 370,534 January 2022 Proposed RSUs and 1,716,069 March 2022 Proposed RSUs. Only 362,494 January 2022 Proposed RSUs were granted on 1 January 2022 because one of the grantees had left the Group and 8,040 RSUs originally proposed to be granted to such grantee who had left the Group were not granted.

In addition, as disclosed in the Company's announcement dated 18 March 2022, the Company allotted and issued 66,472,656 new Shares to the RSU Trustee to be held on trust under an account for connected persons to satisfy the vesting of certain grants to Mr. Tan on 1 April 2021.

The Company and the Offeror will jointly publish an announcement after the vesting of RSUs on 1 April 2022 (being the last vesting date of outstanding RSUs before the Court Meeting and the General Meeting) to disclose the updated shareholding structure of the Company and the number of Disinterested Shares.

The Offeror is making an appropriate proposal to the RSU Holders in accordance with Rule 13.1 of the Takeovers Code. To implement the RSU Proposal, the Offeror has requested the Remuneration Committee to make, and the Remuneration Committee has made, certain determinations in accordance with the terms of the 2016 Equity Incentive Plan, pursuant to which, among other things:

- (a) each unvested RSU will be cancelled on the Effective Date;
- (b) the Offeror will pay to each Founder RSU Holder the Founder RSU Proposal Consideration (being, in the case of Mr. Tan, the crediting of the unpaid TopCo Shares held by the TML HoldCos and, in the case of Mr. Lim, the crediting of the unpaid TopCo Shares held by Mr. Lim and the LKL HoldCos, in each case as being fully paid in an aggregate amount equivalent to the RSU Proposal Price multiplied by the number of unvested RSUs of such Founder RSU Holder cancelled);
- (c) the Offeror will, subject to the existing terms of the unvested RSUs of such Non-Founder RSU Holder (including vesting and other conditions, such as the continued employment of such Non-Founder RSU Holder with the Group), pay to each Non-Founder RSU Holder the RSU Proposal Price in cash for each unvested RSU of such Non-Founder RSU Holder cancelled, on a staggered basis in accordance with the original vesting schedule applicable to each such unvested RSU; and
- (d) all of the Shares held by the RSU Trustee on the Effective Date will be cancelled for nil consideration.

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The RSU Proposal Price of HK\$2.82 per RSU is the “see-through” price of the RSUs, which is equal to the Cancellation Price as there is no exercise price for the RSUs. No action will be required to be taken by any RSU Holder in order for him/her to receive the consideration detailed above in respect of the RSU Proposal.

The RSU Proposal is conditional on the Scheme becoming effective. If any of the Conditions is not fulfilled or (where applicable) waived on or before the Long Stop Date, respectively, and the Proposal and the Scheme lapse, the RSU Proposal will lapse.

To facilitate the administration of the 2016 Equity Incentive Plan, Shares have been issued to the RSU Trustee from time to time.

As at the Latest Practicable Date:

- (a) an aggregate of 118,256,322 Shares, representing approximately 1.34% of the issued share capital of the Company, are held in trust by the RSU Trustee, of which (i) 96,868,759 Shares are held for the purpose of future satisfaction of RSUs granted to connected persons (as defined in the Listing Rules) of the Company; and (ii) 21,387,563 Shares are held for the purpose of future satisfaction of RSUs granted to persons other than connected persons of the Company;
- (b) an aggregate of 74,253,623 RSUs will, subject to their terms (including satisfaction of all vesting conditions), vest between the Latest Practicable Date and 1 July 2022 (being the last vesting date before the Long Stop Date), of which (i) 68,195,768 RSUs were granted to connected persons of the Company (including 66,617,670 RSUs granted to the Founder RSU Holders); and (ii) 6,057,855 RSUs were granted to persons other than connected persons of the Company;
- (c) with respect to the RSUs granted to connected persons of the Company, if insufficient Shares are held by the RSU Trustee to satisfy the vesting of those RSUs, it is expected that additional Shares would be issued by the Company to the RSU Trustee and/or acquired by the RSU Trustee through on-market purchase(s) (subject to compliance with any applicable Takeovers Code and Listing Rules requirements), after which these will be transferred to the relevant RSU Holders; and
- (d) with respect to the RSUs granted to persons other than connected persons of the Company, the number of Shares held by the RSU Trustee is sufficient to satisfy the vesting of all RSUs which will, subject to their terms (including satisfaction of all vesting conditions), vest between the Latest Practicable Date and 1 July 2022, and accordingly no new Shares will be required to be issued to satisfy these RSUs.

All of the Shares held by the RSU Trustee on the Scheme Record Date (being the RSU Trustee Scheme Shares) will form part of the Scheme Shares and will be cancelled for nil consideration on the Effective Date. For the avoidance of doubt, the RSU Trustee is not acting in concert with the Offeror and therefore the Shares held by the RSU Trustee are Disinterested Shares and are entitled to be voted at the Court Meeting and the General Meeting. However,



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pursuant to the trust deeds and the rules of the 2016 Equity Incentive Plan, while the Shares are held by the RSU Trustee in the trust, whether or not beneficial interest in such Shares has vested in any RSU Holder, the RSU Trustee shall refrain from exercising any voting rights in respect of the Shares held by it.

If any RSUs vest and the corresponding Shares are transferred by the RSU Trustee to RSU Holders before the Scheme Record Date, such Shares will be Scheme Shares and, if the relevant RSU Holder is not an Offeror Concert Party, such Shares will be Disinterested Shares which may be voted at the Court Meeting and the General Meeting.

Further information on the RSU Proposal are set out in a letter to the RSU Holders, which is despatched at or around the same time as the despatch of this Scheme Document.

### 5. TOTAL CONSIDERATION AND CONFIRMATION OF FINANCIAL RESOURCES

On 1 January 2022 and 18 March 2022, Proposed RSUs were granted to employees of the Group and Directors as part of the Directors' remuneration for their services during the financial year ended 31 December 2021, to incentivize new joiners, and reward standout performers, in accordance with the Directors' respective service agreements and the Company's usual practice. On 18 March 2022, the Company allotted and issued 66,472,656 new Shares to the RSU Trustee to be held on trust under an account for connected persons to satisfy the vesting of certain grants to Mr. Tan on 1 April 2021.

Assuming that no new Shares are issued on or before the Scheme Record Date (other than to satisfy any vesting of RSUs after the Latest Practicable Date to the extent insufficient Shares are held by the RSU Trustee to satisfy the vesting of those RSUs) and no new RSUs are granted on or before the Scheme Record Date, and taking into account the fact that the Founder Scheme Shares will be cancelled in consideration for the Founder Scheme Shares Cancellation Consideration and the RSU Trustee Scheme Shares will be cancelled for nil consideration, the Proposal will involve making an offer to cancel:

- (a) if no RSUs vest on or before the Scheme Record Date, 3,734,053,933 Scheme Shares in exchange for the Cancellation Price of HK\$2.82 per Scheme Share in cash. The aggregate amount payable in cash would accordingly be HK\$10,530,032,092; or
- (b) if all of the RSUs which are outstanding as at the Latest Practicable Date vest (and are satisfied by the transfer by the RSU Trustee to the RSU Holders of Shares held by it as at the Latest Practicable Date or new Shares issued by the Company to the RSU Trustee for this purpose to the extent insufficient Shares are held by the RSU Trustee to satisfy the vesting of those RSUs), 3,819,634,333 Scheme Shares in exchange for the Cancellation Price of HK\$2.82 per Scheme Share in cash. The aggregate amount payable in cash would accordingly be HK\$10,771,368,820.

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In addition, assuming that no new RSUs (other than the Proposed RSUs) are granted on or before the Scheme Record Date and taking into account the fact that the RSUs held by the Founder RSU Holders will be cancelled in consideration for the Founder RSU Proposal Consideration, the maximum aggregate amount payable in cash to implement the RSU Proposal in full will be HK\$241,336,728.

As such, assuming that no new Shares are issued on or before the Scheme Record Date (other than to satisfy any vesting of RSUs after the Latest Practicable Date to the extent insufficient Shares are held by the RSU Trustee to satisfy the vesting of those RSUs) and no new RSUs are granted on or before the Scheme Record Date (other than the Proposed RSUs), the maximum aggregate amount payable to implement the Proposal and the RSU Proposal in full will be HK\$10,771,368,820.

The Offeror proposes to finance the cash consideration payable under the Proposal and the RSU Proposal (including with respect to the Proposed RSUs) with a combination of existing fund facilities available to the Offeror and equity commitments from the CVC Funds. Credit Suisse, the financial adviser to the Offeror in connection with the Proposal and the RSU Proposal (including with respect to the Proposed RSUs), is satisfied that sufficient financial resources are available to the Offeror for satisfying its obligations in respect of the full implementation of the Proposal and the RSU Proposal (including with respect to the Proposed RSUs).

### **6. CONDITIONS OF THE PROPOSAL**

The Proposal will be, and the Scheme will become effective and binding on the Company and all of the Scheme Shareholders, subject to the fulfilment or (where applicable) waiver of the following Conditions:

- (a) the approval of the Scheme at the Court Meeting in accordance with the provisions of section 86 of the Companies Act (as amended) in effect on the date of the Court Meeting (with the Founder Shareholders having provided undertakings to the Grand Court not to attend and vote at the Court Meeting);
- (b) the Scheme is approved (by way of a poll) by not less than 75% of the votes attaching to the Disinterested Shares cast by the Disinterested Shareholders, present and voting either in person or by proxy at the Court Meeting, provided that the number of votes cast (by way of a poll) by the Disinterested Shareholders present and voting either in person or by proxy at the Court Meeting against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attached to all of the Disinterested Shares;
- (c) the passing of:
  - (i) a special resolution by a majority of not less than three-fourths of the votes cast by the Shareholders present and voting in person or by proxy at the General Meeting to approve and give effect to the reduction of the issued share capital of the Company on the Effective Date by cancelling the Scheme Shares; and

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- (ii) an ordinary resolution by a simple majority of the votes cast by the Shareholders present and voting in person or by proxy at the General Meeting immediately thereafter to issue to the Offeror such number of new Shares as is equal to the number of Scheme Shares cancelled (minus one) and apply the reserve created as a result of the aforesaid cancellation of the Scheme Shares to pay up in full at par such new Shares;
  
- (d) the Grand Court's sanction of the Scheme (with or without modification) under section 86 of the Companies Act and its confirmation of the reduction of the issued share capital of the Company involved in the Scheme, and the delivery to the Registrar of Companies in the Cayman Islands of a copy of the order of, and minutes approved by, the Grand Court for registration;
  
- (e) compliance with the procedural requirements and conditions, if any, under the Companies Act in relation to the reduction of the issued share capital of the Company and the Scheme, respectively;
  
- (f) all of the Approvals having been obtained, completed and/or made and remaining in full force and effect without modification or variation;
  
- (g) all Applicable Laws having been complied with and no legal, regulatory or administrative requirement having been imposed by any Authority in any jurisdiction which is not expressly provided for, or is in addition to the legal, regulatory and administrative requirements which are expressly provided for, in the Applicable Laws in connection with the Proposal or the Scheme;
  
- (h) no Authority in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry (or enacted, made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order), in each case, which would make the Proposal or the Scheme void, unenforceable, illegal or impracticable (or which would impose any material and adverse conditions or obligations in connection with the Proposal or the Scheme);
  
- (i) since the Latest Practicable Date, there having been no Material Adverse Change; and
  
- (j) save in connection with the implementation of the Proposal, the listing of the Shares on the Stock Exchange not having been withdrawn, and no indication having been received from the Executive and/or the Stock Exchange to the effect that the listing of the Shares on the Stock Exchange is or is likely to be withdrawn.

To fulfill the Condition set out in paragraph (a) above in accordance with section 86 of the Companies Act (as amended) as in effect on the date of this Scheme Document requires the approval of the Scheme at the Court Meeting (by way of a poll) by a majority in number of the Shareholders entitled to vote at the Court Meeting representing not less than 75% in value of the Shares held by the Shareholders entitled to vote at the Court Meeting, present and voting either in person or by proxy at the Court Meeting (the “**Headcount Test**”).

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The Cayman Islands has recently gazetted the Companies (Amendment) Act 2021 (the “**Act**”). If the Act is commenced in its current form, a new section 86(2A) of the Companies Act (2022 Revision) will apply to members’ schemes (such as the Scheme) and will provide that:

*“If seventy-five per cent in value of the members or class of members, as the case may be, present and voting either in person or by proxy at the meeting, agree to any compromise or arrangement, the compromise or arrangement shall, if sanctioned by the Court, be binding on all the members or class of members, as the case may be, and also on the company or, where a company is in the course of being wound up, on the liquidator and contributories of the company.”*

If the Act is commenced in its current form, the Headcount Test may no longer apply to members’ schemes of arrangement (such as the Scheme) and the Scheme may only require the approval of 75% in value of the members present and voting either in person or by proxy at the Court Meeting (the “**Value Test**”).

The Act was gazetted on 16 December 2021. The Act will become law on a date to be appointed by Order of the Cabinet. As at the Latest Practicable Date, the legislative timetable has not yet been set. If the Act is commenced and becomes law prior to the Court Meeting date, such that the section 86(2A) is the applicable approval required under the Companies Act for the Scheme, then the Headcount Test will no longer apply and the Value Test will be the only test applicable to the Scheme under the Companies Act. The Company and the Offeror will jointly publish an announcement to notify the Shareholders if the Act is commenced and becomes law in advance of the Court Meeting.

The Company and the Offeror make no representation as to the likelihood of the Act being commenced and becoming law either in advance of the Court Meeting or in the form originally gazetted. Pending clarification of the status of the Act and the application of the Headcount Test to the Scheme, Beneficial Owners are urged to make arrangements to become a registered owner of some or all of their Shares. Please refer to the section headed “*Actions to be taken by Beneficial Owners whose Shares are held by a Registered Owner or Deposited in CCASS*” set out on pages 9 to 10 of this Scheme Document for further information.

The Founder Shareholders and the RSU Trustee have provided undertakings to the Grand Court before the directions hearing for the convening of the Court Meeting before the Grand Court prior to despatch of this Scheme Document to be bound by the Scheme and to receive (in the case of the Founder Shareholders) the Founder Scheme Shares Cancellation Consideration in consideration for cancellation of the Founder Scheme Shares under the Scheme or (in the case of the RSU Trustee) nil consideration for cancellation of the RSU Trustee Scheme Shares under the Scheme – see the section headed “*Arrangements Material to the Proposal – Founder Irrevocable Undertakings*” in the Explanatory Memorandum.

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The Conditions set out in paragraphs (a) to (e) (inclusive) above may not be waived. The Offeror reserves the right to waive all or any of the Conditions set out in paragraphs (f) to (j) (inclusive) above in whole or in part. The Company does not have the right to waive any of the Conditions. All of the Conditions must be fulfilled or (where applicable) waived on or before the Long Stop Date, failing which the Proposal and the Scheme will lapse.

As at the Latest Practicable Date and based on the information available to the Offeror and the Company, other than those specifically set out as the Pre-Condition (which has been satisfied) and Conditions above and the application for the withdrawal of the listing of the Shares on the Stock Exchange upon the Scheme becoming effective, each of the Offeror and the Company is not aware of any Approvals which are required as set out in the Condition in paragraph (f) above, and each of the Offeror and the Company is also not aware of any other circumstances which may result in any of the Conditions in paragraphs (g) to (j) (inclusive) above not being satisfied. In particular, as at the Latest Practicable Date, the Company is not aware of any Authority in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry as set out in the Condition in paragraph (h).

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror may only invoke any of the Conditions as a basis for not proceeding with the Proposal if the circumstances which give rise to the right to invoke such Condition are of material significance to the Offeror in the context of the Proposal.

If the Conditions are satisfied or (where applicable) waived, the Scheme will be binding on all of the Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the General Meeting.

An announcement will be made by the Company and the Offeror in relation to the results of the Court Meeting and the General Meeting on Tuesday, 26 April 2022 by no later than 7:00 p.m. and, if all the resolutions are passed at those meetings, further announcements will be made in relation to, among other things, the results of the hearing of the petition for the sanction of the Scheme by the Grand Court, the Effective Date and the date of withdrawal of listing of Shares from the Stock Exchange in accordance with the requirements of the Takeovers Code and the Listing Rules.

**Warning: Shareholders, RSU Holders and potential investors should be aware that the implementation of the Proposal, the Scheme and the RSU Proposal are subject to the Conditions being fulfilled or (where applicable) waived. Accordingly, the Proposal and the RSU Proposal may or may not be implemented and the Scheme may or may not become effective. Shareholders, RSU Holders and potential investors are advised to exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.**

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### 7. VOTING AT THE COURT MEETING AND THE GENERAL MEETING

All Scheme Shareholders as at the Meeting Record Date may attend and vote at the Court Meeting to approve the Scheme, but only the votes of the Disinterested Shareholders will be taken into account in determining if the Condition in paragraph (b) in the section headed “*Conditions of the Proposal*” in the Explanatory Memorandum is satisfied. The Founder Shareholders have provided undertakings to the Grand Court not to attend and vote at the Court Meeting.

Each of the Founder Shareholders and the RSU Trustee has also provided an undertaking to be bound by the Scheme and to receive (in the case of the Founder Shareholders) the Founder Scheme Shares Cancellation Consideration in consideration for cancellation of the Founder Scheme Shares under the Scheme or (in the case of the RSU Trustee) nil consideration for cancellation of the RSU Trustee Scheme Shares. The Offeror has also provided an undertaking to the Grand Court to be bound by the Scheme.

All Shareholders as at the Meeting Record Date will be entitled to attend the General Meeting and to vote on: (a) the special resolution to approve and give effect to the reduction of the issued share capital of the Company on the Effective Date by cancelling the Scheme Shares; and (b) the ordinary resolution to approve and give effect to, immediately after such share capital reduction, the issuance to the Offeror of such number of new Shares as is equal to the number of Scheme Shares cancelled (minus one) and the application of the reserve created as a result of the aforesaid cancellation of the Scheme Shares to pay up in full at par such new Shares.

For the avoidance of doubt, the RSU Trustee is not acting in concert with the Offeror and therefore the Shares held by the RSU Trustee are Disinterested Shares and are entitled to be voted at the Court Meeting and the General Meeting. However, pursuant to the trust deeds and the rules of the 2016 Equity Incentive Plan, while the Shares are held by the RSU Trustee in the trust, whether or not beneficial interest in such Shares has vested in any RSU Holder, the RSU Trustee shall refrain from exercising any voting rights in respect of the Shares held by it.

### 8. ARRANGEMENTS MATERIAL TO THE PROPOSAL

#### **Founder Irrevocable Undertakings**

On 1 December 2021, each of the Founder Shareholders has given irrevocable undertakings in the Consortium Agreement to take certain actions, including (among other things):

- (a) to agree to and assist in implementing: (i) the cancellation of the Founder Scheme Shares in consideration for the Founder Scheme Shares Cancellation Consideration; and (ii) the cancellation of the RSUs held by the Founder RSU Holders in consideration for the Founder RSU Proposal Consideration;

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- (b) to provide undertakings to the Grand Court not to attend and vote at the Court Meeting and to agree to and be bound by the Scheme and to receive the Founder Scheme Shares Cancellation Consideration in consideration for cancellation of their Founder Scheme Shares under the Scheme;
- (c) to the extent permitted by Applicable Laws (including the Takeovers Code), to vote any Shares held by them in favour of any resolutions proposed at the General Meeting to implement the Scheme or which are necessary for the Scheme to become effective; and
- (d) not to: (i) dispose of any interest in any Shares held by them; (ii) accept any other offer to acquire such Shares; or (iii) vote in favour of any resolution which is proposed in competition with the Scheme, until the Scheme becomes effective, lapses or is withdrawn.

As set out in the section headed “*Voting at the Court Meeting and the General Meeting*” above, none of the Founder Shareholders will attend (in their capacities as a Founder Shareholder) or vote at the Court Meeting to approve the Scheme. For the avoidance of doubt, Mr. Tan and Mr. Lim may attend the Court Meeting as Directors of the Company.

The Founder Irrevocable Undertakings will terminate if the Scheme is not approved, lapses or is withdrawn.

### **Implementation Agreement**

Under the Implementation Agreement, the Company has undertaken to the Offeror to:

- (a) use all reasonable endeavours to implement the Scheme; and
- (b) procure that, prior to the earlier of the Effective Date and termination of the Implementation Agreement, unless otherwise approved by the Shareholders in a general meeting in accordance with Rule 4 of the Takeovers Code, it will not, and will procure that each member of the Group will not, without the prior written consent of the Offeror, take certain actions, including (among others):
  - (i) carrying on its business other than in the ordinary and usual course;
  - (ii) allotting, issuing, authorising or proposing the issue of any securities or making any change to its share capital;
  - (iii) in respect of the Company only, recommending, proposing, declaring, paying or making any bonus issue, dividend or other distribution;
  - (iv) entering into any merger or acquiring or disposing of any assets or announcing any intention to propose to do so, other than in the ordinary course of business;

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- (v) issuing, authorising or proposing the issue of any debentures or incurring or increasing any indebtedness or contingent liability, other than in the ordinary and usual course of business;
- (vi) creating or agreeing to create any encumbrance over its business or any assets except in the ordinary and usual course of business of the Group; or
- (vii) transferring or assigning to any third party any intellectual property which it owns or has the right of use as at the date of the Implementation Agreement as well as any other intellectual property which it subsequently acquires or obtains the right of use of.

The Company has further undertaken, among other things, that it will not, and will procure that no member of the Group shall, directly or indirectly:

- (a) solicit, encourage, or otherwise seek to procure the submission of proposals, indications of interests or offers of any kind which are reasonably likely to lead to an alternative offer from any person other than the Offeror; or
- (b) enter into, or participate in, any discussions or negotiations (other than responding to unsolicited enquiries) with any such person in relation to an alternative offer or provide any due diligence information on the Company and the Group to any third party in connection therewith, save to the extent that, based on the written advice of external legal counsel: (i) the Board reasonably considers that they are likely to be in breach of their directors' duties or statutory duties not to do so; or (ii) they are required to do so under Rule 6 of the Takeovers Code or other Applicable Laws.

Nothing in the Implementation Agreement is intended to prevent or deprive the Shareholders from having the opportunity to consider or the Company from considering any unsolicited alternative offers, proposals or transactions in respect of, or for, the issued ordinary share capital or assets or undertakings (whether the whole or a substantial part) of the Company or the Group from any person other than the Offeror.

The Implementation Agreement will be terminated if the Scheme is not approved or the Proposal otherwise lapses or is withdrawn.

### **Consortium Agreement**

On 1 December 2021, Mr. Tan, Mr. Lim and CVC HoldCo entered into the Consortium Agreement, pursuant to which the parties have agreed to conduct and implement the Proposal in consultation with one another and for TopCo to have the shareholding structure as further described in the section headed "*Information on the Offeror Group*" in this Explanatory Memorandum on pages 135 to 136 of this Scheme Document.



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## EXPLANATORY MEMORANDUM

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Under the Consortium Agreement:

- (a) CVC HoldCo shall fund, or procure the funding, by way of equity investment in cash to TopCo at such time required to enable the Offeror to satisfy its obligations in respect of the cash consideration payable under the Scheme and the RSU Proposal in accordance with the Takeovers Code;
  
- (b) conditional upon the Scheme becoming effective, on the Effective Date:
  - (i) the Offeror will subscribe for, and the Company will allot and issue to the Offeror, one Share fully paid at par;
  
  - (ii) all Scheme Shares (including, for the avoidance of doubt, all the Founder Scheme Shares) will be cancelled;
  
  - (iii) such number of new Shares as is equal to the number of Scheme Shares cancelled (minus one) will be issued to the Offeror, credited as fully paid, such that the Company will become wholly owned by the Offeror;
  
  - (iv) in consideration for the issuance of the Shares pursuant to paragraph (b)(iii) above, the Offeror shall credit such portion of the number of Offeror Shares equivalent to the Shareholding Proportion of Mr. Tan and Mr. Lim in TopCo as fully paid;
  
  - (v) in consideration for the crediting of the portion of the unpaid Offeror Shares pursuant to paragraph (b)(iv) above, MidCo shall credit such portion of the number of MidCo Shares equivalent to the Shareholding Proportion of Mr. Tan and Mr. Lim in TopCo as fully paid; and
  
  - (vi) in consideration for the crediting of the portion of the unpaid MidCo Shares pursuant to paragraph (b)(v) above, TopCo shall credit all the unpaid TopCo Shares directly or indirectly held by Mr. Tan and Mr. Lim as fully paid;
  
- (c) conditional upon the Scheme becoming effective, within five business days (as defined in the Takeovers Code) from the Effective Date:
  - (i) CVC HoldCo shall pay or procure the payment of the equity investment amount in cash to TopCo in accordance with paragraph (a) above, upon which all the unpaid shares held by CVC HoldCo in TopCo shall be credited as fully paid;
  
  - (ii) upon the payment of such equity investment amount to TopCo pursuant to paragraph (c)(i) above, TopCo shall make payment of such equity investment amount to MidCo, and MidCo shall credit such portion of the number of MidCo Shares equivalent to the Shareholding Proportion of CVC HoldCo in TopCo as fully paid; and

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## EXPLANATORY MEMORANDUM

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- (iii) upon the payment of such equity investment amount to MidCo pursuant to paragraph (c)(ii) above, MidCo shall make payment of such equity investment amount to the Offeror, and the Offeror shall credit such portion of the number of Offeror Shares equivalent to the Shareholding Proportion of CVC HoldCo in TopCo as fully paid;
- (d) each of Mr. Tan, Mr. Lim and CVC HoldCo has agreed that for the purpose of effecting the steps pursuant to paragraphs (c)(i) to (c)(iii) above, CVC HoldCo shall pay or procure the payment of such equity investment amount to the Offeror directly; and
- (e) conditional upon the Scheme becoming effective and simultaneously with the payment by CVC HoldCo to the Offeror of its equity investment amount pursuant to paragraphs (c) and (d) above,
  - (i) Mr. Tan shall procure the transfer of 39,223 unencumbered fully paid ordinary shares and 100,263,564 unencumbered fully paid preference shares in TopCo by Chen Family Trust SPV 2 to CVC HoldCo (the “**Share Transfer**”); and
  - (ii) in consideration for the Share Transfer, CVC HoldCo shall pay or procure the payment of an amount of US\$100,000,000 (the “**Share Transfer Consideration**”) in cash to Chen Family Trust SPV 2, or as otherwise directed by Chen Family Trust SPV 2.

The Share Transfer is an agreed commercial arrangement between Mr. Tan and CVC HoldCo, which is a transaction separate from the Scheme. The number of TopCo Shares to be transferred to CVC HoldCo under the Share Transfer in exchange for the Share Transfer Consideration is determined by the transfer price per TopCo Share being equal to the Cancellation Price on a “see-through” basis to the TopCo level. The proceeds received from the Share Transfer are intended to ultimately be used by Mr. Tan for his personal financial liquidity needs.

The Consortium Agreement will be terminated if the Scheme is not approved or the Proposal otherwise lapses or is withdrawn.

### **Shareholders’ Agreement**

On 1 December 2021, Mr. Tan and Mr. Lim (each in his personal capacity), CVC HoldCo and TopCo entered into the Shareholders’ Agreement in respect of the future governance of the Offeror Group, which is intended to take full effect upon the Scheme becoming effective and the equity investment amount by CVC HoldCo in TopCo having been paid in accordance with the Consortium Agreement.

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## EXPLANATORY MEMORANDUM

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A summary of the key terms of the Shareholders' Agreement is set out below:

- (a) **Board composition:** The board of directors of TopCo shall consist of six members. Mr. Tan and Mr. Lim shall each be a director on the board. Mr. Tan and Mr. Lim shall jointly have the right to appoint four directors (which shall include Mr. Tan and Mr. Lim). CVC HoldCo shall have the right to appoint two directors, subject to a downward adjustment based on the shareholding of CVC HoldCo in TopCo.
- (b) **Voting rights:** Only ordinary shares in TopCo will be voting and each ordinary share will carry one vote. Preference shares will be non-voting.
- (c) **Quorum of shareholders' meetings:** The quorum for a shareholders' meeting of TopCo shall be two shareholders including at least Mr. Tan and CVC HoldCo.
- (d) **Dividend rights:** Each preference share will bear fixed cumulative yearly preferential dividend at the rate of 8% per annum.
- (e) **Reserved matters:** The board of directors of TopCo will be responsible for the overall direction, supervision and management of TopCo and the Offeror Group. CVC HoldCo shall have a veto right over a number of minority protection reserved matters including, among other things, amendment of constitutional documents, increase of share capital, liquidation and winding up of any member of the Offeror Group, appointment of auditors of the Offeror Group, change to the general nature of business scope, any material borrowings, mergers, investments, acquisitions, disposals and granting any material guarantees, commencing or settling any material dispute, and entering into any material related party transactions.
- (f) **Exit:** Shareholders of TopCo agree that they will work together to facilitate an eventual exit by CVC HoldCo from its investment in TopCo within five years after the Effective Date. Depending on market conditions at the time of exit, CVC HoldCo, Mr. Tan, Mr. Lim and TopCo will explore the best options for a potential liquidity event, including a qualified initial public offering or a trade sale of some or all of the TopCo Shares held by CVC HoldCo. As at the Latest Practicable Date, the exit strategy has yet to be agreed and confirmed by the parties.
- (g) **Pre-emption rights:** Each shareholder shall have pre-emption rights to participate in any future issuance of new securities by TopCo, subject to customary exceptions.
- (h) **Employee incentive plan:** In line with past and existing practice (as well as industry practice), it is the Company and the Offeror's intention that an employee incentive plan similar to the 2016 Equity Incentive Plan should remain in place following the implementation of the Proposal, which is conducive to the long-term success of the Company's business in terms of employee retention and incentivisation. Please refer to the section headed "*Employee Incentive Plan*" below for further details on the proposed post-privatisation employee incentive plan.

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## EXPLANATORY MEMORANDUM

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- (i) **Non-compete and non-solicit:** During the term of the Shareholders' Agreement and until two years after a qualified initial public offering or other exit events, each of the parties to the Shareholders' Agreement shall not carry on any business which may compete with the businesses of the Offeror Group or solicit the employment of certain senior officers of the Offeror Group, subject to customary exceptions.
- (j) **Default:** If CVC HoldCo commits any material breach of certain obligations under the Shareholders' Agreement, Mr. Tan and Mr. Lim may purchase all TopCo Shares held by CVC HoldCo. If Mr. Tan or Mr. Lim commits any material breach of certain obligations under the Shareholders' Agreement, CVC HoldCo may sell all TopCo Shares held by it to Mr. Tan and Mr. Lim.
- (k) **Termination:** The Shareholders' Agreement shall (a) terminate (i) by the parties' written agreement or (ii) upon all TopCo Shares being held by one person and (b) terminate with respect to any party if such party ceases to hold any TopCo Shares.

### 9. EMPLOYEE INCENTIVE PLAN

In line with the Company's past practice and industry practice, it is the Offeror's intention that an employee incentive plan similar to the 2016 Equity Incentive Plan will be implemented following the implementation of the Proposal, which in the Offeror's view will be conducive to the long-term success of the Company's business in terms of employee retention and incentivisation.

After the Effective Date, a holding company will be established to act as the trustee for the employee incentive plan, which is expected to hold up to 3.2% of the issued shares of TopCo; participants of the employee incentive plan will be granted rights to receive the economic benefits associated with such shares subject to vesting conditions similar to those under the 2016 Equity Incentive Plan.

The employee incentive plan is intended to benefit employees (including future employees) at all levels, as well as consultants and directors, who are selected by the Remuneration Committee based on criteria including individual performance, seniority and contribution to the relevant business unit and the Group.

### 10. SHAREHOLDING STRUCTURE OF THE COMPANY AND EFFECT OF THE PROPOSAL AND THE SCHEME

As at the Latest Practicable Date:

- (a) save for 8,826,228,347 Shares in issue and 176,359,248 RSUs which have been granted but have not yet vested, the Company does not have any outstanding shares, options, warrants, convertible securities or other relevant securities in issue;

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## EXPLANATORY MEMORANDUM

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- (b) the Founder Group legally and/or beneficially owns 4,973,918,092 Shares in aggregate, representing approximately 56.35% of the issued share capital of the Company, being the Founder Scheme Shares. For the avoidance of doubt, these Shares form part of the Scheme Shares. In addition, the Founder RSU Holders hold 90,778,848 RSUs in aggregate;
- (c) the Offeror, TopCo and MidCo does not legally and/or beneficially own, control or have direction over any Shares;
- (d) CVC HoldCo does not legally and/or beneficially own, control or have direction over any Shares;
- (e) the Offeror Concert Parties (other than the Founder Group, members of the Credit Suisse Group and the entities referred to in paragraph (c) or (d) above):
  - (i) legally and/or beneficially own 39,258,524 Shares in aggregate, representing approximately 0.44% of the issued share capital of the Company; and
  - (ii) hold 2,240,484 RSUs in aggregate;
- (f) the Disinterested Shareholders (including the RSU Trustee) legally and/or beneficially own, control or have direction over a total of 3,813,051,731 Shares in aggregate, representing approximately 43.20% of the total issued share capital of the Company;
- (g) the RSU Trustee holds 118,256,322 Shares in aggregate, representing approximately 1.34% of the total issued share capital of the Company, on trust in connection with the 2016 Equity Incentive Plan;
- (h) the RSU Holders (other than the Founder RSU Holders and the Offeror Concert Parties referred to in paragraph (e) above) hold 83,339,916 RSUs in aggregate;
- (i) save as set out in this section, neither the Offeror nor any of the Offeror Concert Parties (including members of the Credit Suisse Group, except members of the Credit Suisse Group which are exempt principal traders or exempt fund managers as recognized by the Executive for the purpose of the Takeovers Code) legally or beneficially owns, controls or has direction over any Shares or RSUs;
- (j) the Offeror and the Offeror Concert Parties have not entered into any outstanding derivative in respect of the securities of the Company; and
- (k) the Offeror and the Offeror Concert Parties have not borrowed or lent any relevant securities of the Company.

## EXPLANATORY MEMORANDUM

The table below sets out the shareholding structure of the Company as at the Latest Practicable Date and immediately following implementation of the Scheme, assuming that: (a) no further Shares will be issued and no further RSUs will be granted under the 2016 Equity Incentive Plan on or before the Scheme Record Date; and (b) there will be no other change in the shareholding of the Company before the Effective Date.

	As at the Latest Practicable Date			Immediately following implementation of the Scheme <sup>(7)</sup>	
	Number of Shares	Number of Shares as a percentage of total number of Shares in issue (%)	Number of RSUs which have been granted but have not yet vested	Number of Shares	%
<b>(A1) Founder Group</b>					
Mr. Tan <sup>(1)</sup>	81,343,906	0.92	90,395,353	–	–
Chen Family Trust HoldCo <sup>(1)</sup>	2,837,935,801	32.15	–	–	–
Chen Family Trust SPV 1 <sup>(1)</sup>	–	–	–	–	–
Chen Family Trust SPV 2 <sup>(1)</sup>	–	–	–	–	–
Mr. Lim <sup>(2)</sup>	1,464,300	0.02	383,495	–	–
Voyager Equity <sup>(2)</sup>	1,342,446,474	15.21	–	–	–
Primerose Ventures <sup>(2)</sup>	330,643,967	3.75	–	–	–
Lim Teck Lee Land <sup>(2)</sup>	307,424,615	3.48	–	–	–
Archview Capital Ltd <sup>(2)</sup>	18,358,843	0.21	–	–	–
Sandalwood Associates <sup>(2)</sup>	54,300,186	0.62	–	–	–
<b>(A2) CVC HoldCo</b>	–	–	–	–	–
<b>(A3) Offeror</b>	–	–	–	8,826,228,347	100
<b>(A) Sub-total = (A1) + (A2) + (A3)</b>	4,973,918,092	56.35	90,778,848	8,826,228,347	
<b>(B) Offeror Concert Parties other than the Founder Group, the CVC Funds and CVC Holdco<sup>(3)</sup></b>					
Mr. Tan's close relatives <sup>(4)</sup>	37,026,412	0.42	–	–	–
Mr. Tan Chong Neng <sup>(5)</sup>	2,232,112	0.03	2,240,484	–	–
<b>(B) Sub-total</b>	39,258,524	0.44	2,240,484	–	–
<b>(C) Disinterested Shareholders<sup>(6)</sup></b>					
RSU Trustee	118,256,322	1.34	–	–	–
Mr. Chau Kwok Fun Kevin	1,534,755	0.02	703,074	–	–
Nottinghill Holdings Limited	600,000	0.01	–	–	–
Mr. Lee Yong Sun	1,116,187	0.01	511,324	–	–
Mr. Gideon Yu	5,165,149	0.06	511,324	–	–
Others	3,686,379,318	41.77	81,614,194	–	–
<b>(C) Sub-total</b>	3,813,051,731	43.20	83,339,916	–	–
<b>Total (A) + (B) + (C)</b>	<b>8,826,228,347</b>	<b>100</b>	<b>176,359,248</b>	<b>8,826,228,347</b>	<b>100</b>

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## EXPLANATORY MEMORANDUM

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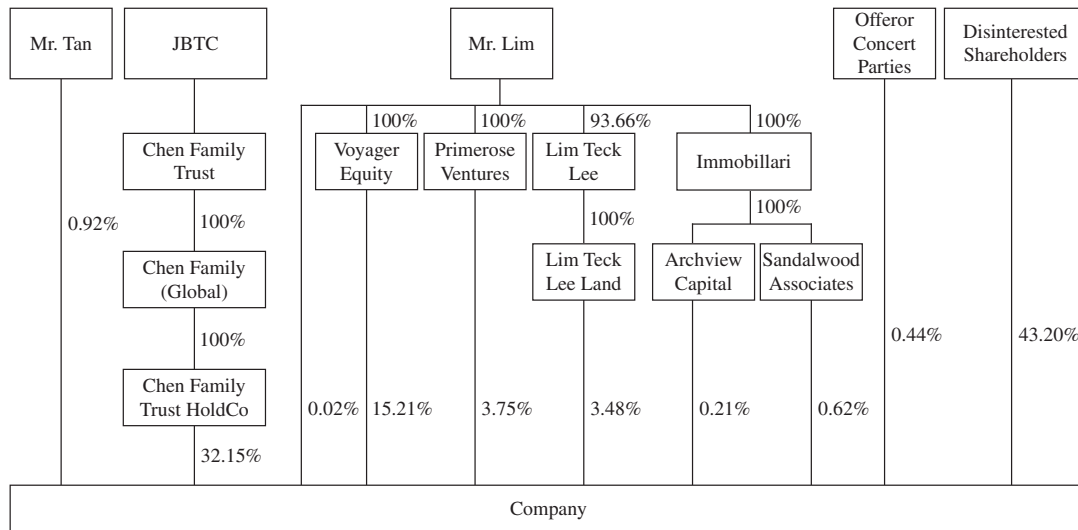
*Notes:*

- (1) Mr. Tan is the Chairman of the Board, an executive Director and the chief executive officer of the Company. Mr. Tan is interested (or deemed to be interested) in 3,009,675,060 Shares in aggregate, representing approximately 34.10% of the issued share capital of the Company as at the Latest Practicable Date, which consist of: (i) 2,837,935,801 Shares held by Chen Family Trust HoldCo, which is wholly owned by Chen Family (Global) which in turn is wholly owned by JBTC, the trustee of the Chen Family Trust of which Mr. Tan is the settlor; (ii) 81,343,906 Shares directly held by Mr. Tan; and (iii) 90,395,353 Shares underlying 90,395,353 RSUs which have been granted to Mr. Tan but have not yet vested as at the Latest Practicable Date. Chen Family Trust SPV 1 and Chen Family Trust SPV 2 are companies incorporated in the British Virgin Islands with limited liability and set up for the implementation of the Proposal, each of which is wholly owned by Chen Family Trust HoldCo.
- (2) Mr. Lim is a non-executive Director. Mr. Lim is interested (or deemed to be interested) in 2,055,021,880 Shares in aggregate, representing approximately 23.28% of the issued share capital of the Company as at the Latest Practicable Date, which consist of: (i) 1,342,446,474 Shares held by Voyager Equity, which is directly wholly owned by Mr. Lim; (ii) 330,643,967 Shares held by Primerose Ventures, which is directly wholly owned by Mr. Lim; (iii) 307,424,615 Shares held by Lim Teck Lee Land, which is wholly owned by Lim Teck Lee which is in turn 93.66% owned by Mr. Lim; (iv) 18,358,843 Shares held by Archview Capital, which is wholly owned by Immobiliari which is in turn wholly owned by Mr. Lim; (v) 54,300,186 Shares held by Sandalwood Associates, which is wholly owned by Immobiliari which is in turn wholly owned by Mr. Lim; (vi) 1,464,300 Shares directly held by Mr. Lim; and (vii) 383,495 Shares underlying 383,495 RSUs which have been granted to Mr. Lim but have not yet vested as at the Latest Practicable Date.
- (3) Credit Suisse is the financial adviser to the Offeror in connection with the Proposal and the RSU Proposal. Accordingly, members of the Credit Suisse Group are presumed to be acting in concert with the Offeror in relation to the Company by virtue of class (5) of the definition of “acting in concert” under the Takeovers Code (except members of the Credit Suisse Group which are exempt principal traders or exempt fund managers as recognised by the Executive for the purpose of the Takeovers Code). Exempt principal traders which are connected for the sole reason that they are under the same control as Credit Suisse are not presumed to be acting in concert with the Offeror. However, Shares held by members of the Credit Suisse Group acting in the capacity of exempt principal traders will not be voted at the Court Meeting unless the Executive allows such Shares to be so voted. Shares held by such exempt principal traders may, subject to the consent of the Executive, be allowed to be voted at the Court Meeting if: (a) the relevant connected exempt principal trader holds the relevant Shares as a simple custodian for and on behalf of a non-discretionary client; (b) there are contractual arrangements in place between the relevant connected exempt principal trader and such non-discretionary client that strictly prohibit the relevant connected exempt principal trader from exercising any voting discretion over the relevant Shares; (c) all voting instructions originate from such non-discretionary client only (if no instructions are given, then no votes shall be cast for the relevant Shares held by the relevant connected exempt principal trader); and (d) such non-discretionary client is not an Offeror Concert Party.
- (4) 37,026,412 Shares are directly held by Mr. Tan’s close relatives (as defined in the Takeovers Code), comprising Mr. Tan Kim Lee (being Mr. Tan’s father) and Dr. Tan E-Ching, Ms. Tan E-Fang and Dr. Tan Min-Han (being Mr. Tan’s siblings).
- (5) 2,232,112 Shares are directly held by Mr. Tan Chong Neng, an executive Director, who is also deemed to be interested in 2,240,484 Shares underlying 2,240,484 RSUs which have been granted to him but have not yet vested as at the Latest Practicable Date.
- (6) The Disinterested Shareholders include (among others): (i) the RSU Trustee, which holds 118,256,322 Shares; (ii) Mr. Chau Kwok Fun Kevin, an independent non-executive Director, who holds 1,534,755 Shares and is also deemed to be interested in 703,074 Shares underlying 703,074 RSUs which have been granted to him but have not yet vested as at the Latest Practicable Date; (iii) Nottingham Holdings Limited, a discretionary irrevocable trust of which Mr. Chau Kwok Fun Kevin is the settlor, which holds 600,000 Shares; (iv) Mr. Lee Yong Sun, an independent non-executive Director, who holds 1,116,187 Shares and is also deemed to be interested in 511,324 Shares underlying 511,324 RSUs which have been granted to him but have not yet vested as at the Latest Practicable Date; and (v) Mr. Gideon Yu, an independent non-executive Director, who holds 5,165,149 Shares and is also deemed to be interested in 511,324 Shares underlying 511,324 RSUs which have been granted to him but have not yet vested as at the date of the Latest Practicable Date.
- (7) On the Effective Date: (a) the Founder Scheme Shares will be cancelled in consideration for the Founder Scheme Shares Cancellation Consideration; (b) the RSU Trustee Scheme Shares will be cancelled for nil consideration; and (c) the Scheme Shares held by Offeror Concert Parties and Disinterested Shareholders (other than the Founder Group and the RSU Trustee) will be cancelled in consideration for the Cancellation Price per Scheme Share.

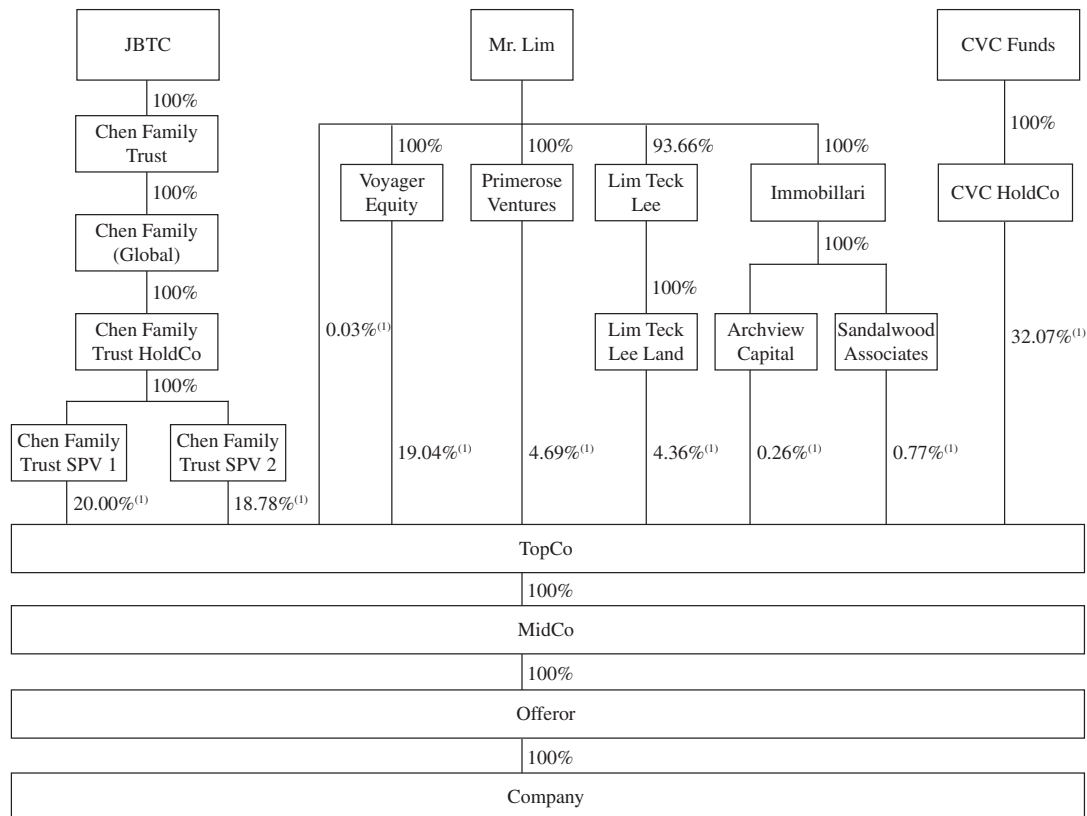
The Company and the Offeror will jointly publish an announcement after the vesting of RSUs on 1 April 2022 (being the last vesting date of outstanding RSUs before the Court Meeting and the General Meeting) to disclose the updated shareholding structure of the Company and the number of Disinterested Shares.

## EXPLANATORY MEMORANDUM

The chart below sets out the illustrative shareholding structure of the Company as at the Latest Practicable Date:



The chart below sets out the illustrative shareholding structure of the Company immediately upon the Scheme becoming effective and completion of the transfer of 100,302,787 fully paid TopCo Shares by Chen Family Trust SPV 2 to CVC HoldCo:



*Note:*

- Each shareholder of TopCo will hold ordinary shares and preference shares in TopCo in the same ratio of 1 ordinary share: 2,556 preference shares. Ordinary shares in TopCo carry voting rights of one vote per ordinary share. Preference shares in TopCo do not carry voting rights.



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## EXPLANATORY MEMORANDUM

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### 11. REASONS FOR AND BENEFITS OF THE PROPOSAL

Building on its successful hardware business, the Company has in recent years sought to create an ecosystem and expand into other business segments such as software and fintech services. At present, the hardware business still contributes most of the Company's revenue, while the other businesses are at a relatively early stage of development. The Company has continuously been evaluating and investing in new growth areas to build out the Company's gaming ecosystem. These growth areas require ongoing investments to prove out the business case over a longer period.

Recent efforts include extending its hardware offerings to new gaming equipment and lifestyle categories including gaming focused furniture, smart wearables, apparels, etc. that will require investments and time to build up distribution capabilities as these are different from existing peripherals or device systems partners.

With regard to its services business, as outlined in the Company's interim report for the six months ended 30 June 2021, the Company intends to expand into new regions for Razer Gold. For Razer Fintech, the Company seeks to scale payment volume and expand geographically across the Southeast Asia region. These geographical expansions require investments over a long period to establish local partners and teams for developing each business segment.

In addition, the Company intends to explore decentralised finance and blockchain opportunities, which requires significant investments. The path to profitability for such business lines are uncertain and long-term in nature.

The Company's focus on new growth areas will face execution, market, regulatory and competitive risks and requires a long period to undertake. The Company believes that the investments and strategies needed to execute on these plans may affect the performance of the business and the Company's Shares. As a result, the Offeror believes this process is best undertaken as a privatised business.

Since the Company's listing, publicly listed technology companies have experienced changes in market sentiment toward the technology sector regarding supply chain, global trade, and public policy developments. While the Company has been less directly affected by such headwinds than other technology firms, these conditions may continue to persist for a longer period.

The Proposal would allow the Company to reduce administrative costs and management resources associated with maintaining its listing and to enable the Company to focus on developing its long-term business growth areas as a private company.

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## EXPLANATORY MEMORANDUM

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Further, relatively low institutional investor participation in the Shares compounded by prolonged low trading liquidity has had a negative impact on the Company's share price. The average daily trading volume of the Shares for the 12 months up to and including the Undisturbed Date was approximately 29,844,018 Shares per day, which is approximately 0.34% of the issued Shares as at the Latest Practicable Date. Even after the Company's announcement of its strong financial performance for the six months ended 30 June 2021, trading in the Shares continued to be muted and price performance remained relatively weak.

The Cancellation Price of HK\$2.82 for each Scheme Share represents a premium of approximately 55.8% over the closing price of HK\$1.81 per Share as quoted on the Stock Exchange on the Undisturbed Date, and a premium of approximately 67.9% and 51.6% over the average closing price of approximately HK\$1.68 and HK\$1.86 per Share for 30 and 90 trading days up to and including the Undisturbed Date, respectively.

The Offeror is mindful of the long-term weak performance and thin liquidity of the Shares, which makes it difficult for the Shareholders to monetise their investments in the open market. The Offeror believes that the Proposal provides the Scheme Shareholders and the RSU Holders with an opportunity to fully crystallise the value of their investment and interests in the Company at a premium over the market price of the Shares (in particular the Share price prior to the Undisturbed Date).

### 12. THE OFFEROR'S INTENTIONS IN RELATION TO THE GROUP

The Offeror intends to continue the existing business of the Group, which principally comprises of the design, manufacture, distribution, research and development of gaming peripherals, systems, software, services, mobiles and accessories.

The Offeror does not have any plan to make any material change to:

- (a) the existing principal businesses of the Group, including any major redeployment of the fixed assets of the Group; or
- (b) the continued employment of the employees of the Group (other than in the ordinary course of business).

The Offeror plans to contribute additional financial and operational resources to the Company to further the Company's growth in its software and Fintech business segments, as well as new potential markets with the aim of deepening the Company's penetration in Southeast Asia, and tapping into new markets such as Latin America and Middle East.

Please also refer to paragraph (f) in the section headed "*Shareholders' Agreement*" above in relation to the proposed eventual exit by CVC HoldCo from its investment in TopCo within five years after the Effective Date.

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## EXPLANATORY MEMORANDUM

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### 13. IF THE SCHEME IS NOT APPROVED OR THE PROPOSAL LAPSES

Subject to the requirements of the Takeovers Code, the Scheme will lapse if any of the Conditions has not been fulfilled or waived, as applicable, on or before the Long Stop Date. If the Scheme is not approved or the Proposal otherwise lapses, the listing of the Shares on the Stock Exchange will not be withdrawn and the RSU Proposal will lapse.

**If the Scheme is not approved or the Proposal otherwise lapses, there are restrictions under the Takeovers Code on making subsequent offers, to the effect that neither the Offeror nor any person who acted in concert with it in the course of the Proposal (nor any person who is subsequently acting in concert with any of them) may, within 12 months from the date on which the Scheme is not approved or the Proposal otherwise lapses, announce an offer or possible offer for the Company, except with the consent of the Executive. The Offeror has no intention to seek such consent.**

### 14. INFORMATION ON THE OFFEROR GROUP

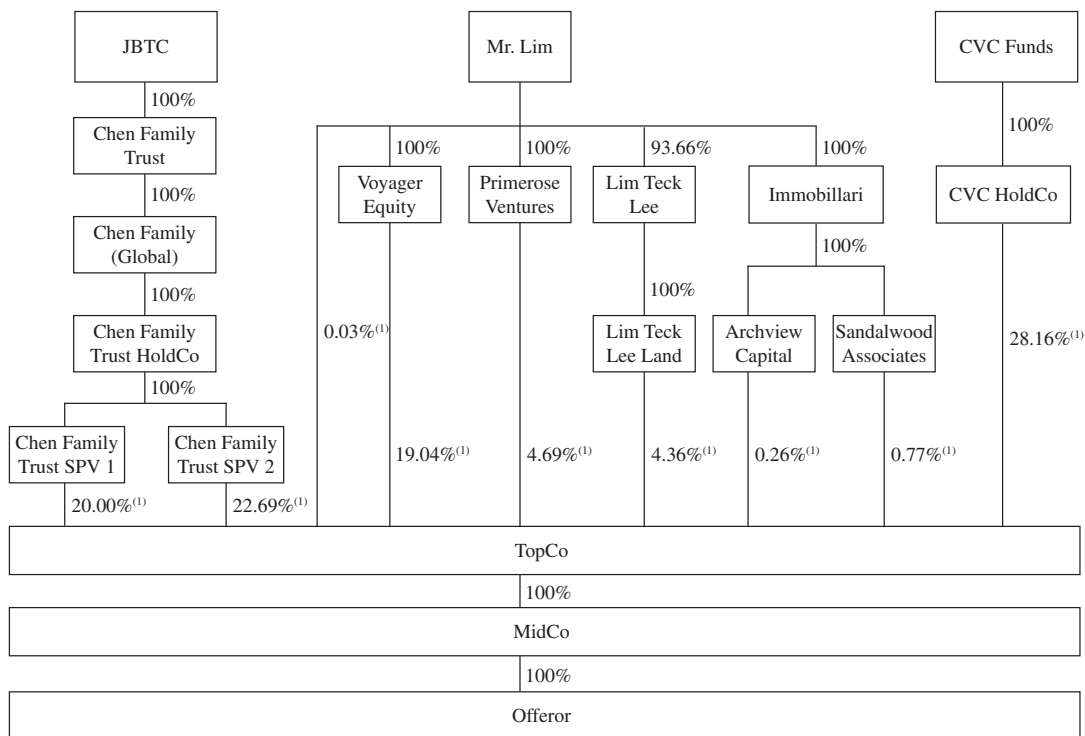
The Offeror Group comprises TopCo, MidCo, the Offeror and the Offeror's subsidiaries (which will include the Group upon the Scheme becoming effective).

- (a) TopCo is an exempted company incorporated in the Cayman Islands with limited liability and set up for the implementation of the Proposal. As at the Latest Practicable Date, TopCo has 1,002,255 ordinary shares and 2,562,019,394 preference shares in issue, among which:
  - (i) Chen Family Trust SPV 1 holds 1 ordinary share on a fully paid basis and 200,450 ordinary shares and 512,403,879 preference shares on an unpaid basis;
  - (ii) Chen Family Trust SPV 2 holds 227,435 ordinary shares and 581,381,859 preference shares on an unpaid basis;
  - (iii) Mr. Lim holds 262 ordinary shares and 671,532 preference shares on an unpaid basis;
  - (iv) Voyager Equity holds 190,856 ordinary shares and 487,876,191 preference shares on an unpaid basis;
  - (v) Primerose Ventures holds 47,008 ordinary shares and 120,163,689 preference shares on an unpaid basis;
  - (vi) Lim Teck Lee Land holds 43,707 ordinary shares and 111,725,236 preference shares on an unpaid basis;
  - (vii) Archview Capital holds 2,610 ordinary shares and 6,672,029 preference shares on an unpaid basis;

## EXPLANATORY MEMORANDUM

- (viii) Sandalwood Associates holds 7,720 ordinary shares and 19,733,948 preference shares on an unpaid basis; and
- (ix) CVC HoldCo holds 282,206 ordinary shares and 721,391,031 preference shares on an unpaid basis.
- (b) Each of MidCo and the Offeror is an exempted company incorporated in the Cayman Islands with limited liability and set up for the implementation of the Proposal. As at the Latest Practicable Date, the Offeror is wholly owned by MidCo, which in turn is wholly owned by TopCo.
- (c) As at the Latest Practicable Date, the board of each of the Offeror, MidCo and TopCo comprises Mr. Tan, Mr. Lim, Mr. Paul Robert Anderson, Mr. Jacobus Christiaan Van Der Spuy, Mr. Michal Stanislaw Pawlica, and Mr. Edward Michael Fletcher.

The chart below sets out the shareholding structure of the Offeror Group, the Founder Group and the CVC Network as at the Latest Practicable Date:



*Note:*

- Each shareholder of TopCo will hold ordinary shares and preference shares in TopCo in the same ratio of 1 ordinary share: 2,556 preference shares. Ordinary shares in TopCo carry voting rights of one vote per ordinary share. Preference shares in TopCo do not carry voting rights.

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## EXPLANATORY MEMORANDUM

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### 15. INFORMATION ON THE FOUNDER GROUP

The Founder Group comprises Mr. Tan, Mr. Lim, the Chen Family Trust Holding Companies, the TML HoldCos, the LKL HoldCos, Lim Teck Lee and ImmoBillari.

- (a) Mr. Tan is a co-founder of the Group and has served as the Group's chief executive officer since September 2006. Mr. Tan is also an executive Director and Chairman of the Board. He is responsible for the overall strategic development and business operations. In addition, he is in charge of directing and overseeing the design and development of all products of the Group.
- (b) Mr. Lim has been a founding investor since May 2005 and has served as a member of the Board since November 2012. He is a non-executive Director and is responsible for participating in decision-making in respect of major matters, such as strategy.
- (c) The Chen Family Trust Holding Companies are directly or indirectly wholly owned by JBTC on trust for the benefit of Mr. Tan and his family members.
- (d) The TML HoldCos are companies incorporated in the British Virgin Islands with limited liability and set up for the implementation of the Proposal. The TML HoldCos comprise Chen Family Trust SPV 1 and Chen Family Trust SPV 2, each of which is wholly owned by Chen Family Trust HoldCo.
- (e) The LKL HoldCos comprise (i) Voyager Equity, which is directly wholly owned by Mr. Lim; (ii) Primerose Ventures, which is directly wholly owned by Mr. Lim; (iii) Lim Teck Lee Land, which is wholly owned by Lim Teck Lee which is in turn 93.66% owned by Mr. Lim; (iv) Archview Capital, which is wholly owned by ImmoBillari which is in turn wholly owned by Mr. Lim; and (v) Sandalwood Associates, which is wholly owned by ImmoBillari which is in turn wholly owned by Mr. Lim.
- (f) Lim Teck Lee is a company incorporated in Singapore which is 93.66% owned by Mr. Lim.
- (g) ImmoBillari is a company incorporated in the British Virgin Islands with limited liability which is wholly owned by Mr. Lim.

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## EXPLANATORY MEMORANDUM

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### 16. INFORMATION ON THE CVC NETWORK

The CVC Network comprises CVC HoldCo, CVC and the CVC Funds.

CVC HoldCo is a private company incorporated in Jersey with limited liability and set up for the implementation of the Proposal. CVC HoldCo is ultimately wholly-owned by the CVC Funds. CVC HoldCo is an independent third party and is not connected with and is not a person acting in concert with the Company or its subsidiaries or any connected persons of the Company (other than members of the Founder Group).

CVC is a leading private equity and investment advisory firm. Founded in 1981, CVC today has a network of 25 offices and approximately 550 employees throughout Europe, Asia and the United States. To date, CVC has secured commitments of more than US\$125 billion from some of the world's leading institutional investors across its private equity strategies. In total, CVC currently manages over US\$97 billion of assets. Today, funds managed or advised by CVC are invested in more than 100 companies worldwide, which have combined annual sales of over US\$100 billion and employ more than 400,000 people. For more information, please visit [www.cvc.com](http://www.cvc.com).

The CVC Funds are widely held among a large number of investors, including pension funds, sovereign wealth funds, financial institutions and various other partners.

CVC Capital Partners Asia V Limited is the general partner of the CVC Funds. CVC Capital Partners Asia V Limited is ultimately controlled by CVC Capital Partners SICAV-FIS S.A.

### 17. INFORMATION ON THE GROUP

The Company is a company incorporated in the Cayman Islands with limited liability, the shares of which have been listed on the Main Board of the Stock Exchange since November 2017 with the stock code 1337. The principal activities of the Group are those relating to the design, manufacture, distribution, research and development of gaming peripherals, systems, software, services, mobiles and accessories.

Your attention is drawn to Appendix I headed "*Financial Information Relating to the Group*" and Appendix II headed "*General Information*" to this Scheme Document.

### 18. WITHDRAWAL OF LISTING OF THE SHARES ON THE STOCK EXCHANGE

Upon the Scheme becoming effective, all Scheme Shares will be cancelled (with the equivalent number of new Shares being simultaneously issued and credited as fully paid to the Offeror) and the share certificates for the Scheme Shares will thereafter cease to have effect as documents or evidence of title. The Company will make an application for the listing of the Shares to be withdrawn from the Stock Exchange in accordance with Rule 6.15(2) of the Listing Rules, with effect from 9:00 a.m., 13 May 2022.

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Subject to the requirements of the Takeovers Code, the Scheme will lapse if any of the Conditions described in the section headed “*Conditions of the Proposal*” in the Explanatory Memorandum on pages 118 to 121 of this Scheme Document has not been fulfilled or waived, as applicable, on or before the Long Stop Date.

The Scheme Shareholders will be notified by way of an announcement of the exact dates of the last day for dealing in the Shares and the day on which the Scheme and the withdrawal of the listing of the Shares on the Stock Exchange will become effective.

### **19. REGISTRATION AND PAYMENT**

Assuming that the Scheme Record Date falls on Wednesday, 11 May 2022, it is proposed that the register of members of the Company will be closed from Wednesday, 4 May 2022 (or such other date as Shareholders may be notified by an announcement) onwards in order to determine entitlements under the Scheme. In order to qualify for entitlements under the Scheme, Scheme Shareholders should ensure that the transfers of Shares to them are lodged with the Share Registrar at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration in their names or in the names of their nominees no later than 4:30 p.m. on Tuesday, 3 May 2022.

#### **Payment of the Cancellation Price to the Scheme Shareholders**

Upon the Scheme becoming effective, the Cancellation Price will be paid to the Scheme Shareholders whose names appear in the register of members of the Company on the Scheme Record Date as soon as possible but in any event within seven (7) business days (as defined in the Takeovers Code) following the Effective Date. On the basis that the Scheme becomes effective on Wednesday, 11 May 2022, the cheques for the payment of the Cancellation Price are expected to be despatched on or before Friday, 20 May 2022.

Cheques for the payment of the Cancellation Price will be sent by ordinary post in postage pre-paid envelopes addressed to the persons entitled thereto at their respective registered addresses or, in the case of joint holders, to the registered address of that joint holder whose name then stands first in the register of members of the Company in respect of the joint holding. All such cheques will be posted at the risk of the persons entitled thereto and none of the Offeror, the Offeror Concert Parties, the Company, Credit Suisse, the Independent Financial Adviser and the Share Registrar and their respective ultimate beneficial owners, directors, employees, officers, agents, advisers, associates and affiliates and any other persons involved in the Proposal will be responsible for any loss or delay in transmission.

On or after the day being six calendar months after the posting of such cheques, the Offeror shall have the right to cancel or countermand payment of any such cheque which has not been cashed or has been returned uncashed and shall place all monies represented thereby in a deposit account in the Offeror’s name with a licensed bank in Hong Kong selected by the Offeror.

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## EXPLANATORY MEMORANDUM

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The Offeror shall hold such monies until the expiry of six years from the Effective Date and shall, prior to such date, make payments therefrom of the sums payable pursuant to the Scheme to persons who satisfy the Offeror that they are respectively entitled thereto and the cheques of which they are payees have not been cashed. Any payments made by the Offeror shall include any interest accrued on the sums to which the respective persons are entitled pursuant to the Scheme calculated at the annual rate prevailing from time to time at the licensed bank in which the monies are deposited, subject, if applicable, to the deduction of interest, tax or any withholding tax or any other deduction required by law. The Offeror shall exercise its absolute discretion in determining whether or not it is satisfied that any person is so entitled, and a certificate of the Offeror to the effect that any particular person is so entitled or not so entitled, as the case may be, shall be conclusive and binding upon all persons claiming an interest in the relevant monies.

On the expiry of six years from the Effective Date, the Offeror shall be released from any further obligation to make any payments under the Scheme and the Offeror shall be absolutely entitled to the balance (if any) of the sums then standing to the credit of the deposit account in its name, including accrued interest subject to, if applicable, any deduction of interest, tax or any withholding tax or any other deduction required by law and expenses incurred.

Assuming that the Scheme becomes effective, the register of members of the Company will be updated accordingly to reflect the cancellation of all the Scheme Shares and all existing certificates for the Scheme Shares will cease to have effect as documents or evidence of title as from the Effective Date, which is expected to be on Wednesday, 11 May 2022.

Settlement of the Cancellation Price to which any Scheme Shareholder is entitled will be implemented in full in accordance with the terms of the Proposal without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such Scheme Shareholder.

### **Payment of the RSU Proposal Price to the Non-Founder RSU Holders**

The RSU Proposal is conditional upon the Scheme becoming effective. The RSU Proposal will become unconditional immediately upon the Scheme becoming effective, which will be prior to the withdrawal of the listing of the Shares on the Stock Exchange.

Under the RSU Proposal, the RSU Proposal Price will, upon the satisfaction of the relevant vesting and other conditions as set out in the rules of the 2016 Equity Incentive Plan and/or as specified by the Board, and subject to the compliance with the rules of the 2016 Equity Incentive Plan, be paid to each Non-Founder RSU Holder on a staggered basis within seven (7) business days (as defined in the Takeovers Code) following the vesting date of the relevant RSU(s) which is determined in accordance with the existing vesting schedule of the RSU(s) held by such Non-Founder RSU Holder as at the Scheme Record Date.

Receipt of the RSU Proposal Price may trigger taxes subject to withholding obligations of the Offeror. The RSU Proposal Price will be paid to the Non-Founder RSU Holder net of such applicable taxes, if any. All Non-Founder RSU Holders are recommended to consult their professional advisers if in any doubt as to the taxation implications of the RSU Proposal.



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If the RSU Proposal becomes unconditional, the cash consideration under the RSU Proposal due to the Non-Founder RSU Holders in accordance with the terms of the RSU Proposal will be held by the Offeror in a separate account and will be retained in such account pending payment to the Non-Founder RSU Holders as and when the payments are due. Such payments will be made to the Non-Founder RSU Holder by the Offeror within seven (7) business days (as defined in the Takeovers Code) following the vesting date of the relevant RSU(s) which is determined in accordance with the existing vesting schedule of the RSU(s) held by such Non-Founder RSU Holder(s) as at the Scheme Record Date.

Settlement of the consideration to which the Non-Founder RSU Holders are entitled under the RSU Proposal will be implemented in full in accordance with the terms of the 2016 Equity Incentive Plan, without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against any such Non-Founder RSU Holders.

Payment of the RSU Proposal Price under the RSU Proposal will be made by way of electronic bank transfer into a bank account as customarily used by the Non-Founder RSU Holders to receive compensation from the Group. All transfer fees (if applicable) will be deducted from the RSU Proposal Price under the RSU Proposal accordingly.

### **20. OVERSEAS HOLDERS OF THE SCHEME SHARES AND OVERSEAS RSU HOLDERS**

This Scheme Document has been prepared for the purposes of complying with the laws of Hong Kong and the Cayman Islands, the Takeovers Code and the Listing Rules and the information disclosed may not be the same as that which would have been disclosed if this Scheme Document had been prepared in accordance with the laws of any other jurisdictions.

This Scheme Document is not intended to, and does not, constitute, or form part of, an offer to buy or sell or subscribe for or an invitation to purchase or subscribe for any securities or the solicitation of any vote, approval or acceptance in any jurisdiction pursuant to the Proposal, the RSU Proposal or otherwise, nor shall there be any sale, issuance or transfer of securities of the Company in any jurisdiction in contravention of Applicable Laws.

The availability of the Proposal and the RSU Proposal to persons who are citizens, residents or nationals of a jurisdiction other than Hong Kong may be affected by the laws of the relevant jurisdiction in which they are located or resident or of which they are citizens. Persons who are citizens, residents or nationals of a jurisdiction other than Hong Kong should inform themselves about, and observe, any applicable legal, regulatory or tax requirements of the relevant jurisdiction in which they are located or resident or of which they are citizens and, where necessary, seek their own legal advice. The Offeror and the Company do not represent that this Scheme Document may be lawfully distributed in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Offeror and the Company which is

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intended to permit a public offering or the distribution of this Scheme Document in any jurisdiction (other than Hong Kong) where action for that purpose is required. Accordingly, Shareholders and RSU Holders are prohibited to (i) copy, distribute or publish all or part of this Scheme Document or any advertisement or other offering material in any jurisdiction (other than Hong Kong) or (ii) use information contained therein for any purpose other than assessment of the Proposal and the RSU Proposal, unless the information is already publicly available in another form.

It is the responsibility of the persons who are citizens, residents or nationals of a jurisdiction other than Hong Kong and who wish to take any action in relation to the Proposal, the Scheme and/or the RSU Proposal to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdiction in connection with any such action (including the obtaining of any governmental, exchange control or other consents which may be required, compliance with any other necessary formality and the payment of any issue, transfer or other tax in any relevant jurisdiction). The Offeror and the Company expressly decline any liability for breach of any of these restrictions by any persons.

As at the Latest Practicable Date, there were 280 Shareholders (representing approximately 9.36% of the total number of the Shareholders) whose addresses as shown in the register of members of the Company were outside Hong Kong and those Shareholders together held 12,472,698 Shares (representing approximately 0.14% of the issued share capital of the Company). Jurisdictions of these Shareholders include: Brazil, the British Virgin Islands, Canada, Denmark, Germany, Korea, Macau, Malaysia, the Philippines, Poland, the PRC, Singapore, Spain, Taiwan, Thailand and the United States.

As at the Latest Practicable Date, there were 859 RSU Holders whose addresses as reflected in the records of the Company were outside of Hong Kong and those RSU Holders together hold 174,447,593 RSUs. Jurisdictions of those RSU Holders include: Brazil, Canada, Denmark, Germany, Indonesia, Korea, Malaysia, Netherlands, the Philippines, the PRC, Poland, Romania, Singapore, Spain, Taiwan, Thailand, Turkey, the United Kingdom and the United States.

Having made all reasonable enquiries, the directors of the Offeror and the Directors are comfortable that there is no restriction under the respective laws or regulations of those jurisdictions against extending the Scheme automatically or despatching this Scheme Document and/or the letter to the RSU Holders to those overseas Shareholders and overseas RSU Holders. The Scheme and/or the RSU Proposal (as the case may be) will apply to and this Scheme Document will be despatched to those overseas Shareholders and overseas RSU Holders.

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A summary of requirements applicable to Shareholders or RSU Holders in certain jurisdictions is set out below.

### **RSU Holders residing or located in Brazil**

Each of this Scheme Document and the letter to RSU Holders is a strictly privileged and confidential document for the purposes of the Proposal, the Scheme and the RSU Proposal. These documents contain information addressed only to a specific individual and is not intended for distribution to, or use by, any other person. These documents (i) are provided for informational purposes only, (ii) should not be construed in any manner as a public offer of any securities or any related financial instruments and (iii) and will be addressed to shareholders with restrict access to information. The Proposal, the Scheme and the RSU Proposal have not been, and will not be, registered with the Brazilian Securities Commission (Comissão de Valores Mobiliários – CVM), and must not be offered in Brazil except in circumstances which do not constitute a public offering or distribution under Brazilian laws and regulations. Any public offering, placement or distribution, as defined under Brazilian laws and regulations, of securities in Brazil, is not legal without prior registration under Law No. 6,385, dated as of 7 December 1976, as amended. Documents relating to the offering of the relevant securities, as well as information contained therein, must not be supplied to the general public in Brazil (as the offering of the relevant securities is not a public offering of securities in Brazil) or used in connection with any offer for subscription or sale of the relevant securities to the general public in Brazil.

### **RSU Holders residing or located in the European Economic Area (“EEA”)**

Each of this Scheme Document, the letter to the RSU Holders and the RSU Proposal have been prepared on the basis that any offer to purchase securities referred to herein in any European Member State of the European Economic Area will be made pursuant to an exemption under Regulation (EU) 2017/1129 of the European Parliament and of the Council of the European Union of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Prospectus Directive 2003/71/EC (as amended, supplemented, varied and/or replaced from time to time) (the “**Prospectus Regulation**”) or otherwise in any European Member State or European Economic Area. Accordingly none of the Scheme Document or the letter to the RSU Holders comprises a prospectus within the meaning of the European Union prospectus law, and has not been prepared in accordance with the Prospectus Regulation or any measures made under that regulation or of any European Member State or European Economic Area treaty adherent state that implements that regulation or those measures.

### **RSU Holders residing or located in the Philippines**

Nothing in this Scheme Document, the letter to the RSU Holders and the RSU Proposal constitutes an offer of securities for sale or purchase in the Philippines under the Securities Regulation Code of the Philippines (the “**Code**”). The Shares or RSUs described herein have not been registered with the Philippine Securities and Exchange Commission under the Code. Any future offer or sale thereof is subject to the registration requirements under the Code unless such offer or sale qualifies as an exempt transaction.

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### **RSU Holders residing or located in Indonesia**

Each of this Scheme Document, the letter to the RSU Holders and the RSU Proposal does not constitute a public offering under the Indonesian Capital Market Law, Law No. 8 of 1995 and its implementing regulations. The Indonesian Financial Services Authority (Otoritas Jasa Keuangan, the successor of Bapepam & LK) neither declares its approval nor disapproval, nor does it make a determination on the accuracy or adequacy of this Scheme Document and/or the letter to the RSU Holders.

### **RSU Holders residing or located in Turkey**

Each of this Scheme Document, the letter to the RSU Holders and the RSU Proposal is not to be interpreted as a public offering or a private placement of any securities of the Company or sales of any securities of the Company to any qualified investors in accordance with the Capital Markets Law No 6362 and the Communiqué No. VII-128.4 on Foreign Capital Markets Instruments and Depository Receipts and Foreign Investment Fund Shares but a mere redemption of the rights of the RSU Holders. In Turkey, the Scheme Document and the letter to the RSU Holders are addressed only to the RSU Holders for use in relation to the RSU Proposal. This Scheme Document and the letter to the RSU Holders do not constitute marketing documents and serve to provide information to Shareholders and/or RSU Holders (as applicable) in relation to the Proposal, the Scheme and the RSU Proposal (as applicable).

Any action taken by the Scheme Shareholders will be deemed to constitute a representation and warranty from such persons to the Offeror and the Company and their respective advisers, including Credit Suisse, the financial adviser to the Offeror, that those laws and regulatory requirements have been complied with. If you are in doubt as to your position, you should consult your professional advisers. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees will give, or be subject to, the above warranty and representation.

## **21. TAXATION AND INDEPENDENT ADVICE**

As the Scheme and the RSU Proposal does not involve the sale and purchase of Hong Kong stock, no Hong Kong stamp duty will be payable pursuant to the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong) on the cancellation of the Scheme Shares upon the Scheme becoming effective and the cancellation of the RSUs under the RSU Proposal.

All Scheme Shareholders and RSU Holders, whether in Hong Kong or in other jurisdictions, are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting the Proposal, the Scheme or the RSU Proposal and, in particular, whether the receipt of the Cancellation Price or the RSU Proposal Price would make them liable to taxation in Hong Kong or in other jurisdictions.

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**It is emphasised that none of the Offeror, the Offeror Concert Parties, the Company, Credit Suisse, the Independent Financial Adviser and the Share Registrar and their respective ultimate beneficial owners, directors, employees, officers, agents, advisers, associates and affiliates or any other persons involved in the Proposal accept responsibility for any tax or other effects on, or liabilities of, any person or persons as a result of their approval or rejection, or the implementation, of the Proposal, the Scheme or the RSU Proposal.**

### **22. COURT MEETING AND GENERAL MEETING**

The Grand Court has directed that the Court Meeting be convened for the purpose of considering and, if thought fit, approving the Scheme (with or without modification).

All Scheme Shareholders as at the Meeting Record Date may attend and vote at the Court Meeting to approve the Scheme, but only the votes of the Disinterested Shareholders will be taken into account in determining if the Condition in paragraph (b) in the section headed “*Conditions to the Proposal*” above is satisfied. The Founder Shareholders have provided undertakings to the Grand Court not to attend and vote at the Court Meeting.

Each Scheme Shareholder will be counted as one member of the Company for the purposes of calculating the majority in number of Scheme Shareholders under section 86 of the Companies Act at the Court Meeting. In accordance with the direction from the Grand Court, the vote of HKSCC Nominees Limited (as a Scheme Shareholder) will be counted as one vote which will be exercised for or against the Scheme according to the majority of voting instructions it receives.

Each of the Founder Shareholders and the RSU Trustee has provided undertakings to the Grand Court to be bound by the Scheme and to receive (in the case of the Founder Shareholders) the Founder Scheme Shares Cancellation Consideration in consideration for cancellation of the Founder Scheme Shares under the Scheme or (in the case of the RSU Trustee) nil consideration for cancellation of the RSU Trustee Scheme Shares. The Offeror has also provided an undertaking to the Grand Court to be bound by the Scheme.

Notice of the Court Meeting is set out on pages 190 to 193 of this Scheme Document. The Court Meeting will be held on Tuesday, 26 April 2022 at the time and places specified in the notice.

All Shareholders as at the Meeting Record Date will be entitled to attend the General Meeting and to vote on: (a) the special resolution to approve and give effect to the reduction of the issued share capital of the Company on the Effective Date by cancelling the Scheme Shares; and (b) the ordinary resolution to approve and give effect to, immediately after such share capital reduction, the issuance to the Offeror of such number of new Shares as is equal to the number of Scheme Shares cancelled (minus one) and the application of the reserve created as a result of the aforesaid cancellation of the Scheme Shares to pay up in full at par such new Shares.

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For the avoidance of doubt, the RSU Trustee is not acting in concert with the Offeror and therefore the Shares held by the RSU Trustee are Disinterested Shares and are entitled to be voted at the Court Meeting and the General Meeting. However, pursuant to the trust deeds and the rules of the 2016 Equity Incentive Plan, while the Shares are held by the RSU Trustee in the trust, whether or not beneficial interest in such Shares has vested in any RSU Holder, the RSU Trustee shall refrain from exercising any voting rights in respect of the Shares held by it.

Notice of the General Meeting is set out on pages 194 to 198 of this Scheme Document. The General Meeting will be held at the same place and on the same date at 9:30 a.m. (or as soon thereafter as the Court Meeting shall have concluded or been adjourned).

### **23. ADDITIONAL REQUIREMENTS AS IMPOSED BY RULE 2.10 OF THE TAKEOVERS CODE**

In addition to satisfying any requirements imposed by law as summarised above, other than with the consent of the Executive to dispense with compliance or strict compliance therewith, Rule 2.10 of the Takeovers Code requires that the Scheme may only be implemented if:

- (a) the Scheme is approved by the Disinterested Shareholders holding at least 75% of the votes attaching to the Scheme Shares held by the Disinterested Shareholders that are cast either in person or by proxy at the Court Meeting; and
- (b) the number of votes cast by the Disinterested Shareholders present and voting either in person or by way of proxy at the Court Meeting against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all Scheme Shares held by all Disinterested Shareholders.

As at the Latest Practicable Date, there are 3,813,051,731 Disinterested Shares and 10% of the votes attached to such Disinterested Shares is 381,305,174 votes.

### **24. INDICATIONS AS TO VOTING**

Each of Mr. Chau Kwok Fun Kevin, Mr. Lee Yong Sun and Mr. Gideon Yu has indicated that those Shares held by him will (as applicable) be voted in favour of (i) the resolution to approve the Scheme at the Court Meeting and (ii) the resolutions to be proposed at the General Meeting to approve and give effect to the Scheme, including the issue to the Offeror of such number of new Shares (credited as fully paid) as is equal to the number of the Scheme Shares cancelled and extinguished.

Each of Mr. Tan, Mr. Tan Chong Neng and Mr. Lim has indicated that those Shares held by him will be voted in favour of the resolutions to be proposed at the General Meeting to approve and give effect to the Scheme, including the issue to the Offeror of such number of new Shares (credited as fully paid) as is equal to the number of the Scheme Shares cancelled and extinguished.

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### 25. BINDING EFFECT OF THE SCHEME

Upon the Scheme becoming effective, it will be binding on the Company and all Scheme Shareholders, regardless of how they voted (or whether they voted) at the Court Meeting and the General Meeting.

### 26. COSTS OF THE SCHEME

Pursuant to Rule 2.3 of the Takeovers Code, if the Scheme is not approved and the Proposal is either not recommended by the Independent Board Committee or not recommended as fair and reasonable by the Independent Financial Adviser, all costs and expenses incurred by the Company and the Offeror in connection with the Scheme and the RSU Proposal shall be borne by the Offeror. Given that the Proposal, the Scheme and the RSU Proposal are recommended by the Independent Board Committee and the Independent Financial Adviser, the Company and the Offeror have agreed that: (a) all costs, fees, charges and expenses of any professional adviser engaged or to be engaged by the Offeror (including Credit Suisse) will be borne by the Offeror; (b) all costs, fees, charges and expenses of any professional adviser engaged or to be engaged by the Company (including the Independent Financial Adviser) will be borne by the Company; and (c) all other costs, fees, charges and expenses in relation to the Proposal, the Scheme and RSU Proposal will be shared between the Company and the Offeror in equal shares.

### 27. ACTIONS TO BE TAKEN

#### Actions to be taken by Shareholders

For the purpose of determining the entitlements of the Scheme Shareholders to attend and vote at the Court Meeting and the entitlements of the Shareholders to attend and vote at the General Meeting, the register of members of the Company will be closed from Thursday, 21 April 2022 to Tuesday, 26 April 2022 (both days inclusive) (or such other dates as may be notified by the Company by way of announcement(s)), and during such period, no transfer of Shares will be effected. In order to qualify to vote at the Court Meeting and the General Meeting, the relevant forms of transfer of share ownership accompanied by the relevant share certificates must be lodged with the Share Registrar at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on Wednesday, 20 April 2022. A subsequent purchaser of Scheme Shares will need to obtain a proxy form from the transferor if he or she wishes to attend or vote at the Court Meeting or the General Meeting.

A **pink** form of proxy for use at the **Court Meeting** and a **white** form of proxy for use at the General Meeting are enclosed with this Scheme Document.

Whether or not you are able to attend the Court Meeting and/or the General Meeting or any adjournment thereof in person, if you are a Scheme Shareholder, you are strongly urged to complete and sign the enclosed **pink** form of proxy in respect of the Court Meeting, and if you are a Shareholder, you are strongly urged to complete and sign the enclosed **white** form of proxy in respect of the General Meeting, in accordance with the instructions printed thereon, and to lodge them at the Share Registrar's office at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

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**The pink form of proxy for use at the Court Meeting should be lodged no later than 9:00 a.m. on Sunday, 24 April 2022, which is 48 hours before the time appointed for holding the Court Meeting or any adjournment thereof. The pink form of proxy may also be handed to the Chairman of the Court Meeting (who will have absolute discretion on whether or not to accept it) at the Court Meeting. The white form of proxy for use at the General Meeting should be lodged no later than 9:30 a.m. on Sunday, 24 April 2022, which is 48 hours before the time appointed for holding the General Meeting or any adjournment thereof failing which it will not be valid.**

The completion and return of a form of proxy for the Court Meeting and/or the General Meeting will not preclude you from attending and voting in person at the relevant meeting or any adjournment thereof should you so wish, and, in such event, the relevant form of proxy will be revoked by operation of law.

If you do not appoint a proxy and you do not attend and vote at the Court Meeting and/or the General Meeting, you will still be bound by the outcome of the Court Meeting and/or the General Meeting if, among other things, the resolutions are passed by the requisite majorities of the Scheme Shareholders or the Disinterested Shareholders (as the case may be). You are therefore strongly urged to attend and vote at the Court Meeting and/or the General Meeting in person or by proxy.

Voting at the Court Meeting and the General Meeting will be taken by poll as required under the Listing Rules and the Takeovers Code.

The Company and the Offeror will make an announcement in relation to the results of the Court Meeting and the General Meeting, in accordance with Rule 19.1 of the Takeovers Code to the extent applicable, on Tuesday, 26 April 2022 by no later than 7:00 p.m. and, if all the resolutions are passed at those meetings, further announcements will be made in relation to, among other things, the results of the hearing of the petition for the sanction of the Scheme by the Grand Court, the Effective Date and the date of withdrawal of listing of Shares from the Stock Exchange in accordance with the requirements of the Takeovers Code and the Listing Rules.

### **Actions to be taken by Beneficial Owners whose Shares are held by a Registered Owner or deposited in CCASS**

No person shall be recognised by the Company as holding any Shares on trust.

If you are a Beneficial Owner whose Shares are registered in the name of a nominee, trustee, depository or any other authorised custodian or third party, you should contact such Registered Owner to give instructions to and/or to make arrangements with such Registered Owner as to the manner in which the Shares beneficially owned by you should be voted at the Court Meeting and/or the General Meeting.

If you are a Beneficial Owner who wishes to attend the Court Meeting and/or the General Meeting personally, you should:



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## EXPLANATORY MEMORANDUM

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- (a) contact the Registered Owner directly to make the appropriate arrangements with the Registered Owner to enable you to attend and vote at the Court Meeting and/or the General Meeting and, for such purpose, the Registered Owner may appoint you as its proxy; or
- (b) arrange for some or all of the Shares registered in the name of the Registered Owner to be transferred into your own name, if you wish to vote (in person or by proxy) at the Court Meeting and/or the General Meeting.

The appointment of a proxy by the Registered Owner at the Court Meeting and/or the General Meeting shall be in accordance with all relevant provisions in the bye-laws of the Company.

In the case of the appointment of a proxy by the Registered Owner, the relevant forms of proxy shall be completed and signed by the Registered Owner and shall be lodged in the manner and no later than the latest time for lodging the relevant forms of proxy as more particularly set out in this Scheme Document.

The completion and return of a form of proxy for the Court Meeting and/or the General Meeting will not preclude the Registered Owner from attending and voting in person at the relevant meeting or any adjournment thereof should he/she/it so wish, and, in such event, the relevant form of proxy will be revoked by operation of law.

Instructions to and/or arrangements with the Registered Owner should be given or made in advance of the relevant latest time for the lodgement of the forms of proxy in respect of the Court Meeting and/or the General Meeting in order to provide the Registered Owner with sufficient time to complete his/her/its forms of proxy accurately and to submit them by the deadline. To the extent that any Registered Owner requires instructions from or arrangements to be made with any Beneficial Owner at a particular date or time in advance of the relevant latest time for the lodgement of the forms of proxy in respect of the Court Meeting and the General Meeting, such Beneficial Owner should comply with the requirements of such Registered Owner.

If you are a Beneficial Owner whose Shares are deposited in CCASS and registered under the name of HKSCC Nominees, you must, unless you are an Investor Participant, contact your broker, custodian, nominee or other relevant person who is, or has, in turn, deposited such Shares with, a CCASS Participant regarding voting instructions to be given to such persons, or alternatively arrange for some or all of such Shares to be withdrawn from CCASS and transferred into your own name prior to the Meeting Record Date, if you wish to vote (in person or by proxy) at the Court Meeting and/or the General Meeting. The procedure for voting in respect of the Scheme by the Investor Participants and the Other CCASS Participants with respect to Shares registered under the name of HKSCC Nominees shall be in accordance with the “*General Rules of CCASS*” and the “*CCASS Operational Procedures*” in effect from time to time.

Only Scheme Shareholders whose Scheme Shares are registered in their own names in the register of members of the Company will be counted as members of the Company for the purpose of calculating whether or not a majority in number of members of the Company have

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approved the Scheme at the Court Meeting under section 86 of the Companies Act. In accordance with the direction from the Grand Court, the vote of HKSCC Nominees Limited (as a Scheme Shareholder) will be counted as one vote which will be exercised for or against the Scheme according to the majority of voting instructions it receives. Beneficial Owners who wish to individually vote or be counted for such purposes should make arrangements to be registered as a member of the Company in their own name prior to the Meeting Record Date.

### **28. EXERCISE YOUR RIGHT TO VOTE**

**IF YOU ARE A SHAREHOLDER OR A BENEFICIAL OWNER, YOU ARE STRONGLY URGED TO EXERCISE YOUR RIGHT TO VOTE OR GIVE INSTRUCTIONS TO THE RELEVANT REGISTERED OWNER TO VOTE IN PERSON OR BY PROXY AT THE COURT MEETING AND/OR AT THE GENERAL MEETING. IF YOU WISH TO BE COUNTED INDIVIDUALLY IN THE CALCULATION OF THE “MAJORITY IN NUMBER” REQUIREMENT AT THE COURT MEETING, YOU SHOULD MAKE ARRANGEMENTS TO BECOME A REGISTERED OWNER OF SOME OR ALL OF YOUR SHARES. PLEASE REFER TO THE SECTION HEADED “ACTIONS TO BE TAKEN BY BENEFICIAL OWNERS WHOSE SHARES ARE HELD BY A REGISTERED OWNER OR DEPOSITED IN CCASS” ABOVE FOR FURTHER DETAILS.**

**IF YOU KEEP ANY SHARES IN A SHARE LENDING PROGRAMME, YOU ARE STRONGLY URGED TO RECALL ANY OUTSTANDING SHARES ON LOAN TO AVOID MARKET PARTICIPANTS USING BORROWED STOCK TO VOTE.**

**IF YOU ARE A REGISTERED OWNER HOLDING SHARES ON BEHALF OF BENEFICIAL OWNERS, YOU SHOULD INFORM THE RELEVANT BENEFICIAL OWNERS ABOUT THE IMPORTANCE OF EXERCISING THEIR RIGHT TO VOTE. YOU SHOULD ALSO REMIND THE RELEVANT BENEFICIAL OWNERS THAT IF THEY WISH TO BE COUNTED INDIVIDUALLY IN THE CALCULATION OF THE “MAJORITY IN NUMBER” REQUIREMENT AT THE COURT MEETING, THEY SHOULD MAKE ARRANGEMENTS TO BECOME A REGISTERED OWNER OF SOME OR ALL OF THEIR SHARES. PLEASE REFER TO THE SECTION HEADED “ACTIONS TO BE TAKEN BY BENEFICIAL OWNERS WHOSE SHARES ARE HELD BY A REGISTERED OWNER OR DEPOSITED IN CCASS” ABOVE FOR FURTHER DETAILS.**

**IF APPROVED, THE PROPOSAL WILL BE BINDING ON ALL OF THE SCHEME SHAREHOLDERS, IRRESPECTIVE OF WHETHER OR NOT YOU ATTENDED OR VOTED AT THE COURT MEETING OR THE GENERAL MEETING.**

**IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR LICENSED SECURITIES DEALER OR REGISTERED INSTITUTION IN SECURITIES, BANK MANAGER, SOLICITOR, PROFESSIONAL ACCOUNTANT OR OTHER PROFESSIONAL ADVISER.**

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## **EXPLANATORY MEMORANDUM**

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### **29. FURTHER INFORMATION**

Further information in relation to the Proposal, the Scheme and the RSU Proposal is set out in the appendices to this Scheme Document, all of which form part of this Explanatory Memorandum.

Shareholders and RSU Holders should rely only on the information contained in this Scheme Document (and, in respect of the RSU Proposal, the letter to the RSU Holders). None of the Company, the Offeror, the Offeror Concert Parties, Credit Suisse, the Independent Financial Adviser and the Share Registrar and their respective ultimate beneficial owners, directors, employees, officers, agents, advisers, associates and affiliates and any other persons involved in the Proposal, the Scheme and the RSU Proposal have authorised anyone to provide you with information that is different from what is contained in this Scheme Document (and, in respect of the RSU Proposal, the letter to the RSU Holders).

### **30. FORWARD-LOOKING STATEMENTS**

This Scheme Document may include forward-looking statements. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “envisages”, “estimates”, “anticipates”, “expects”, “intends”, “may”, “will” or “should” or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts and include statements regarding the Offeror’s, the Company’s or their respective affiliates’ intentions, beliefs or current expectations. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Readers are cautioned that forward-looking statements are not guarantees of future performance and that actual results or developments may differ materially from those made in or suggested by the forward-looking statements contained in this Scheme Document, and may not be indicative of results or developments in subsequent periods. The forward-looking statements and information contained in this Scheme Document are made as of the Latest Practicable Date and each of the Offeror and the Company undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws or the Takeovers Code.

### **31. LANGUAGE**

In case of any inconsistency, the English language text of this Scheme Document and the accompanying forms of proxy shall prevail over the Chinese language text.

## 1. FINANCIAL SUMMARY

Set out below is a summary of the consolidated financial information of the Group for each of the three years ended 31 December 2021, 31 December 2020 and 31 December 2019 extracted from the results announcement for the year ended 31 December 2021 published by the Company on 17 March 2022 and the annual reports of the Company for the years ended 31 December 2020 and 31 December 2019, respectively.

The auditors' reports issued by the auditors of the Company, KPMG, in respect of the audited consolidated financial statements of the Group for each of the three years ended 31 December 2021, 31 December 2020 and 31 December 2019 did not contain any modified opinion, emphasis of matter or material uncertainty related to going concern.

### Summary of Consolidated Statement of Profit or Loss and Other Comprehensive Income

*Consolidated Statement of Profit or Loss and Other Comprehensive Income for the years ended 31 December 2021, 31 December 2020 and 31 December 2019 (Expressed in United States dollars)*

	<i>Note</i>	<b>2021</b> <i>US\$'000</i>	<b>2020</b> <i>US\$'000</i>	<b>2019</b> <i>US\$'000</i>
<b>Revenue</b>	5	1,619,590	1,214,570	820,795
Cost of sales		(1,230,410)	(943,562)	(652,732)
<b>Gross profit</b>		389,180	271,008	168,063
Selling and marketing expenses		(183,218)	(135,501)	(112,675)
Research and development expenses		(61,073)	(53,999)	(52,418)
General and administrative expenses		(93,035)	(77,653)	(89,267)
Impairment of goodwill and other assets	14	–	(10,830)	(9,525)
<b>Loss from operations</b>		51,854	(6,975)	(95,822)
Other non-operating income		(1,753)	3,880	6,188
Finance income	7	5,013	8,581	13,193
Finance costs	7	(2,851)	(1,134)	(1,375)
<b>Profit/(loss) before income tax</b>	8	52,263	4,352	(77,816)
Income tax expense	11(a)	(8,874)	(3,547)	(5,654)
<b>Profit/(loss) for the year</b>		43,389	805	(83,470)
<b>Other comprehensive income for the year, net of nil tax unless specified</b>				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Foreign currency translation differences – foreign operations		(5,516)	2,342	860
Remeasurement of net defined benefit liability		63	44	(81)
		(5,453)	2,386	779

**APPENDIX I FINANCIAL INFORMATION RELATING TO THE GROUP**

	<i>Note</i>	<b>2021</b> <i>US\$'000</i>	<b>2020</b> <i>US\$'000</i>	<b>2019</b> <i>US\$'000</i>
<i>Item that will not be reclassified to profit or loss:</i>				
Equity investments at fair value through other comprehensive income – net movement in fair value reserve (non-recycling)		2,369	3,764	(561)
<b>Other comprehensive income for the year</b>		(3,084)	6,150	218
<b>Total comprehensive income for the year</b>		40,305	6,955	(83,252)
<b>Profit/(loss) attributable to:</b>				
Equity shareholders of the Company		46,162	5,626	(84,179)
Non-controlling interests		(2,773)	(4,821)	709
<b>Profit/(loss) for the year</b>		<u>43,389</u>	<u>805</u>	<u>(83,470)</u>
<b>Total comprehensive income attributable to:</b>				
<b>Equity shareholders of the Company</b>		43,425	11,381	(81,755)
Non-controlling interests		(3,120)	(4,426)	(1,497)
<b>Total comprehensive income for the year</b>		40,305	6,955	(83,252)
<b>Profit/(loss) per share</b>	<i>12</i>			
Basic		US\$ 0.005	US\$ 0.001	US\$ (0.010)
Diluted		US\$ 0.005	US\$ 0.001	US\$ (0.010)
<b>Total dividends declared/proposed</b>		–	–	–

**2. CONSOLIDATED FINANCIAL STATEMENTS**

The Company is required to set out or refer to in this Scheme Document the consolidated statement of financial position, consolidated statement of cash flows and any other primary statement as shown in (i) the audited consolidated financial statements of the Group for the year ended 31 December 2021 (the “**2021 Financial Statements**”), together with the notes to the relevant published financial statements which are of major relevance to the appreciation of the above financial information.

The 2021 Financial Statements are set out on pages 17 to 35 of the results announcement of the Company for the year ended 31 December 2021 (the “**Results Announcement 2021**”), which was published on 17 March 2022. The 2021 Results Announcement is posted on the Company’s website <http://www.razer.com> and the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk). Please also see below a direct link to the Results Announcement 2021:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0317/2022031700349.pdf>

The audited consolidated financial statements of the Group for the year ended 31 December 2020 (the “**2020 Financial Statements**”) are set out on pages 87 to 146 of the annual report of the Company for the year ended 31 December 2020 (the “**Annual Report 2020**”), which was published on 16 April 2021. The Annual Report 2020 is posted on the Company’s website <http://www.razer.com> and the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk). Please also see below a direct link to the Annual Report 2020:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0416/2021041601333.pdf>

The audited consolidated financial statements of the Group for the year ended 31 December 2019 (the “**2019 Financial Statements**”) are set out on pages 83 to 146 of the annual report of the Company for the year ended 31 December 2019 (the “**Annual Report 2019**”), which was published on 27 April 2020. The Annual Report 2019 is posted on the Company’s website <http://www.razer.com> and the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk). Please also see below a direct link to the Annual Report 2019:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0427/2020042702614.pdf>

The 2021 Financial Statements (but not any other part of the Results Announcement 2021), the 2020 Financial Statements (but not any other part of the Annual Report 2020), 2019 Financial Statements (but not any other part of the Annual Report 2019) are incorporated by reference into this Scheme Document and form part of this Scheme Document.

### 3. STATEMENT OF INDEBTEDNESS AND CONTINGENT LIABILITIES

As at 31 January 2022, for the purpose of this statement of indebtedness, the Group had the following outstanding indebtedness:

(a) **Borrowings**

The Group has no bank and other loans.

(b) **Charges on Assets**

The Group has no properties charged to secure bank.

**(c) Contingent Liabilities**

The Group did not have any issued and outstanding debt securities, authorised or otherwise created but unissued debt securities, loan capital, bank overdrafts, loans, mortgages, charges or other similar indebtedness, liabilities under acceptances or acceptance credits, guarantees or other material contingent liabilities.

**(d) Lease Liabilities**

The Group had lease liabilities of USD29.9 million, which were unsecured and unguaranteed.

**4. MATERIAL CHANGE**

The Directors confirm that as at the Latest Practicable Date, there had been no material change in the financial or trading position or outlook of the Group since 31 December 2021, being the date to which the latest published audited consolidated financial statements of the Group were made up.

## 1. RESPONSIBILITY STATEMENT

As at the Latest Practicable Date, the Board consists of Mr. Tan as Chairman and executive Director, Mr. Tan Chong Neng as executive Director, Mr. Lim as non-executive Director, and Mr. Gideon Yu, Mr. Chau Kwok Fun Kevin and Mr. Lee Yong Sun as independent non-executive Directors.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Scheme Document (other than the information relating to the Offeror Group, the Founder Group and the CVC Network) and confirm, having made all reasonable inquiries, that, to the best of their knowledge, opinions expressed in this Scheme Document (other than the opinions expressed by the directors of the Offeror, TopCo, MidCo, the TML HoldCos and CVC HoldCo, by Mr. Tan (in respect of himself and the Chen Family Trust Holding Companies) and by Mr. Lim (in respect of himself, the LKL HoldCos, Lim Teck Lee and ImmoBillari)) have been arrived at after due and careful consideration and there are no other facts not contained in this Scheme Document, the omission of which would make any statement in this Scheme Document misleading.

As at the Latest Practicable Date, the directors of each of the Offeror, MidCo and TopCo are Mr. Tan, Mr. Lim, Mr. Paul Robert Anderson, Mr. Jacobus Christiaan Van Der Spuy, Mr. Michal Stanislaw Pawlica, and Mr. Edward Michael Fletcher.

The directors of the Offeror, TopCo, and MidCo jointly and severally accept full responsibility for the accuracy of the information contained in this Scheme Document relating to the Offeror Group and confirm, having made all reasonable inquiries, that, to the best of their knowledge, opinions expressed in this Scheme Document by the respective directors of the Offeror, TopCo, and MidCo have been arrived at after due and careful consideration and there are no other facts not contained in this Scheme Document, the omission of which would make any statement in this Scheme Document misleading.

As at the Latest Practicable Date, the sole director of each of Chen Family Trust SPV 1 and Chen Family Trust SPV 2 is Mr. Tan.

Mr. Tan accepts full responsibility for the accuracy of the information contained in this Scheme Document in relation to himself, Chen Family Trust SPV 1, Chen Family Trust SPV 2 and the Chen Family Trust Holding Companies and confirms, having made all reasonable inquiries, that to the best of his knowledge, opinions expressed in this Scheme Document by him have been arrived at after due and careful consideration and there are no other facts not contained in this Scheme Document the omission of which would make any statements in this Scheme Document misleading.



Mr. Lim accepts full responsibility for the accuracy of the information contained in this Scheme Document in relation to himself, the LKL HoldCos, Lim Teck Lee and ImmoBillari and confirms, having made all reasonable inquiries, that to the best of his knowledge, opinions expressed in this Scheme Document by him have been arrived at after due and careful consideration and there are no other facts not contained in this Scheme Document the omission of which would make any statements in this Scheme Document misleading.

As at the Latest Practicable Date, the directors of CVC HoldCo are Carl John Hansen, Wendy Martin and Michal Stanislaw Pawlica and the directors of CVC Capital Partners Asia V Limited are Marc George Ledingham Rachman, Carl John Hansen, John Fredric Maxey, Victoria Emma Cabot and Jonathan George Wrigley.

The directors of CVC HoldCo and CVC Capital Partners Asia V Limited jointly and severally accept full responsibility for the accuracy of the information contained in this Scheme Document in relation to the CVC Network and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this Scheme Document by the directors of CVC HoldCo have been arrived at after due and careful consideration and there are no other facts not contained in this Scheme Document the omission of which would make any statements in this Scheme Document misleading.

## 2. SHARE CAPITAL OF THE COMPANY

As at the Latest Practicable Date:

- (a) the authorised share capital of the Company is US\$150,000,000 divided into 15,000,000,000 Shares;
- (b) the issued and paid-up share capital of the Company comprises 8,826,228,347 Shares;
- (c) all of the Shares currently in issue rank *pari passu* in all respects including as to capital, dividends and voting;
- (d) 66,472,656 Shares had been issued by the Company since 31 December 2021 (being the end of the last financial year of the Company); and
- (e) other than 176,359,248 RSUs which have been granted but have not yet vested, the Company does not have any outstanding options, warrants or conversion rights affecting Shares in the Company.

## 3. MARKET PRICES

- (a) The table below shows the closing market prices of the Shares as quoted on the Stock Exchange (i) on the Latest Practicable Date; (ii) on the Last Trading Date and (iii) at the end of each month during the Relevant Period:

Date	Closing price per Share HK\$
25 March 2022, being the Latest Practicable Date	2.42
28 October 2021, being the last business day immediately preceding the date of the initial announcement pursuant to Rule 3.7 of the Takeovers Code	1.96
1 December 2021, being the Last Trading Date	2.67
At the end of each calendar month during the Relevant Period:	
30 April 2021	2.78
31 May 2021	2.58
30 June 2021	2.11
30 July 2021	1.88
31 August 2021	1.98
30 September 2021	1.59
28 October 2021	1.96
30 November 2021	2.55
31 December 2021	2.42
31 January 2022	2.28
28 February 2022	2.53

- (b) During the Relevant Period, the highest closing price of the Shares was HK\$3.05 per Share as quoted on the Stock Exchange on 25 November 2021 and the lowest closing price of the Shares was HK\$1.51 per Share as quoted on the Stock Exchange on 6 October 2021.
- (c) The Cancellation Price of HK\$2.82 per Scheme Share represents a premium of approximately 5.6% over the closing price of HK\$2.67 per Share as quoted on the Stock Exchange on the Last Trading Date.

## 4. DISCLOSURE OF INTERESTS IN THE SHARES

**Interests of Directors in the Shares**

As at the Latest Practicable Date, the interests and positions of the Directors of the Company in the Shares, which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or (b) to be entered in the register required to be kept under section 352 of the SFO; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix 10 to the Listing Rules; or (d) to be disclosed in accordance with the Takeovers Code, are set out below:

*Long positions in the Shares of the Company*

Name of Director	Capacity	Nature of interests	Number of Shares held	Approximate percentage of shareholding <sup>(1)</sup>
Mr. Tan	Beneficial owner	Personal interest	171,739,259 <sup>(2)</sup>	1.95%
	Founder of a discretionary trust	Other interest	2,837,935,801 <sup>(3)</sup>	32.15%
Tan Chong Neng	Beneficial owner	Personal interest	4,472,596 <sup>(4)</sup>	0.05%
Mr. Lim	Beneficial owner	Personal interest	1,847,795 <sup>(5)</sup>	0.02%
	Interest of controlled corporations	Corporate interest	2,053,174,085 <sup>(6)</sup>	23.26%
Chau Kwok Fun Kevin	Beneficial owner	Personal interest	2,237,829 <sup>(7)</sup>	0.03%
	Founder of a discretionary trust	Other interest	600,000 <sup>(8)</sup>	0.01%
Lee Yong Sun	Beneficial owner	Personal interest	1,627,511 <sup>(9)</sup>	0.02%
Gideon Yu	Beneficial owner	Personal interest	5,676,473 <sup>(10)</sup>	0.06%

*Notes:*

- (1) The percentage has been computed based on the total number of Shares of the Company in issue as at the Latest Practicable Date (i.e. 8,826,228,347 Shares).
- (2) Mr. Tan had a beneficial interest in a total of 171,739,259 Shares which included beneficial interest in 90,395,353 Shares underlying 90,395,353 restricted share units (“RSUs”) which have been granted and have not yet vested as at the Latest Practicable Date.

- (3) 2,837,935,801 Shares were held by JBTC as the trustee of Chen Family Trust, which beneficially owns Chen Family (Global) which in turn wholly owns Chen Family (Hivemind) Holdings Limited. Chen Family Trust was established by Mr. Tan as the settlor and the investment advisor. Mr. Tan and his family members are the beneficiaries of Chen Family Trust. Mr. Tan is also a director of Chen Family (Hivemind) Holdings Limited.
- (4) Tan Chong Neng had a beneficial interest in a total of 4,472,596 Shares which included beneficial interest in 2,240,484 Shares underlying 2,240,484 RSUs which have been granted and have not yet vested as at the Latest Practicable Date.
- (5) Mr. Lim had a beneficial interest in a total of 1,847,795 Shares which included beneficial interest in 383,495 Shares underlying 383,495 RSUs which have been granted and have not yet vested as at the Latest Practicable Date.
- (6) Lim Teck Lee Land Pte Ltd directly held 307,424,615 Shares and is 93.66% owned indirectly by Mr. Lim through Lim Teck Lee (Pte.) Ltd. Archview Capital Ltd and Sandalwood Associates Limited directly held 18,358,843 Shares and 54,300,186 Shares, respectively, and are indirectly wholly-owned by Mr. Lim through ImmoBillari Limited. Voyager Equity Limited and Primerose Ventures Inc. directly held 1,342,446,474 Shares and 330,643,967 Shares, respectively, and are directly wholly-owned by Mr. Lim. Mr. Lim is deemed by virtue of the SFO to be interested in the Shares held by Lim Teck Lee Land Pte Ltd, Archview Capital Ltd, Sandalwood Associates Limited, Voyager Equity Limited and Primerose Ventures Inc.
- (7) Chau Kwok Fun Kevin had a beneficial interest in a total of 2,237,829 Shares which included beneficial interest in 703,074 Shares underlying 703,074 RSUs which have been granted and have not yet vested as at the Latest Practicable Date.
- (8) 600,000 Shares were held by Nottingham Holdings Limited, a discretionary, irrevocable trust of which Chau Kwok Fun Kevin is the settlor.
- (9) Lee Yong Sun had a beneficial interest in a total of 1,627,511 Shares which included beneficial interest in 511,324 Shares underlying 511,324 RSUs which have been granted and have not yet vested as at the Latest Practicable Date.
- (10) Gideon Yu had a beneficial interest in a total of 5,676,473 Shares which included beneficial interest in 511,324 Shares underlying 511,324 RSUs which have been granted and have not yet vested as at the Latest Practicable Date.

### Interests of Substantial Shareholders in the Shares

Name of Shareholder	Capacity	Number of Shares held or interested	Approximate percentage of shareholding <sup>(1)</sup>
Julius Baer Group Ltd	Interest of controlled corporations	2,837,935,801 <sup>(2)</sup>	32.15%
JBTC	Trustee	2,837,935,801 <sup>(2)</sup>	32.15%
Chen Family (Global)	Interest of controlled corporations	2,837,935,801 <sup>(2)</sup>	32.15%
Chen Family (Hivemind) Holdings Limited	Beneficial owner	2,837,935,801 <sup>(2)</sup>	32.15%
Voyager Equity Limited	Beneficial owner	1,342,446,474 <sup>(3)</sup>	15.21%

*Notes:*

- (1) The percentage has been computed based on the total number of Shares of the Company in issue as at the Latest Practicable Date (i.e. 8,826,228,347 Shares).
- (2) 2,837,935,801 Shares were held by JBTC as the trustee of the Chen Family Trust, which beneficially owns Chen Family (Global) which in turn wholly owns Chen Family (Hivemind) Holdings Limited. The Chen Family Trust was established by Mr. Tan as the settlor and the investment advisor. Mr. Tan and his family members are the beneficiaries of the Chen Family Trust. Mr. Tan is also a director of Chen Family (Hivemind) Holdings Limited. Julius Baer Group Limited is a parent company of JBTC which has an interest in the shares in its role as trustee of a certain trust.
- (3) 1,342,446,474 Shares were held by Voyager Equity Limited, which is directly wholly-owned by Mr. Lim.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors was interested within the meaning of Part XV of the SFO in any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares.

**Interests of the Offeror in the Shares**

Save as disclosed below, as at the Latest Practicable Date, none (a) the Offeror; (b) directors of the Offeror and (c) the Offeror Concert Parties was interested within meaning of Part XV of the SFO in any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares:

	<b>As at the Latest Practicable Date</b>		
	<b>Number of Shares</b>	<b>Shares as a percentage of total number of Shares in issue (%)</b>	<b>Number of RSUs which have been granted but have not yet vested</b>
<b>(A1) Founder Group</b>			
Mr. Tan <sup>(1)</sup>	81,343,906	0.92	90,395,353
Chen Family Trust HoldCo <sup>(1)</sup>	2,837,935,801	32.15	–
Chen Family Trust SPV 1 <sup>(1)</sup>	–	–	–
Chen Family Trust SPV 2 <sup>(1)</sup>	–	–	–
Mr. Lim <sup>(2)</sup>	1,464,300	0.02	383,495
Voyager Equity <sup>(2)</sup>	1,342,446,474	15.21	–
Primerose Ventures <sup>(2)</sup>	330,643,967	3.75	–
Lim Teck Lee Land <sup>(2)</sup>	307,424,615	3.48	–
Archview Capital Ltd <sup>(2)</sup>	18,358,843	0.21	–
Sandalwood Associates <sup>(2)</sup>	54,300,186	0.62	–
<b>(A2) CVC HoldCo</b>	–	–	–
<b>(A3) Offeror</b>	–	–	–
<b>(A) Sub-total = (A1) + (A2) + (A3)</b>	<b>4,973,918,092</b>	<b>56.35</b>	<b>90,778,848</b>

	As at the Latest Practicable Date		
	Number of Shares	Shares as a percentage of total number of Shares in issue (%)	Number of RSUs which have been granted but have not yet vested
<b>(B) Offeror Concert Parties other than the Founder Group, the CVC Funds and CVC Holdco<sup>(3)</sup></b>			
Mr. Tan's close relatives <sup>(4)</sup>	37,026,412	0.42	–
Mr. Tan Chong Neng <sup>(5)</sup>	2,232,112	0.03	2,240,484
<b>(B) Sub-total</b>	39,258,524	0.44	2,240,484
<b>(C) Disinterested Shareholders<sup>(6)</sup></b>			
RSU Trustee	118,256,322	1.34	–
Mr. Chau Kwok Fun Kevin	1,534,755	0.02	703,074
Nottingham Holdings Limited	600,000	0.01	–
Mr. Lee Yong Sun	1,116,187	0.01	511,324
Mr. Gideon Yu	5,165,149	0.06	511,324
Others	3,686,379,318	41.77	81,614,194
<b>(C) Sub-total</b>	<u>3,813,051,731</u>	<u>43.20</u>	<u>83,339,916</u>
<b>Total (A) + (B) + (C)</b>	<u><u>8,826,228,347</u></u>	<u><u>100</u></u>	<u><u>176,359,248</u></u>

*Notes:*

- (1) Mr. Tan is the Chairman of the Board, an executive Director and the chief executive officer of the Company. Mr. Tan is interested (or deemed to be interested) in 3,009,675,060 Shares in aggregate, representing approximately 34.10% of the issued share capital of the Company as at the Latest Practicable Date, which consist of: (i) 2,837,935,801 Shares held by Chen Family Trust HoldCo, which is wholly owned by Chen Family (Global) which in turn is wholly owned by JBTC, the trustee of the Chen Family Trust of which Mr. Tan is the settlor; (ii) 81,343,906 Shares directly held by Mr. Tan; and (iii) 90,395,353 Shares underlying 90,395,353 RSUs which have been granted to Mr. Tan but have not yet vested as at the Latest Practicable Date. Chen Family Trust SPV 1 and Chen Family Trust SPV 2 are companies incorporated in the British Virgin Islands with limited liability and set up for the implementation of the Proposal, each of which is wholly owned by Chen Family Trust HoldCo.
- (2) Mr. Lim is a non-executive Director. Mr. Lim is interested (or deemed to be interested) in 2,055,021,880 Shares in aggregate, representing approximately 23.28% of the issued share capital of the Company as at the Latest Practicable Date, which consist of: (i) 1,342,446,474 Shares held by Voyager Equity, which is directly wholly owned by Mr. Lim; (ii) 330,643,967 Shares held by Primerose Ventures, which is directly wholly owned by Mr. Lim; (iii) 307,424,615 Shares held by Lim Teck Lee Land, which is wholly owned by Lim Teck Lee which is in turn 93.66% owned by Mr. Lim; (iv) 18,358,843 Shares held by Archview Capital, which is wholly owned by Immoillari which is in turn wholly owned by Mr. Lim; (v) 54,300,186 Shares held by Sandalwood Associates, which is wholly owned by Immoillari which is in turn wholly owned by Mr. Lim; (vi) 1,464,300 Shares directly held by Mr. Lim; and (vii) 383,495 Shares underlying 383,495 RSUs which have been granted to Mr. Lim but have not yet vested as at the Latest Practicable Date.

- (3) Credit Suisse is the financial adviser to the Offeror in connection with the Proposal and the RSU Proposal. Accordingly, members of the Credit Suisse Group are presumed to be acting in concert with the Offeror in relation to the Company by virtue of class (5) of the definition of “acting in concert” under the Takeovers Code (except members of the Credit Suisse Group which are exempt principal traders or exempt fund managers as recognised by the Executive for the purpose of the Takeovers Code). Exempt principal traders which are connected for the sole reason that they are under the same control as Credit Suisse are not presumed to be acting in concert with the Offeror. However, Shares held by members of the Credit Suisse Group acting in the capacity of exempt principal traders will not be voted at the Court Meeting unless the Executive allows such Shares to be so voted. Shares held by such exempt principal traders may, subject to the consent of the Executive, be allowed to be voted at the Court Meeting if: (a) the relevant connected exempt principal trader holds the relevant Shares as a simple custodian for and on behalf of a non-discretionary client; (b) there are contractual arrangements in place between the relevant connected exempt principal trader and such non-discretionary client that strictly prohibit the relevant connected exempt principal trader from exercising any voting discretion over the relevant Shares; (c) all voting instructions originate from such non-discretionary client only (if no instructions are given, then no votes shall be cast for the relevant Shares held by the relevant connected exempt principal trader); and (d) such non-discretionary client is not an Offeror Concert Party.
- (4) 37,026,412 Shares are directly held by Mr. Tan’s close relatives (as defined in the Takeovers Code), comprising Mr. Tan Kim Lee (being Mr. Tan’s father) and Dr. Tan E-Ching, Ms. Tan E-Fang and Dr. Tan Min-Han (being Mr. Tan’s siblings).
- (5) 2,232,112 Shares are directly held by Mr. Tan Chong Neng, an executive Director, who is also deemed to be interested in 2,240,484 Shares underlying 2,240,484 RSUs which have been granted to him but have not yet vested as at Latest Practicable Date.
- (6) The Disinterested Shareholders include (among others): (i) the RSU Trustee, which holds 118,256,322 Shares; (ii) Mr. Chau Kwok Fun Kevin, an independent non-executive Director who holds 1,534,755 Shares and is also deemed to be interested in 703,074 Shares underlying 703,074 RSUs which have been granted to him but have not yet vested as at the Latest Practicable Date; (iii) Nottingham Holdings Limited, a discretionary irrevocable trust of which Mr. Chau Kwok Fun Kevin is the settlor, which holds 600,000 Shares; (iv) Mr. Lee Yong Sun, an independent non-executive Director, who holds 1,116,187 Shares and is also deemed to be interested in 511,324 Shares underlying 511,324 RSUs which have been granted to him but have not yet vested as at the Latest Practicable Date; and (v) Mr. Gideon Yu, an independent non-executive Director, who holds 5,165,149 Shares and is also deemed to be interested in 511,324 Shares underlying 511,324 RSUs which have been granted to him but have not yet vested as at the Latest Practicable Date.

See the section headed “*Shareholding Structure of the Company and Effect of the Proposal and the Scheme*” in the Explanatory Memorandum on pages 128 to 132 of this Scheme Document for further details.

### **Other interests in the Shares**

As at the Latest Practicable Date:

- (a) other than the Founder Irrevocable Undertakings, neither the Offeror nor any Offeror Concert Party had received any irrevocable commitment to vote for or against the Proposal;
- (b) other than the Founder Irrevocable Undertakings, no arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code existed between any person and the Offeror or any Offeror Concert Party;

- (c) none of the Offeror or any Offeror Concert Party had borrowed or lent any Shares or any convertible securities, warrants, options or derivatives in respect of the Shares;
- (d) no subsidiary of the Company, no pension fund of the Company or of a subsidiary of the Company and no person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of “acting in concert” under the Takeovers Code or who is an associate of the Company by virtue of class (2) of the definition of “associate” under the Takeovers Code (but excluding any exempt principal traders and exempt fund managers) owned or controlled any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares;
- (e) there was no arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code which existed between the Company, or any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) or (5) of the definition of “acting in concert” under the Takeovers Code or who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of “associate” under the Takeovers Code, and any other person;
- (f) no fund manager (other than exempt fund managers) connected with the Company managed any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares on a discretionary basis; and
- (g) neither the Company nor any Directors had borrowed or lent any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares.

## **5. DEALINGS IN THE SHARES**

- (a) Save as disclosed below, during the Relevant Period:
  - (i) no Director had dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of the Shares;



- (ii) none of the Offeror, the directors of the Offeror or any Offeror Concert Party had dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares; and

Name	Date of transactions	Purchase/Sale	On/off the Stock Exchange	No. of Shares involved	Transaction price per Share (HK\$)
Mr. Tan	18 March 2022	Grant of RSUs <sup>(1)</sup>	Off	386,702	0.00
	1 January 2022	Vesting of RSUs <sup>(2)</sup>	Off	506,057	0.00
	1 September 2021	Grant of RSUs <sup>(3)</sup>	Off	998,158	0.00
Mr. Lim	3 June 2021	Sale <sup>(4)</sup>	Off	210,000,000	2.405
	18 March 2022	Grant of RSUs <sup>(5)</sup>	Off	193,351	0.00
Lim Teck Lee Land	1 January 2022	Vesting of RSUs <sup>(6)</sup>	Off	253,027	0.00
	3 June 2021	Sale <sup>(7)</sup>	Off	32,500,000	2.405
Archview Capital	21 May 2021	Transfer to its staff as employee benefits <sup>(8)</sup>	Off	6,705,565	0.00
	3 June 2021	Sale <sup>(7)</sup>	Off	32,500,000	2.405
Mr. Tan Chong Neng	29 April 2021	Transfer as gift to an unrelated individual <sup>(9)</sup>	Off	2,063,251	0.00
	18 March 2022	Grant of RSUs <sup>(10)</sup>	Off	161,126	0.00
	1 January 2022	Vesting of RSUs <sup>(11)</sup>	Off	30,529	0.00
	1 October 2021	Vesting of RSUs <sup>(12)</sup>	Off	476,218	0.00
Mr. Chau Kwok Fun Kevin	1 September 2021	Grant of RSUs <sup>(13)</sup>	Off	665,439	0.00
	1 July 2021	Vesting of RSUs <sup>(14)</sup>	Off	43,885	0.00
	18 March 2022	Grant of RSUs <sup>(15)</sup>	Off	354,477	0.00
	1 January 2022	Vesting of RSUs <sup>(16)</sup>	Off	463,887	0.00

Name	Date of transactions	Purchase/Sale	On/off the Stock Exchange	No. of Shares involved	Transaction price per Share (HK\$)
Mr. Lee Yong Sun	18 March 2022	Grant of RSUs <sup>(17)</sup>	Off	257,801	0.00
	1 January 2022	Vesting of RSUs <sup>(18)</sup>	Off	337,371	0.00
Mr. Gideon Yu	18 March 2022	Grant of RSUs <sup>(19)</sup>	Off	257,801	0.00
	1 January 2022	Vesting of RSUs <sup>(20)</sup>	Off	337,371	0.00
Mr. Tan Kim Lee <sup>(21)</sup>	15 September 2021	Purchase	On	200,000	1.67
	28 July 2021	Purchase	On	100,000	1.77
	15 June 2021	Purchase	On	150,000	2.15
	8 June 2021	Purchase	On	50,000	2.10
	7 June 2021	Purchase	On	100,000	2.14
Ms. Tan E-Fang <sup>(22)</sup>	3 June 2021	Purchase	On	100,000	2.26
	12 July 2021	Purchase	On	2,000	2.02
	7 July 2021	Purchase	On	2,000	2.02
	2 July 2021	Purchase	On	1,000	2.13
	22 June 2021	Purchase	On	1,000	2.14
	21 June 2021	Purchase	On	3,000	2.15

*Notes:*

- (1) An award of 386,702 RSUs was granted to Mr. Tan on 18 March 2022 under the 2016 Equity Incentive Plan.
- (2) 506,057 Shares underlying a total of 506,057 RSUs were transferred by the RSU Trustee to Mr. Tan on 1 January 2022 upon vesting of the RSUs held by him in accordance with the terms of the restricted stock unit award agreements dated 22 March 2019, 25 March 2020 and 25 March 2021.
- (3) An award of 998,158 RSUs was granted to Mr. Tan on 1 September 2021 under the 2016 Equity Incentive Plan.
- (4) On 3 June 2021, Mr. Tan entered into a placing agreement to sell an aggregate of 210,000,000 Shares at a price of HK\$2.405 per share. All conditions to the placing agreement were fulfilled and the completion of the placing took place on 7 June 2021.
- (5) An award of 193,351 RSUs was granted to Mr. Lim on 18 March 2022 under the 2016 Equity Incentive Plan.
- (6) 253,027 Shares underlying a total of 253,027 RSUs were transferred by the RSU Trustee to Mr. Lim on 1 January 2022 upon vesting of the RSUs held by him in accordance with the terms of the restricted stock unit award agreements dated 22 March 2019, 25 March 2020 and 25 March 2021.

- (7) On 3 June 2021, Lim Teck Lee Land and Archview Capital entered into a placing agreement to sell an aggregate of 65,000,000 Shares at a price of HK\$2.405 per share. All conditions to the placing agreement were fulfilled and the completion of the placing took place on 7 June 2021.
- (8) On 21 May 2021, 6,705,565 Shares held by Lim Teck Lee Land were transferred to its staff as employee benefits.
- (9) On 29 April 2021, 2,063,251 Shares held by Archview Capital were transferred as gift to an unrelated individual.
- (10) An award of 161,126 RSUs was granted to Mr. Tan Chong Neng on 18 March 2022 under the 2016 Equity Incentive Plan.
- (11) 30,529 shares underlying a total of 30,529 RSUs were transferred by the RSU Trustee to Mr. Tan Chong Neng on 1 January 2022 upon vesting of the RSUs held by him in accordance with the terms of the restricted stock unit award agreement dated 25 March 2021.
- (12) 476,218 Shares underlying a total of 476,218 RSUs were transferred by the RSU Trustee to Mr. Tan Chong Neng on 1 October 2021 upon vesting of the RSUs held by him in accordance with the terms of the restricted stock unit award agreements dated 1 November 2019 and 1 September 2020.
- (13) An award of 665,439 RSUs was granted on 1 September 2021 to Mr. Tan Chong Neng under the 2016 Equity Incentive Plan.
- (14) 43,885 Shares underlying a total of 43,885 RSUs were transferred by the RSU Trustee to Mr. Tan Chong Neng on 1 July 2021 upon vesting of the RSUs held by him in accordance with the terms of the restricted stock unit award agreement dated 1 April 2019.
- (15) An award of 354,477 RSUs was granted on 18 March 2022 to Mr. Chau Kwok Fun under the 2016 Equity Incentive Plan.
- (16) 463,887 Shares underlying a total of 463,887 RSUs were transferred by the RSU Trustee to Mr. Chau Kwok Fun Kevin on 1 January 2022 upon vesting of the RSUs held by him in accordance with the terms of the restricted stock unit award agreements dated 22 March 2019, 25 March 2020 and 25 March 2021.
- (17) An award of 257,801 RSUs was granted on 18 March 2022 to Mr. Lee Yong Sun under the 2016 Equity Incentive Plan.
- (18) 337,371 Shares underlying a total of 337,371 RSUs were transferred by the RSU Trustee to Mr. Lee Yong Sun on 1 January 2022 upon vesting of the RSUs held by him in accordance with the terms of the restricted stock unit award agreements dated 22 March 2019, 25 March 2020 and 25 March 2021.
- (19) An award of 257,801 RSUs was granted on 18 March 2022 to Mr. Gideon Yu under the 2016 Equity Incentive Plan.
- (20) 337,371 Shares underlying a total of 337,371 RSUs were transferred by the RSU Trustee to Mr. Gideon Yu on 1 January 2022 upon vesting of the RSUs held by him in accordance with the terms of the restricted stock unit award agreements dated 22 March 2019, 25 March 2020 and 25 March 2021.
- (21) Mr. Tan Kim Lee is the father of Mr. Tan.
- (22) Ms. Tan E-Fang is the sibling of Mr. Tan.

- (iii) no person who had an arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Offeror or any Offeror Concert Party had dealt for value in the Shares or any convertible securities, warrants, options or derivatives in respect of any Shares; and
- (b) During the offer period and up to the Latest Practicable Date:
- (i) no subsidiary of the Company, no pension fund of the Company or of a subsidiary of the Company and no person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of “acting in concert” under the Takeovers Code or who is an associate of the Company by virtue of class (2) of the definition of “associate” under the Takeovers Code (but excluding any exempt principal traders and exempt fund managers) had dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares;
  - (ii) no person who had an arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Company, or any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of “acting in concert” under the Takeovers Code or who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of “associate” under the Takeovers Code had dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares; and
  - (iii) no fund manager (other than exempt fund managers) connected with the Company who managed any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares on a discretionary basis had dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares.

## 6. DISCLOSURE OF INTERESTS IN THE OFFEROR SHARES

As at the Latest Practicable Date, save as disclosed in the section headed “*Information on the Offeror Group*” in the Explanatory Memorandum on pages 135 to 136 of this Scheme Document, none of the Company and the Directors was interested in any of the Offeror Shares or any convertible securities, warrants, options or derivatives in respect of any Offeror Shares.

## 7. DEALINGS IN OFFEROR’S SHARES

During the Relevant Period, save for the acquisition of shares of the TopCo by Mr. Tan and Mr. Lim (as disclosed in the section headed “*Information on the Offeror Group*” in the Explanatory Memorandum on pages 135 to 136 of this Scheme Document), neither the Company nor any of the Directors had dealt for value in any shares of the Offeror or any convertible securities, warrants, options or derivatives in respect of any shares of the Offeror.

**8. ARRANGEMENTS IN CONNECTION WITH THE PROPOSAL**

As at the Latest Practicable Date:

- (a) save for the Proposal, the Scheme, the RSU Proposal, the Shareholders' Agreement, the Implementation Agreement and the Consortium Agreement (including the Founder Irrevocable Undertakings given therein), there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the Shares or the Offeror Shares or shares of TopCo which might be material to the Proposal, the Scheme or the RSU Proposal;
- (b) there was no agreement, arrangement or understanding between the Offeror and any other person in relation to the transfer, charge or pledge of the Shares to be acquired pursuant to the Proposal and the Offeror had no intention to transfer, charge or pledge any Shares acquired pursuant to the Proposal to any other person;
- (c) save for the Consortium Agreement (including the Founder Irrevocable Undertakings given therein) and the Shareholders' Agreement, there were no agreements, arrangements or understanding (including any compensation arrangement) between the Offeror or any Offeror Concert Party and any of the Directors, recent Directors, Shareholders or recent Shareholders having any connection with or dependence upon the Proposal;
- (d) there was no agreement or arrangement to which the Offeror or any of the Offeror Concert Parties is a party which relates to circumstances in which it may or may not invoke or seek to invoke a Condition to the Proposal, the Scheme or the RSU Proposal;
- (e) Save for the Founder Irrevocable Undertakings and the arrangements disclosed in the section headed "*Arrangements Material to the Proposal*" in the Explanatory Memorandum, there is no understanding, arrangement or agreement which constitutes a "special deal" (under Rule 25 of the Takeovers Code) between: (i) any Shareholder and (ii) either (A) the Offeror or any Offeror Concert Party; or (B) the Company or any of its subsidiaries or associated companies (each as defined in the Takeovers Code); and
- (f) save for the Founder Scheme Shares Cancellation Consideration, the Cancellation Price, the Founder RSU Proposal Consideration and the RSU Proposal Price, there is no other consideration, compensation or benefit in whatever form paid or to be paid by the Offeror or any Offeror Concert Party to the Scheme Shareholders or RSU Holders in connection with the Proposal, the Scheme or the RSU Proposal.

## 9. ARRANGEMENTS IN CONNECTION WITH THE DIRECTORS

As at the Latest Practicable Date:

- (a) other than the Founder Scheme Shares Cancellation Consideration, the Cancellation Price, the Founder RSU Proposal Consideration and the RSU Proposal Price to be paid under the Scheme and the RSU Proposal, no arrangement was in place for any benefit (other than statutory compensation required under appropriate laws) would be given to any Director as compensation for loss of office or otherwise in connection with the Proposal;
- (b) save for the Consortium Agreement (including the Founder Irrevocable Undertakings given therein) and the Shareholders' Agreement, there was no agreement, arrangement or understanding (including any compensation arrangement) between any Director and any other person which are conditional on or dependent upon the outcome of the Proposal or the RSU Proposal or otherwise connected with the Proposal or the RSU Proposal; and
- (c) save for the Consortium Agreement (including the Founder Irrevocable Undertakings given therein) and the Shareholders' Agreement there were no material contracts entered into by the Offeror in which any Director has a material personal interest.

## 10. DIRECTORS' SERVICE CONTRACTS

Save as disclosed below, as at the Latest Practicable Date, none of the Directors had entered into any service contract with the Company or any of its subsidiaries or associated companies which (i) (including both continuous and fixed term contracts) had been entered into or amended within the Relevant Period; (ii) are continuous contracts with a notice period of 12 months or more; or (iii) are fixed term contracts with more than 12 months to run irrespective of the notice period:

<b>Name of Director</b>	<b>Expiry date</b>	<b>Fixed remuneration payable under the contract</b>	<b>Variable remuneration payable under the contract</b>
Mr. Tan	23 June 2023	US\$60,000	–

In addition, RSUs representing an amount equal to two (2) times the annual director's fees received in cash shall be granted (i.e. US\$120,000).

Name of Director	Expiry date	Fixed remuneration payable under the contract	Variable remuneration payable under the contract
Mr. Tan Chong Neng	24 March 2023	US\$25,000	–
		In addition, RSUs representing an amount equal to two (2) times the annual director's fees received in cash shall be granted (i.e. US\$50,000).	
Mr. Lim	23 June 2023	US\$30,000	–
		In addition, RSUs representing an amount equal to two (2) times the annual director's fees received in cash shall be granted (i.e. US\$60,000).	
Mr. Chau Kwok Fun Kevin <sup>(Note)</sup>	2 June 2024	US\$55,000	–
	(previously 28 June 2022)	In addition, RSUs representing an amount equal to two (2) times the annual director's fees received in cash shall be granted (i.e. US\$110,000). (same as previous contract)	(same as previous contract)
Mr. Lee Yong Sun <sup>(Note)</sup>	2 June 2024	US\$40,000	–
	(previously 28 June 2022)	In addition, RSUs representing an amount equal to two (2) times the annual director's fees received in cash shall be granted (i.e. US\$80,000). (same as previous contract)	(same as previous contract)

Name of Director	Expiry date	Fixed remuneration payable under the contract	Variable remuneration payable under the contract
Mr. Gideon Yu	23 June 2023	US\$40,000	–
		In addition, RSUs representing an amount equal to two (2) times the annual director's fees received in cash shall be granted (i.e. US\$80,000).	

*Note:* Mr. Chau Kwok Fun Kevin and Mr. Lee Yong Sun renewed their service contracts with the Company for a term of 3 years commencing from 2 June 2021 on the same terms.

## 11. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration or claim of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened by or against the Company or any of its subsidiaries.

## 12. MATERIAL CONTRACTS

There was no material contract entered into by the Company or any of its subsidiaries after the date which was two years before commencement of the offer period up to and including the Latest Practicable Date, other than contracts entered into in the ordinary course of business carried on or intended to be carried on by the Company or any of its subsidiaries.

## 13. EXPERTS AND CONSENTS

The following are the qualifications of the experts which have given advice which is contained in this Scheme Document:

Name	Qualification
Credit Suisse (Hong Kong) Limited	a corporation licensed under the SFO to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities, which has been appointed as the financial adviser to the Offeror in respect of the Proposal and the RSU Proposal;



Name	Qualification
Anglo Chinese Corporate Finance, Limited	a corporation licensed under the SFO to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities, which has been appointed as the independent financial adviser to advise the Independent Board Committee in respect of the Proposal and the RSU Proposal;

Each of the above experts has given and has not withdrawn its written consent to the issue of this Scheme Document with the inclusion therein of the opinions, reports and/or letters and/or the references to its name and/or opinions, reports and/or letters in the form and context in which they respectively appear.

#### 14. MISCELLANEOUS

- (a) The registered office of the Offeror, MidCo and Topco is at Harneys Fiduciary (Cayman) Limited, P. O. Box 10240, 4th Floor, Harbour Place, 103 South Church Street, George Town, Grand Cayman KY1-1002 Cayman Islands. The Offeror is wholly owned by MidCo, which in turn is wholly owned by TopCo. As at the Latest Practicable Date, the board of each of the Offeror, MidCo and TopCo comprises Mr. Tan, Mr. Lim, Mr. Paul Robert Anderson, Mr. Jacobus Christiaan Van Der Spuy, Mr. Michal Stanislaw Pawlica, and Mr. Edward Michael Fletcher.
- (b) The registered office of TML HoldCos is Craigmuir Chambers, Road Town, Tortola, VG 1110, British Virgin Islands. TML HoldCos are ultimately wholly owned by JBTC on trust for the benefit of Mr. Tan and his family members. As at the Latest Practicable Date, the sole director of TML HoldCos is Mr. Tan.
- (c) The registered office of Lim Teck Lee Land is 7B Circular Road, Singapore 049363.
- (d) The registered office of Voyager Equity is Nerine Chambers, PO Box 905, Road Town, Tortola, British Virgin Islands VG1110.
- (e) The registered office of Primerose Ventures, Archview Capital and Sandalwood Associates is Portcullis Chambers, 4th Floor, Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola, British Virgin Islands VG1110.
- (f) Lim Teck Lee Land, Voyager Equity, Primerose Ventures, Archview Capital and Sandalwood Associates are ultimately wholly owned by Mr. Lim. As at the Latest Practicable Date, the sole director of Lim Teck Lee Land, Voyager Equity, Primerose Ventures, Archview Capital and Sandalwood Associates is Mr. Lim.

- (g) The registered office of CVC HoldCo is 22 Grenville Street, St. Helier, JE4 8PX, Jersey. The CVC Holdco is wholly owned by the CVC Funds and the directors of CVC Holdco are Mr. Carl John Hansen, Ms. Wendy Martin and Mr. Michal Stanislaw Pawlica.
- (h) The registered office of CVC Asia Pacific Limited is 2009-11 ICBC Tower 3 Garden Road Central Hong Kong.
- (i) The registered office of CVC Capital Partners Asia V Limited, the general partner of the CVC Funds is Level 1, IFC1, Esplanade, St Helier Jersey JE2 3BX. The directors of CVC Capital Partners Asia V Limited are Mr. Marc George Ledingham Rachman, Mr. Carl John Hansen, Ms. Victoria Emma Cabot, Mr. Jonathan George Wrigley and Mr. John Fredric Maxey.
- (j) The registered office of Credit Suisse is at Level 88, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong.
- (k) The registered office of the Company is at Maples Corporate Services Limited, PO Box 309 Uglund House, Grand Cayman KY1-1104, Cayman Islands. The Company's principal place of business in Hong Kong is Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.

## 15. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection from the date of this Scheme Document until the Effective Date or the date on which the Scheme lapses or is withdrawn, whichever is the earlier (1) at the Company's principal place of business in Hong Kong, Level 54, Hopewell Centre, 183 Queen' Road East, Hong Kong during normal business hours from 9:00 a.m. to 5:00 p.m. (except Saturdays, Sundays and public holidays in Hong Kong) (Hong Kong time), (2) on the website of the Company <http://www.razer.com> and (3) on the website of the SFC at <http://www.sfc.hk>:

- (a) the memorandum and articles of association of the Offeror;
- (b) the memorandum and articles of association of the Company;
- (c) the results announcement of the Company for the year ended 31 December 2021;
- (d) the annual reports of the Company for each of the year ended 31 December 2019 and 31 December 2020;
- (e) the letter from the Board, the text of which is set out on pages 30 to 53 of this Scheme Document;

- (f) the letter from the Independent Board Committee, the text of which is set out on pages 54 to 55 of this Scheme Document;
- (g) the letter from the Independent Financial Adviser, the text of which is set out on pages 56 to 107 of this Scheme Document;
- (h) the written consents referred to in the section headed “*Experts and Consents*” in Appendix II – General Information;
- (i) the service contracts referred to in the section headed “*Directors’ Service Contracts*” in Appendix II – General Information;
- (j) the Consortium Agreement (including the Founder Irrevocable Undertakings given therein);
- (k) the Implementation Agreement;
- (l) the Shareholders’ Agreement; and
- (m) this Scheme Document.

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## SCHEME OF ARRANGEMENT

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IN THE GRAND COURT OF THE CAYMAN ISLANDS

FINANCIAL SERVICES DIVISION

CAUSE NO. FSD OF 2022 (DDJ)

IN THE MATTER OF SECTIONS 15 AND 86 OF THE COMPANIES ACT (2022 REVISION)

AND IN THE MATTER OF ORDER 102 OF THE GRAND COURT RULES 1995

AND IN THE MATTER OF RAZER INC.

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### SCHEME OF ARRANGEMENT

between

**RAZER INC.**

and

**THE SCHEME SHAREHOLDERS**

(as hereinafter defined)

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(A) In this Scheme of Arrangement, unless inconsistent with the subject or context, the following expressions shall have the meanings respectively set out opposite them:

<b>“2016 Equity Incentive Plan”</b>	the 2016 Equity Incentive Plan approved by the Board on 25 July 2016 and by the shareholders of the Company on 23 August 2016 (as subsequently amended on 25 October 2017 and 8 March 2019) for the grant of, among others, RSUs to eligible participants
<b>“acting in concert”</b>	has the meaning ascribed to it in the Takeovers Code
<b>“Archview Capital”</b>	Archview Capital Ltd, a company incorporated in the British Virgin Islands with limited liability which is wholly owned by Immobiliari which is in turn wholly owned by Mr. Lim

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## SCHEME OF ARRANGEMENT

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<b>“Board”</b>	the board of Directors
<b>“Business Day”</b>	a day other than a Saturday, Sunday or a public holiday in Hong Kong or the Cayman Islands
<b>“Cancellation Price”</b>	the cancellation price of HK\$2.82 for each Scheme Share (other than the Founder Scheme Shares and the RSU Trustee Scheme Shares)
<b>“Chen Family (Global)”</b>	Chen Family (Global) Holdings Limited, a company incorporated in the British Virgin Islands with limited liability which is wholly owned by JBTC as trustee of the Chen Family Trust
<b>“Chen Family Trust”</b>	a discretionary trust established by Mr. Tan as the settlor pursuant to a trust arrangement dated 29 April 2015 for the benefit of Mr. Tan and his family members, the sole trustee of which is JBTC which wholly owns Chen Family (Global) which in turn wholly owns Chen Family Trust HoldCo
<b>“Chen Family Trust HoldCo”</b>	Chen Family (Hivemind) Holdings Limited, a company incorporated in the British Virgin Islands with limited liability which is wholly owned by Chen Family (Global) which is in turn wholly owned by JBTC as trustee of the Chen Family Trust
<b>“Chen Family Trust Holding Companies”</b>	Chen Family (Global) and Chen Family Trust HoldCo, which are ultimately wholly owned by JBTC on trust for the benefit of Mr. Tan and his family members
<b>“Chen Family Trust SPV 1”</b>	Chen Family (Hivemind I) Limited, a company incorporated in the British Virgin Islands with limited liability which is wholly owned by Chen Family Trust HoldCo
<b>“Chen Family Trust SPV 2”</b>	Chen Family (Hivemind II) Limited, a company incorporated in the British Virgin Islands with limited liability which is wholly owned by Chen Family Trust HoldCo
<b>“Companies Act”</b>	the Companies Act (2022 Revision) of the Cayman Islands, as consolidated and revised

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## SCHEME OF ARRANGEMENT

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<b>“Company”</b>	Razer Inc., an exempted company incorporated in the Cayman Islands, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1337)
<b>“CVC”</b>	CVC Asia Pacific Limited, a company incorporated in Hong Kong, and its affiliates together with CVC Capital Partners SICAV-FIS S.A. and its subsidiaries and funds and investment vehicles managed or advised by the aforementioned entities (but excluding, for the avoidance of doubt, portfolio companies in which such funds and investment vehicles hold an interest)
<b>“CVC Capital Partners Asia V Limited”</b>	the general partner of the CVC Funds
<b>“CVC Funds”</b>	CVC Capital Partners Asia V L.P. (96.15%), CVC Capital Partners Investment Asia V L.P. (1.58%) and CVC Capital Partners Asia V Associates L.P. (2.27%) which ultimately own CVC HoldCo
<b>“CVC HoldCo”</b>	Sidewinder Holdings Limited, a private company limited by shares incorporated in Jersey (registered no. 139054), whose registered office is at 22 Grenville Street, St. Helier, JE4 8PX, Jersey, which is wholly-owned by the CVC Funds
<b>“CVC Network”</b>	CVC HoldCo, CVC and the CVC Funds
<b>“Director(s)”</b>	the director(s) of the Company
<b>“Effective Date”</b>	the date on which the Scheme becomes effective in accordance with the Companies Act
<b>“Executive”</b>	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission in Hong Kong or any delegate of the Executive Director
<b>“Founder Group”</b>	(a) Mr. Tan; (b) Mr. Lim; (c) the Chen Family Trust Holding Companies; (d) the TML HoldCos; (e) the LKL HoldCos; (f) Lim Teck Lee; and (g) Immobiliari

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## SCHEME OF ARRANGEMENT

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<b>“Founder Scheme Shares”</b>	the Scheme Shares held by the Founder Shareholders, being 4,973,918,092 Shares in aggregate as at the Latest Practicable Date representing 56.35% of the issued share capital of the Company
<b>“Founder Scheme Shares Cancellation Consideration”</b>	the consideration to be received by the Founder Shareholders for the cancellation of their Founder Scheme Shares under the Scheme, being the crediting of the relevant portion of the unpaid TopCo Shares held by the TML HoldCos, Mr. Lim and the LKL HoldCos as being fully paid in an amount equivalent to the aggregate amount of the Cancellation Price per Scheme Share with respect to all of the Founder Scheme Shares
<b>“Founder Shareholders”</b>	each of (a) Mr. Tan; (b) Chen Family Trust HoldCo; (c) Mr. Lim; and (d) the LKL HoldCos
<b>“HK\$”</b>	Hong Kong dollars, the lawful currency of Hong Kong
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the People’s Republic of China
<b>“Immobillari”</b>	Immobillari Limited, a company incorporated in the British Virgin Islands with limited liability which is wholly owned by Mr. Lim
<b>“Latest Practicable Date”</b>	Friday, 25 March 2022 being the latest practicable date for ascertaining certain information contained herein
<b>“Lim Teck Lee”</b>	Lim Teck Lee (Pte.) Ltd, a company incorporated in Singapore which is 93.66% owned by Mr. Lim
<b>“Lim Teck Lee Land”</b>	Lim Teck Lee Land Pte Ltd, a company incorporated in Singapore which is wholly owned by Lim Teck Lee which is in turn 93.66% owned by Mr. Lim
<b>“LKL HoldCos”</b>	(a) Voyager Equity; (b) Primerose Ventures; (c) Lim Teck Lee Land; (d) Archview Capital; and (e) Sandalwood Associates

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## SCHEME OF ARRANGEMENT

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<b>“MidCo”</b>	Ouroboros (II) Inc., an exempted company incorporated in the Cayman Islands with limited liability, which is directly wholly owned by TopCo
<b>“Mr. Lim”</b>	Mr. Lim Kaling, a non-executive Director
<b>“Mr. Tan”</b>	Mr. Min-Liang Tan, the Chairman of the Board, an executive Director and the chief executive officer of the Company
<b>“Offeror”</b>	Ouroboros (I) Inc., an exempted company incorporated in the Cayman Islands with limited liability, which is directly wholly owned by MidCo
<b>“Offeror Concert Parties”</b>	persons who are acting in concert or presumed to be acting in concert with the Offeror, the Founder Group and/or the CVC Network under the Takeovers Code, including: (a) TopCo; (b) MidCo; (c) Mr. Tan; (d) the TML HoldCos; (e) the Chen Family Trust Holding Companies; (f) Mr. Lim; (g) the LKL HoldCos; (h) Lim Teck Lee; (i) ImmoBillari; (j) the CVC Funds; (k) CVC HoldCo; and (l) members of the Credit Suisse Group (except members of the Credit Suisse Group which are exempt principal traders or exempt fund managers, in each case recognised by the Executive as such for the purpose of the Takeovers Code)
<b>“Primerose Ventures”</b>	Primerose Ventures Inc, a company incorporated in the British Virgin Islands with limited liability which is wholly owned by Mr. Lim
<b>“Proposal”</b>	the proposal for the privatisation of the Company by the Offeror by way of the Scheme and the withdrawal of the listing of the Shares on the Stock Exchange, on the terms and subject to the conditions as described in the Scheme Document
<b>“Register”</b>	the principal or branch register of members of the Company (as the case may be)
<b>“RSU(s)”</b>	restricted stock unit(s) granted by the Company pursuant to the 2016 Equity Incentive Plan



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## SCHEME OF ARRANGEMENT

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<b>“RSU Holder(s)”</b>	holder(s) of RSU(s) granted under the 2016 Equity Incentive Plan
<b>“RSU Proposal”</b>	the proposal being made by the Offeror to the RSU Holders
<b>“RSU Proposal Price”</b>	the proposal price of HK\$2.82 for each RSU
<b>“RSU Trustee”</b>	Computershare Hong Kong Trustees Limited, the trustee appointed to hold Shares pending the vesting of RSUs granted pursuant to the 2016 Equity Incentive Plan
<b>“RSU Trustee Scheme Shares”</b>	the Scheme Shares held by the RSU Trustee, being 118,256,322 Shares in aggregate as at the Latest Practicable Date representing approximately 1.34% of the issued share capital of the Company
<b>“Sandalwood Associates”</b>	Sandalwood Associates Limited, a company incorporated in the British Virgin Islands with limited liability which is wholly owned by ImmoBillari which is in turn wholly owned by Mr. Lim
<b>“Scheme”</b>	a scheme of arrangement under section 86 of the Companies Act involving the cancellation of all the Scheme Shares and reduction of share capital and the restoration of the issued share capital of the Company to the amount immediately before such cancellation and reduction of share capital
<b>“Scheme Document”</b>	the composite scheme document issued by the Offeror and the Company on 30 March 2022, including each of the letters, statements, appendices and notices in it
<b>“Scheme Shareholders”</b>	the registered holder(s) of Scheme Shares as at the Scheme Record Date
<b>“Scheme Shares”</b>	Share(s) in issue on the Scheme Record Date

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## SCHEME OF ARRANGEMENT

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<b>“Scheme Record Date”</b>	Wednesday, 11 May, 2022, or such other date as shall have been announced to Shareholders, being the record date for the purpose of determining the entitlements of Scheme Shareholders under the Scheme
<b>“Share(s)”</b>	the share(s) of US\$0.01 each in the issued share capital of the Company
<b>“Shareholders”</b>	the registered holder(s) of the Shares
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited
<b>“Takeovers Code”</b>	The Code on Takeovers and Mergers of Hong Kong
<b>“TML HoldCos”</b>	Chen Family Trust SPV 1 and Chen Family Trust SPV 2
<b>“TopCo”</b>	Ouroboros (III) Inc., an exempted company incorporated in the Cayman Islands which is owned as to (a) 20.00% by Chen Family Trust SPV 1; (b) 22.69% by Chen Family Trust SPV 2; (c) 0.03% by Mr. Lim; (d) 19.04% by Voyager Equity; (e) 4.69% by Primerose Ventures; (f) 4.36% by Lim Teck Lee Land; (g) 0.26% by Archview Capital; (h) 0.77% by Sandalwood Associates; and (i) 28.16% by CVC HoldCo
<b>“TopCo Share(s)”</b>	ordinary shares and preference shares in the capital of TopCo
<b>“Voyager Equity”</b>	Voyager Equity Limited, a company incorporated in the British Virgin Islands with limited liability which is wholly owned by Mr. Lim
<b>“%”</b>	per cent

(B) The Company was incorporated as an exempted company on 18 May 2012 in the Cayman Islands under the Companies Act.

(C) The authorised share capital of the Company as at the Latest Practicable Date was US\$150,000,000 divided into 15,000,000,000 Shares of US\$0.01 each, of which 8,826,228,347 Shares were issued and fully paid, with the remainder being unissued. Since November 2017, the Shares have been listed and traded on the Main Board of the Stock Exchange.

## SCHEME OF ARRANGEMENT

- (D) The Offeror has proposed the privatisation of the Company by way of the Scheme.
- (E) The primary purpose of the Scheme is to privatise the Company by cancelling and extinguishing all of the Scheme Shares in consideration of the Cancellation Price (other than the Founder Scheme Shares and the RSU Trustee Scheme Shares) so that after completion of the Scheme, the Offeror will own 100% of the issued Shares of the Company. This is proposed to be achieved by the steps as set out in this Scheme below.
- (F) The table below sets out the shareholding structure of the Company as at the Latest Practicable Date and immediately following implementation of the Scheme, assuming that: (a) no further Shares will be issued and no further RSUs will be granted under the 2016 Equity Incentive Plan on or before the Scheme Record Date; and (b) there will be no other change in the shareholding of the Company before the Effective Date:

	As at the Latest Practicable Date			Immediately following implementation of the Scheme <sup>(7)</sup>	
	Number of Shares	Number of Shares as a percentage of total number of Shares in issue (%)	Number of RSUs which have been granted but have not yet vested	Number of Shares	%
<b>(A1) Founder Group</b>					
Mr. Tan <sup>(1)</sup>	81,343,906	0.92	90,395,353	–	–
Chen Family Trust HoldCo <sup>(1)</sup>	2,837,935,801	32.15	–	–	–
Chen Family Trust SPV 1 <sup>(1)</sup>	–	–	–	–	–
Chen Family Trust SPV 2 <sup>(1)</sup>	–	–	–	–	–
Mr. Lim <sup>(2)</sup>	1,464,300	0.02	383,495	–	–
Voyager Equity <sup>(2)</sup>	1,342,446,474	15.21	–	–	–
Primerose Ventures <sup>(2)</sup>	330,643,967	3.75	–	–	–
Lim Teck Lee Land <sup>(2)</sup>	307,424,615	3.48	–	–	–
Archview Capital Ltd <sup>(2)</sup>	18,358,843	0.21	–	–	–
Sandalwood Associates <sup>(2)</sup>	54,300,186	0.62	–	–	–
<b>(A2) CVC HoldCo</b>	–	–	–	–	–
<b>(A3) Offeror</b>	–	–	–	8,826,228,347	100
<b>(A) Sub-total = (A1) + (A2) + (A3)</b>	<b>4,973,918,092</b>	<b>56.35</b>	<b>90,778,848</b>	<b>8,826,228,347</b>	<b>100</b>

## SCHEME OF ARRANGEMENT

	As at the Latest Practicable Date			Immediately following implementation of the Scheme <sup>(7)</sup>	
	Number of Shares	of Shares in issue (%)	Number of RSUs which have not yet vested	Number of Shares	%
<b>(B) Offeror Concert Parties other than the Founder Group, the CVC Funds and CVC Holdco<sup>(3)</sup></b>					
Mr. Tan's close relatives <sup>(4)</sup>	37,026,412	0.42	–	–	–
Mr. Tan Chong Neng <sup>(5)</sup>	2,232,112	0.03	2,240,484	–	–
<b>(B) Sub-total</b>	<b>39,258,524</b>	<b>0.44</b>	<b>2,240,484</b>	<b>–</b>	<b>–</b>
<b>(C) Disinterested Shareholders<sup>(6)</sup></b>					
RSU Trustee	118,256,322	1.34	–	–	–
Mr. Chau Kwok Fun Kevin	1,534,755	0.02	703,074	–	–
Nottinghill Holdings Limited	600,000	0.01	–	–	–
Mr. Lee Yong Sun	1,116,187	0.01	511,324	–	–
Mr. Gideon Yu	5,165,149	0.06	511,324	–	–
Others	3,686,379,318	41.77	81,614,194	–	–
<b>(C) Sub-total</b>	<b>3,813,051,731</b>	<b>43.20</b>	<b>83,339,916</b>	<b>–</b>	<b>–</b>
<b>Total (A) + (B) + (C)</b>	<b>8,826,228,347</b>	<b>100</b>	<b>176,359,248</b>	<b>8,826,228,347</b>	<b>100</b>

*Notes:*

- (1) Mr. Tan is the Chairman of the Board, an executive Director and the chief executive officer of the Company. Mr. Tan is interested (or deemed to be interested) in 3,009,675,060 Shares in aggregate, representing approximately 34.10% of the issued share capital of the Company as at the Latest Practicable Date, which consist of: (i) 2,837,935,801 Shares held by Chen Family Trust HoldCo, which is wholly owned by Chen Family (Global) which in turn is wholly owned by JBTC, the trustee of the Chen Family Trust of which Mr. Tan is the settlor; (ii) 81,343,906 Shares directly held by Mr. Tan; and (iii) 90,395,353 Shares underlying 90,395,353 RSUs which have been granted to Mr. Tan but have not yet vested as at the Latest Practicable Date. Chen Family Trust SPV 1 and Chen Family Trust SPV 2 are companies incorporated in the British Virgin Islands with limited liability and set up for the implementation of the Proposal, each of which is wholly owned by Chen Family Trust HoldCo.
- (2) Mr. Lim is a non-executive Director. Mr. Lim is interested (or deemed to be interested) in 2,055,021,880 Shares in aggregate, representing approximately 23.28% of the issued share capital of the Company as at the Latest Practicable Date, which consist of: (i) 1,342,446,474 Shares held by Voyager Equity, which is directly wholly owned by Mr. Lim; (ii) 330,643,967 Shares held by Primerose Ventures, which is directly wholly owned by Mr. Lim; (iii) 307,424,615 Shares held by Lim Teck Lee Land, which is wholly owned by Lim Teck Lee which is in turn 93.66% owned by Mr. Lim; (iv) 18,358,843 Shares held by Archview Capital, which is wholly owned by Immobiliari which is in turn wholly owned by Mr. Lim; (v) 54,300,186 Shares held by Sandalwood Associates, which is wholly owned by Immobiliari which is in turn wholly owned by Mr. Lim; (vi) 1,464,300 Shares directly held by Mr. Lim; and (vii) 383,495 Shares underlying 383,495 RSUs which have been granted to Mr. Lim but have not yet vested as at the Latest Practicable Date.

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## SCHEME OF ARRANGEMENT

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- (3) Credit Suisse is the financial adviser to the Offeror in connection with the Proposal and the RSU Proposal. Accordingly, members of the Credit Suisse Group are presumed to be acting in concert with the Offeror in relation to the Company by virtue of class (5) of the definition of “acting in concert” under the Takeovers Code (except members of the Credit Suisse Group which are exempt principal traders or exempt fund managers as recognised by the Executive for the purpose of the Takeovers Code). Exempt principal traders which are connected for the sole reason that they are under the same control as Credit Suisse are not presumed to be acting in concert with the Offeror. However, Shares held by members of the Credit Suisse Group acting in the capacity of exempt principal traders will not be voted at the Court Meeting unless the Executive allows such Shares to be so voted. Shares held by such exempt principal traders may, subject to the consent of the Executive, be allowed to be voted at the Court Meeting if: (a) the relevant connected exempt principal trader holds the relevant Shares as a simple custodian for and on behalf of a non-discretionary client; (b) there are contractual arrangements in place between the relevant connected exempt principal trader and such non-discretionary client that strictly prohibit the relevant connected exempt principal trader from exercising any voting discretion over the relevant Shares; (c) all voting instructions originate from such non-discretionary client only (if no instructions are given, then no votes shall be cast for the relevant Shares held by the relevant connected exempt principal trader); and (d) such non-discretionary client is not an Offeror Concert Party.
- (4) 37,026,412 Shares are directly held by Mr. Tan’s close relatives (as defined in the Takeovers Code), comprising Mr. Tan Kim Lee (being Mr. Tan’s father) and Dr. Tan E-Ching, Ms. Tan E-Fang and Dr. Tan Min-Han (being Mr. Tan’s siblings).
- (5) 2,232,112 Shares are directly held by Mr. Tan Chong Neng, an executive Director, who is also deemed to be interested in 2,240,484 Shares underlying 2,240,484 RSUs which have been granted to him but have not yet vested as at the Latest Practicable Date.
- (6) The Disinterested Shareholders include (among others): (i) the RSU Trustee, which holds 118,256,322 Shares; (ii) Mr. Chau Kwok Fun Kevin, an independent non-executive Director, who holds 1,534,755 Shares and is also deemed to be interested in 703,074 Shares underlying 703,074 RSUs which have been granted to him but have not yet vested as at the Latest Practicable Date; (iii) Nottingham Holdings Limited, a discretionary irrevocable trust of which Mr. Chau Kwok Fun Kevin is the settlor, which holds 600,000 Shares; (iv) Mr. Lee Yong Sun, an independent non-executive Director, who holds 1,116,187 Shares and is also deemed to be interested in 511,324 Shares underlying 511,324 RSUs which have been granted to him but have not yet vested as at the Latest Practicable Date; and (v) Mr. Gideon Yu, an independent non-executive Director, who holds 5,165,149 Shares and is also deemed to be interested in 511,324 Shares underlying 511,324 RSUs which have been granted to him but have not yet vested as at the date of the Latest Practicable Date.
- (7) On the Effective Date (subject to the confirmation of the reduction of the issued share capital of the Company by the Grand Court of the Cayman Islands): (a) the Founder Scheme Shares will be cancelled in consideration for the Founder Scheme Shares Cancellation Consideration; (b) the RSU Trustee Scheme Shares will be cancelled for nil consideration; and (c) the Scheme Shares held by Offeror Concert Parties and Disinterested Shareholders (other than the Founder Group and the RSU Trustee) will be cancelled in consideration for the Cancellation Price per Scheme Share.
- (G) Each of the Founder Shareholders has provided undertakings to procure that any Shares in respect of which they are beneficially interested will not be represented or voted at the meeting convened at the direction of the Grand Court for the purpose of considering and, if thought fit, approving the Scheme.
- (H) Each of the Founder Shareholders and the RSU Trustee has provided undertakings to the Grand Court to be bound by the Scheme and to receive (in the case of the Founder Shareholders) the Founder Scheme Shares Cancellation Consideration in consideration for cancellation of the Founder Scheme Shares under the Scheme or (in the case of the RSU Trustee) nil consideration for cancellation of the RSU Trustee Scheme Shares under the Scheme.
- (I) The Offeror has provided an undertaking to the Grand Court to be bound by the Scheme.

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# SCHEME OF ARRANGEMENT

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## THE SCHEME

### PART I

#### Cancellation of the Scheme Shares

1. On the Effective Date (subject to the confirmation of the reduction of the issued share capital of the Company by the Grand Court of the Cayman Islands):
  - (a) the Offeror will subscribe for, and the Company will allot and issue to the Offeror, one Share fully paid at par;
  - (b) the Founder Scheme Shares will be cancelled on the Effective Date in consideration for the Founder Scheme Shares Cancellation Consideration, being the crediting of the unpaid TopCo Shares held by the TML HoldCos, Mr. Lim and the LKL HoldCos as being fully paid in an amount equivalent to the aggregate Cancellation Price for all of the Founder Scheme Shares;
  - (c) the RSU Trustee Scheme Shares (which are held by the RSU Trustee pending the vesting of the RSUs granted under the 2016 Equity Incentive Plan) will be cancelled on the Effective Date for nil consideration on the basis that pursuant to and in accordance with the terms of the RSU Proposal, the RSU Proposal Price, which is equal to the Cancellation Price, will be paid directly to the RSU Holders in cash;
  - (d) all Scheme Shares (other than the Founder Scheme Shares and the RSU Trustee Scheme Shares) will be cancelled on the Effective Date in consideration for the Cancellation Price of HK\$2.82 per Scheme Share, which will be paid in cash; and
  - (e) such number of new Shares as is equal to the number of Scheme Shares cancelled (minus one) will be issued to the Offeror, credited as fully paid, such that the Company will become wholly owned by the Offeror.

### PART II

#### Consideration for the cancellation and extinguishment of the Scheme Shares

2. (a) In consideration of the cancellation and extinguishment of the Scheme Shares (other than the Founder Scheme Shares and the RSU Trustee Scheme Shares), the Offeror shall pay or cause to be paid to each Scheme Shareholder (as appears in the Register on the Scheme Record Date) the Cancellation Price of HK\$2.82 for each Scheme Share cancelled and extinguished.

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## SCHEME OF ARRANGEMENT

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- (b) The Founder Scheme Shares will be cancelled on the Effective Date (subject to the confirmation of the reduction of the issued share capital of the Company by the Grand Court of the Cayman Islands) in consideration for the Founder Scheme Shares Cancellation Consideration.
- (c) The RSU Trustee Scheme Shares (which are held by the RSU Trustee pending the vesting of the RSUs granted under the 2016 Equity Incentive Plan) will be cancelled on the Effective Date (subject to the confirmation of the reduction of the issued share capital of the Company by the Grand Court of the Cayman Islands) for nil consideration on the basis that pursuant to and in accordance with the terms of the RSU Proposal, the RSU Proposal Price, which is equal to the Cancellation Price, will be paid directly to the RSU Holders in cash.

### PART III

#### General

- 3. (a) As soon as possible and in any event not later than seven (7) Business Days after the Effective Date, the Offeror shall send or cause to be sent to Scheme Shareholders (other than the holders of the Founder Scheme Shares and the RSU Trustee Scheme Shares) cheques in respect of the sums payable to such Scheme Shareholders pursuant to Clause 2(a) of this Scheme.
- (b) Unless otherwise indicated in writing to the branch share registrar of the Company in Hong Kong, being Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, all such cheques shall be sent by post in pre-paid envelopes addressed to such Scheme Shareholders at their respective addresses as appearing on the Register on the Scheme Record Date or, in the case of joint holders, at the address as appearing on the Register at the Scheme Record Date of the joint holder whose name then stands first in the Register in respect of the relevant joint holding.
- (c) Cheques shall be posted at the risk of the addressee and none of the Offeror, the Offeror Concert Parties, the Company, Credit Suisse, the Independent Financial Adviser and the Share Registrar and their respective ultimate beneficial owners, directors, employees, officers, agents, advisers, associates and affiliates and any other persons involved in the Proposal will be responsible for any loss or delay in transmission.
- (d) Each cheque shall be payable to the order of the person to whom, in accordance with the provisions of paragraph (b) of this Clause 3, the envelope containing the same is addressed and the encashment of any such cheque shall be a good discharge to the Offeror for the monies represented thereby.

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## SCHEME OF ARRANGEMENT

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- (e) On or after the day being six calendar months after the posting of the cheque pursuant to paragraph (b) of this Clause 3, the Offeror shall have the right to cancel or countermand payment of any such cheque which has not been encashed or that has been returned uncashed and shall place all monies represented thereby in a deposit account of the Offeror with a licensed bank of Hong Kong selected by the Company. The Offeror shall hold such monies on trust for those entitled to it under the terms of this Scheme until the expiration of six years from the Effective Date and shall, prior to such date, make payments thereout of the sums payable pursuant to Clause 2 of this Scheme to persons who satisfy the Offeror that they are respectively entitled thereto and the cheques referred to in paragraph (b) of this Clause 3 of which they are payees have not been cashed. The Offeror shall exercise its absolute discretion in determining whether or not it is satisfied that any person is so entitled and a certificate of the Offeror to the effect that any particular person is so entitled or not so entitled, as the case may be, shall be conclusive and binding upon all persons claiming an interest in the relevant monies.
  - (f) On the expiration of six years from the Effective Date, the Offeror shall be released from any further obligation to make any payments under this Scheme and the Offeror shall be absolutely entitled to the balance (if any) of the sums then standing to the credit of the deposit account referred to in paragraph 3(e) of this Scheme, including accrued interest subject to any deduction required by law and expenses incurred.
  - (g) Paragraph (f) of this Clause 3 shall take effect subject to any prohibition or condition imposed by law.
  - (h) Upon cancellation of the Scheme Shares, the Register shall be updated to reflect such cancellation.
4. As from the Effective Date, each instrument of transfer and certificate existing on the Scheme Record Date in respect of a holding of any number of Scheme Shares shall cease to be valid for any purpose as an instrument of transfer or a certificate for such Scheme Shares and every holder of such certificate shall be bound at the request of the Offeror to deliver up the same to the Offeror for the cancellation thereof.
5. All mandates or relevant instructions to the Company in force at the Scheme Record Date relating to any of the Scheme Shares shall cease to be valid as effective mandates or instructions on the Effective Date.
6. This Scheme shall become effective as soon as a copy of the order of the Grand Court sanctioning this Scheme under section 86 of the Companies Act has been delivered to the Registrar of Companies in the Cayman Islands for registration pursuant to section 86(s) of the Companies Act.



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## SCHEME OF ARRANGEMENT

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7. Unless this Scheme shall have become effective on or before 23 August 2022, or such later dates as may be agreed between the Company and the Offeror, or to the extent applicable, as the Executive may consent and as the Grand Court, on application of the Company and/or the Offeror may allow, this Scheme shall lapse.
8. The Company and the Offeror may jointly consent for and on behalf of all Scheme Shareholders to any modification of, or addition to, the Scheme or to any conditions which the Grand Court may see fit to impose.
9. Pursuant to Rule 2.3 of the Takeovers Code, if the Scheme is not approved and the Proposal is either not recommended by the Independent Board Committee or not recommended as fair and reasonable by the Independent Financial Adviser, all costs and expenses incurred by the Company and the Offeror in connection with the Scheme and the RSU Proposal shall be borne by the Offeror. Given that the Proposal, the Scheme and the RSU Proposal are recommended by the Independent Board Committee and the Independent Financial Adviser, the Company and the Offeror have agreed that: (a) all costs, fees, charges and expenses of any professional adviser engaged or to be engaged by the Offeror (including Credit Suisse) will be borne by the Offeror; (b) all costs, fees, charges and expenses of any professional adviser engaged or to be engaged by the Company (including the Independent Financial Adviser) will be borne by the Company; and (c) all other costs, fees, charges and expenses in relation to the Proposal, the Scheme and RSU Proposal will be shared between the Company and the Offeror in equal shares.

30 March 2022

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## NOTICE OF COURT MEETING

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IN THE GRAND COURT OF THE CAYMAN ISLANDS

FINANCIAL SERVICES DIVISION

CAUSE NO. FSD OF 2022 (DDJ)

IN THE MATTER OF SECTIONS 15 AND 86 OF THE COMPANIES ACT (2022 REVISION)

AND IN THE MATTER OF ORDER 102 OF THE GRAND COURT RULES 1995

AND IN THE MATTER OF RAZER INC.

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### NOTICE OF COURT MEETING

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**NOTICE IS HEREBY GIVEN** that, by an order dated 22 March 2022 (the “**Order**”) made in the above matter, the Grand Court of the Cayman Islands (the “**Court**”) has directed a meeting (the “**Court Meeting**”) to be convened of the Scheme Shareholders (as defined in the Scheme of Arrangement hereinafter mentioned) for the purpose of considering and, if thought fit, approving, with or without modifications, a scheme of arrangement (the “**Scheme of Arrangement**”) proposed to be made between Razer Inc. (the “**Company**”) and the Scheme Shareholders and that the Court Meeting will be held on Tuesday, 26 April 2022 at 9:00 a.m. Hong Kong time at Razer SEA HQ, 1 one-north Crescent #02-01, Singapore 138538 at which place and time all Scheme Shareholders are requested to attend.

As at the Latest Practicable Date (i.e. Friday, 25 March 2022), the Prevention and Control of Disease (Requirements and Directions) (Business and Premises) Regulation (Chapter 599F, Laws of Hong Kong) prohibits the holding of physical general meetings of companies in Hong Kong. Accordingly the Court Meeting and the General Meeting will be physically held in Singapore.

The articles of association of the Company do not allow Shareholders to attend and vote in shareholders’ meetings (including the Court Meeting and the General Meeting) virtually and therefore it is not possible to hold a virtual or hybrid meeting. Shareholders unable to physically attend the Court Meeting and/or the General Meeting in Singapore may appoint a proxy by submitting the relevant proxy form(s) (as further detailed below).

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## NOTICE OF COURT MEETING

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### Arrangements in Hong Kong

However, the Company is keen for Shareholders based in Hong Kong to have the opportunity to observe the meetings and ask Directors questions about the Scheme. Accordingly, if after the Latest Practicable Date, it becomes reasonably apparent to the Company that it will become possible for there to be a venue in Hong Kong on Tuesday, 26 April 2022 at which Shareholders can attend to observe the meetings and ask Directors questions about the Scheme by electronic means, then the Company will make arrangements for such venue and facilities. This will enable Shareholders to observe the meetings and ask Directors questions about the Scheme simultaneously at the Court Meeting and the General Meeting at the venue in Hong Kong at 9:00 a.m. and 9:30 a.m., respectively, on Tuesday, 26 April 2022 (or, in the case of the General Meeting, as soon thereafter as the Court Meeting shall have concluded or been adjourned).

For the avoidance of doubt, the venue and facilities in Hong Kong will allow attending Shareholders to observe the meetings via a live video stream and ask questions (which are not prohibited by the articles of association of the Company or applicable laws) but will not allow them to vote for any proposed resolution(s) in the Court Meeting and the General Meeting.

The Company will publish an announcement on the details of the venue and any special arrangements in Hong Kong at least 10 Business Days before the date of the Court Meeting and the General Meeting (i.e. on or before Friday, 8 April 2022).

### Online Webcast

Shareholders are also invited to observe the Court Meeting and/or the General Meeting and submit questions to Directors about the Scheme via electronic means during a live webcast by visiting the designated URL link using unique login details which will be despatched to Shareholders in the manner described below:

- (i) for Registered Owners, unique login details will be set out in a notification letter to be despatched by post together with this Scheme Document; and
- (ii) Beneficial Owners whose Shares are deposited in CCASS who wish to access the audio-visual webcast should contact their banks, brokers, custodians, nominees or the Hong Kong Securities Clearing Company Limited through which their Shares are held (together the “**Intermediary**”) and provide their e-mail addresses before the time limit required by the relevant Intermediary. Unique login details that can be used to access the audio-visual webcast will be sent by the Share Registrar to the e-mail addresses of the Beneficial Owners provided by the Intermediary.

The unique login details are limited to a single user and must not be forwarded by the Shareholder to other persons. The webcast can be accessed from any location with access to the Internet with a smart phone, tablet device or computer. There is no restriction under the articles of association of the Company or applicable laws for Shareholders to access the

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## NOTICE OF COURT MEETING

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webcast to observe the Court Meeting and/or the General Meeting or to submit questions to Directors via electronic means. However, Shareholders who join the webcast will not be counted towards the quorum nor will they be able to cast their votes online, due to the restrictions in the Company's articles of association.

A copy of the Scheme of Arrangement and a copy of an explanatory memorandum explaining the effect of the Scheme of Arrangement are incorporated in the composite scheme document of which this Notice forms part. A copy of the composite scheme document can also be obtained by the Scheme Shareholders from the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

Scheme Shareholders may vote in person at the Court Meeting or they may appoint another person (who must be an individual), whether a member of the Company or not, to attend and vote in their stead. A form of proxy for use at the Court Meeting is enclosed with the composite scheme document dated 30 March 2022 despatched to members of the Company on 30 March 2022.

In the case of joint holders of a share, any one of such persons may vote at the Court Meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto. However, if more than one of such joint holders be present at the Court Meeting personally or by proxy, that one of the said persons so present being the most or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding. For this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand on the register of members of the Company in respect of such joint holding.

**The Company wishes to advise all of the Scheme Shareholders that the only ways to vote for the proposed resolution in the Court Meeting are (i) to attend the physical Court Meeting at Razer SEA HQ, 1 one-north Crescent #02-01, Singapore 138538 or (ii) to appoint any person or the chairman of the Court Meeting as a proxy to attend and vote on any of the resolutions by completing and lodging the relevant proxy form(s) in accordance with the instructions contained therein. Scheme Shareholders are reminded to mark their voting decision (for or against, as the case may be) on the relevant proxy form(s).**

It is requested that forms appointing proxies be deposited at the Hong Kong branch share registrar of the Company in Hong Kong at Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 9:00 a.m. on Sunday, 24 April 2022, but if forms are not so lodged they may be handed to the chairman of the Court Meeting at the Court Meeting.

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## NOTICE OF COURT MEETING

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The completion and return of a form of proxy for the Court Meeting and/or the General Meeting will not preclude the Registered Owner from attending and voting in person at the relevant meeting or any adjournment thereof should he/she/it so wish, and, in such event, the relevant form of proxy will be revoked by operation of law.

For the purpose of determining the entitlements of the Scheme Shareholders to attend and vote at the Court Meeting, the register of members of the Company will be closed from Thursday, 21 April 2022 to Tuesday, 26 April 2022 (both days inclusive) (or such other dates as may be notified by the Company by way of announcement(s)), and during such period, no transfer of Shares will be effected. In order to qualify to vote at the Court Meeting, the relevant forms of transfer of share ownership accompanied by the relevant share certificates must be lodged with the Share Registrar at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on Wednesday, 20 April 2022. A subsequent purchaser of Scheme Shares will need to obtain a proxy form from the transferor if he or she wishes to attend or vote at the Court Meeting.

By the Order, the Court has appointed Mr. Choo Wei Pin, who is the Joint Company Secretary and Chief Legal and Compliance Officer of the Company, failing whom, Mr Khaw Kheng Joo, who is the Chief Operating Officer of the Company, failing whom, any other senior management personnel of the Company (not being a person considered to be acting in concert with the Offeror under the Takeovers Code) at the date of the Order, to act as the chairman of the Court Meeting and has directed the chairman of the Court Meeting to report the results of the Court Meeting to the Court.

The Scheme of Arrangement will be subject to a subsequent application seeking the sanction of the Court.

By Order of the Court  
**Razer Inc.**

Dated 30 March 2022

***Registered Office***

Maples Corporate Services Limited  
PO Box 309 Uglund House,  
Grand Cayman KY1-1104,  
Cayman Islands

***Principal Place of Business  
in Hong Kong***

Level 54, Hopewell Centre  
183 Queen's Road East  
Hong Kong

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## NOTICE OF GENERAL MEETING

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RAZER INC.

雷蛇

*(incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 1337)**

**NOTICE IS HEREBY GIVEN** that a special general meeting (the “**General Meeting**”) of Razer Inc. (the “**Company**”) will be held at held on Tuesday, 26 April 2022 at 9:30 a.m. (Hong Kong time) at Razer SEA HQ, 1 one-north Crescent #02-01, Singapore 138538 (or immediately after the conclusion or adjournment of the Court Meeting convened at the direction of the Grand Court of the Cayman Islands for the same day and place).

As at the Latest Practicable Date (i.e. Friday, 25 March 2022), the Prevention and Control of Disease (Requirements and Directions) (Business and Premises) Regulation (Chapter 599F, Laws of Hong Kong) prohibits the holding of physical general meetings of companies in Hong Kong. Accordingly the Court Meeting and the General Meeting will be physically held in Singapore.

The articles of association of the Company do not allow Shareholders to attend and vote in shareholders’ meetings (including the Court Meeting and the General Meeting) virtually and therefore it is not possible to hold a virtual or hybrid meeting. Shareholders unable to physically attend the Court Meeting and/or the General Meeting in Singapore may appoint a proxy by submitting the relevant proxy form(s) (as further detailed below).

### **Arrangements in Hong Kong**

However, the Company is keen for Shareholders based in Hong Kong to have the opportunity to observe the meetings and ask Directors questions about the Scheme. Accordingly, if after the Latest Practicable Date, it becomes reasonably apparent to the Company that it will become possible for there to be a venue in Hong Kong on Tuesday, 26 April 2022 at which Shareholders can attend to observe the meetings and ask Directors questions about the Scheme by electronic means, then the Company will make arrangements for such venue and facilities. This will enable Shareholders to observe the meetings and ask Directors questions about the Scheme simultaneously at the Court Meeting and the General Meeting at the venue in Hong Kong at 9:00 a.m. and 9:30 a.m., respectively, on Tuesday, 26 April 2022 (or, in the case of the General Meeting, as soon thereafter as the Court Meeting shall have concluded or been adjourned).

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## NOTICE OF GENERAL MEETING

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For the avoidance of doubt, the venue and facilities in Hong Kong will allow attending Shareholders to observe the meetings via a live video stream and ask questions (which are not prohibited by the articles of association of the Company or applicable laws) but will not allow them to vote for any proposed resolution(s) in the Court Meeting and the General Meeting.

The Company will publish an announcement on the details of the venue and any special arrangements in Hong Kong at least 10 Business Days before the date of the Court Meeting and the General Meeting (i.e. on or before Friday, 8 April 2022).

### Online Webcast

Shareholders are also invited to observe the Court Meeting and/or the General Meeting and submit questions to Directors about the Scheme via electronic means during a live webcast by visiting the designated URL link using unique login details which will be despatched to Shareholders in the manner described below:

- (i) for Registered Owners, unique login details will be set out in a notification letter to be despatched by post together with this Scheme Document; and
- (ii) Beneficial Owners whose Shares are deposited in CCASS who wish to access the audio-visual webcast should contact their banks, brokers, custodians, nominees or the Hong Kong Securities Clearing Company Limited through which their Shares are held (together the “**Intermediary**”) and provide their e-mail addresses before the time limit required by the relevant Intermediary. Unique login details that can be used to access the audio-visual webcast will be sent by the Share Registrar to the e-mail addresses of the Beneficial Owners provided by the Intermediary.

The unique login details are limited to a single user and must not be forwarded by the Shareholder to other persons. The webcast can be accessed from any location with access to the Internet with a smart phone, tablet device or computer. There is no restriction under the articles of association of the Company or applicable laws for Shareholders to access the webcast to observe the Court Meeting and/or the General Meeting or to submit questions to Directors via electronic means. However, Shareholders who join the webcast will not be counted towards the quorum nor will they be able to cast their votes online, due to the restrictions in the Company’s articles of association.

### Voting Instructions

**The Company wishes to advise all of the Shareholders that the only ways to vote for any proposed resolution(s) in the Court Meeting and/or the General Meeting are (i) to attend the physical Court Meeting and/or the General meeting at Razer SEA HQ, 1 one-north Crescent #02-01, Singapore 138538 or (ii) to appoint any person or the chairman of the Court Meeting and/or the General Meeting as a proxy to attend and vote on any of the resolutions by completing and lodging the relevant proxy form(s) in accordance with the instructions contained therein. Shareholders are reminded to mark their voting decision (for or against, as the case may be) on the relevant proxy form(s).**

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## NOTICE OF GENERAL MEETING

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The General Meeting will be held for the purpose of considering and, if thought fit, passing (with or without modifications) the following as a special resolution and ordinary resolutions, respectively:

### SPECIAL RESOLUTION

1. “**THAT**, for the purpose of giving effect to the scheme of arrangement between the Company and the Scheme Shareholders (the “**Scheme**”) as set out in the scheme document dated 30 March 2022 (the “**Scheme Document**”) and subject to the approval of the Scheme by the Scheme Shareholders at the Court Meeting, on the Effective Date, any reduction of the issued share capital of the Company as a result of the cancellation of the Scheme Shares be and is hereby approved.”

### ORDINARY RESOLUTIONS

2. “**THAT**:
  - (A) Immediately prior to the cancellation of the Scheme Shares pursuant to resolution 1 above the Company shall allot and issue to Ouroboros (I) Inc. one (1) Share of the Company fully paid at par and the Directors of the Company be and are hereby authorised to allot and issue such Share;
  - (B) subject to and simultaneously with the cancellation of the Scheme Shares, the application of the credit arising in the books of account of the Company as a result of the cancellation of the Scheme Shares in paying up in full at par the new shares of the Company to be issued to Ouroboros (I) Inc. be and is hereby approved and the directors of the Company be and are hereby authorised to allot and issue the new shares of the Company accordingly;
  - (C) subject to the Scheme taking effect, the withdrawal of listing of the shares of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) be and is hereby approved; and



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## NOTICE OF GENERAL MEETING

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- (D) the directors of the Company be and are hereby unconditionally authorised to do all acts and things and/or sign such documents as considered by them to be necessary or desirable for or in connection with the implementation of the Scheme, including (without limitation) (i) the making of an application to the Stock Exchange for the withdrawal of the listing of the shares of the Company on the Stock Exchange, subject to the Scheme taking effect; (ii) any reduction of issued share capital of the Company; (iii) the allotment and issue of the shares of the Company referred to above; and (iv) the giving, on behalf of the Company, of consent to any modification of, or addition to, the Scheme, which the Grand Court of the Cayman Islands may see fit to impose and to do all other acts and things and/or sign such documents considered by them to be necessary for or desirable in connection with the implementation of the Scheme and in relation to the proposed privatisation of the Company by the Offeror by way of the Scheme as a whole.”

By Order of the Board  
**RAZER INC.**  
**Min-Liang TAN**  
*Chairman*

Singapore, 30 March 2022

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## NOTICE OF GENERAL MEETING

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*Notes:*

- (1) Unless otherwise defined in this notice or the context otherwise requires, terms defined in the Scheme Document shall have the same meanings when used in this notice.
- (2) At the General Meeting, the above resolutions shall be voted on by way of a poll.
- (3) A member of the Company entitled to attend and vote at the General Meeting is entitled to appoint one or more proxies, representing respectively the number of shares of the Company held by that member, to attend and, on a poll, vote instead of him. A proxy need not be a member of the Company.
- (4) Whether or not you are able to attend the General Meeting or any adjournment thereof in person, if you are a Shareholder, you are strongly urged to complete and sign the enclosed **white** form of proxy in respect of the General Meeting, in accordance with the instructions printed thereon. Completion and return of a form of proxy for the General Meeting will not preclude you from attending and voting in person at the relevant meeting or any adjournment thereof, should you so wish, and, in such event, the relevant form of proxy will be revoked by operation of law.
- (5) In order to be valid, the form of proxy together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be deposited at the Share Registrar's office at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 9:30 a.m. on Sunday, 24 April 2022, which is 48 hours before the time appointed for holding the General Meeting or any adjourned meeting (as the case may be). Form of proxy sent electronically will not be accepted.
- (6) Where there are joint registered holders of any share of the Company, any one of such persons may vote at the General Meeting, either personally or by proxy, in respect of such share (s) as if he/she were solely entitled thereto; but if more than one of such joint holders be present at the General Meeting personally or by proxy, that one of the said persons so present whose name stands first in the register of members of the Company in respect of such share(s) shall alone be entitled to vote in respect thereof.
- (7) For the purpose of ascertaining members who are entitled to attend and vote at the General Meeting (or any adjournment thereof), the register of members of the Company will be closed from Thursday, 21 April 2022 to Tuesday, 26 April 2022, both days inclusive. In order to qualify for the right to attend and vote at the General Meeting (or any adjournment thereof), all transfers of share ownership, accompanied by the relevant share certificates, must be lodged with the Company's Share Registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Wednesday, 20 April 2022 for registration.
- (8) Given the ever-evolving COVID-19 pandemic and the importance of safeguarding the health and safety of the Shareholders and attendees of the Court Meeting and the General Meeting, the Company will implement precautionary measures at the venue of the Court Meeting and the General Meeting which include but are not limited to: (i) prevailing safe management measures required under applicable laws and regulations in Singapore (including vaccination-differentiated safe management measures, i.e. all attendees must be fully vaccinated, recovered from COVID-19 in the past 180 days, or medically ineligible for vaccination); (ii) mandatory use of a surgical face mask for each attendee; (iii) no distribution of corporate souvenirs/gifts or refreshments; and (iv) appropriate distancing and spacing between seats.
- (9) In the case of any inconsistency between the Chinese translation and English text of this notice, the English text shall prevail.

*As at the date of this notice, the Board consists of Mr. Min-Liang Tan as Chairman and executive Director, Mr. Tan Chong Neng as executive Director, Mr. Lim Kaling as non-executive Director, and Mr. Gideon Yu, Mr. Chau Kwok Fun Kevin and Mr. Lee Yong Sun as independent non-executive Directors.*

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## LETTER TO THE RSU HOLDERS

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*The following is a form of the letter being sent to the RSU Holders in connection with the RSU Proposal.*

### **OUROBOROS (I) INC.**

*(incorporated in the Cayman Islands with limited liability)*

30 March 2022

*To the RSU Holders*

Dear Sir or Madam,

**RSU PROPOSAL  
IN RELATION TO THE  
PROPOSAL FOR THE PRIVATISATION OF  
RAZER INC. BY THE OFFEROR  
BY WAY OF A SCHEME OF ARRANGEMENT  
UNDER SECTION 86 OF THE COMPANIES ACT**

A scheme document dated the same date as this letter issued jointly by the Offeror and the Company (the “**Scheme Document**”) is provided to you together with this letter. Unless the context otherwise requires, capitalised terms used in this letter shall have the same meaning as those defined in the Scheme Document. This letter should be read in conjunction with the Scheme Document.

The Offeror and the Company jointly announced in an announcement dated 1 December 2021 (the “**Joint Announcement**”) that, on 1 December 2021, the Offeror requested the Board to put forward the Proposal to the Scheme Shareholders for the privatisation of the Company by way of a scheme of arrangement under section 86 of the Companies Act, subject to the Pre-Condition (which was satisfied on 18 February 2022) and the Conditions being fulfilled or waived, as applicable.

As stated in the Joint Announcement, pursuant to Rule 13 of the Takeovers Code, the Offeror is making an appropriate proposal to the RSU Holders in accordance with Rule 13.1 of the Takeovers Code (the “**RSU Proposal**”), further detail of which is set out in this letter. The RSU Proposal is conditional upon the Scheme becoming effective.

**Warning: RSU Holders should be aware that the implementation of the Proposal, the Scheme and the RSU Proposal are subject to the Conditions being fulfilled or (where applicable) waived. Accordingly, the Proposal and the RSU Proposal may or may not be implemented and the Scheme may or may not become effective. RSU Holders are advised to exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.**

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## LETTER TO THE RSU HOLDERS

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This letter explains the terms of the RSU Proposal and the actions you need to take in relation to any RSU held by you. You are advised to refer to the Scheme Document for further details of the RSU Proposal.

Your attention is also drawn to the 2016 Equity Incentive Plan, including the relevant vesting and other conditions as set out in the rules of the 2016 Equity Incentive Plan.

### TERMS OF THE RSU PROPOSAL

To implement the RSU Proposal, the Offeror has requested the Remuneration Committee to make, and the Remuneration Committee has made, certain determinations in accordance with the terms of the 2016 Equity Incentive Plan, pursuant to which, among other things:

- (a) each unvested RSU will be cancelled on the Effective Date;
- (b) the Offeror will pay to each Founder RSU Holder the Founder RSU Proposal Consideration (being, in the case of Mr. Tan, the crediting of the unpaid TopCo Shares held by the TML HoldCos and, in the case of Mr. Lim, the crediting of the unpaid TopCo Shares held by Mr. Lim and the LKL HoldCos, in each case as being fully paid in an aggregate amount equivalent to the RSU Proposal Price multiplied by the number of unvested RSUs of such Founder RSU Holder cancelled);
- (c) the Offeror will, subject to the existing terms of the unvested RSUs of such Non-Founder RSU Holder (including vesting and other conditions, such as the continued employment of such Non-Founder RSU Holder with the Group), pay to each Non-Founder RSU Holder the RSU Proposal Price in cash for each unvested RSU of such Non-Founder RSU Holder cancelled, on a staggered basis in accordance with the original vesting schedule applicable to each such unvested RSU; and
- (d) all of the Shares held by the RSU Trustee on the Effective Date will be cancelled for nil consideration.

**The RSU Proposal Price (for each unvested RSU) . . . . . HK\$2.82**

The RSU Proposal Price is the “see-through” price of the RSUs, which is equal to the Cancellation Price under the Scheme as there is no exercise price for the RSUs.

**No action will be required to be taken by any RSU Holder in order for him/her to receive the consideration detailed above in respect of the RSU Proposal.**

### Conditions of the RSU Proposal

The RSU Proposal is conditional upon the Scheme becoming effective. The RSU Proposal will become unconditional immediately upon the Scheme becoming effective, which will be prior to the withdrawal of the listing of the Shares on the Stock Exchange.

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## LETTER TO THE RSU HOLDERS

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The Conditions of the Proposal and the Scheme are set out in the section headed “Conditions of the Proposal” in the Explanatory Statement on pages 118 to 121 of the Scheme Document. You are further advised to refer to the sections headed “*Registration and Payment*” and “*Overseas holders of the Scheme Shares and overseas RSU Holders*” in the Explanatory Statement on pages 139 to 141 and 141 to 144, respectively, in the Scheme Document.

### **Payment of the RSU Proposal Price to the Non-Founder RSU Holders**

The RSU Proposal is conditional upon the Scheme becoming effective. The RSU Proposal will become unconditional immediately upon the Scheme becoming effective, which will be prior to the withdrawal of the listing of the Shares on the Stock Exchange.

Under the RSU Proposal, the RSU Proposal Price will, upon the satisfaction of the relevant vesting and other conditions as set out in the rules of the 2016 Equity Incentive Plan and/or as specified by the Board, and subject to the compliance with the rules of the 2016 Equity Incentive Plan, be paid to each Non-Founder RSU Holder on a staggered basis within seven (7) business days (as defined in the Takeovers Code) following the vesting date of the relevant RSU(s) which is determined in accordance with the existing vesting schedule of the RSU(s) held by such Non-Founder RSU Holder as at the Scheme Record Date.

Receipt of the RSU Proposal Price may trigger taxes subject to withholding obligations of the Offeror. The RSU Proposal Price will be paid to the Non-Founder RSU Holder net of such applicable taxes, if any. All Non-Founder RSU Holders are recommended to consult their professional advisers if in any doubt as to the taxation implications of the RSU Proposal.

If the RSU Proposal becomes unconditional, the cash consideration under the RSU Proposal due to the Non-Founder RSU Holders in accordance with the terms of the RSU Proposal will be held by the Offeror in a separate account and will be retained in such account pending payment to the Non-Founder RSU Holders as and when the payments are due. Such payments will be made to the Non-Founder RSU Holder by the Offeror within seven (7) business days (as defined in the Takeovers Code) following the vesting date of the relevant RSU(s) which is determined in accordance with the existing vesting schedule of the RSU(s) held by such Non-Founder RSU Holder(s) as at the Scheme Record Date.

Settlement of the consideration to which the Non-Founder RSU Holders are entitled under the RSU Proposal will be implemented in full in accordance with the terms of the 2016 Equity Incentive Plan, without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against any such Non-Founder RSU Holders.

Payment of the RSU Proposal Price under the RSU Proposal will be made by way of electronic bank transfer into a bank account as customarily used by the Non-Founder RSU Holders to receive compensation from the Group. Payment will be made in Hong Kong dollars.

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## LETTER TO THE RSU HOLDERS

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### **ACTION TO BE TAKEN BY THE RSU HOLDERS**

**No action will be required to be taken by any RSU Holder in order for him/her to receive the consideration detailed above in respect of the RSU Proposal.**

### **OUTSTANDING RSUS HELD**

Information on the RSU(s) held by you can be obtained by contacting the HR Department of the Company.

### **LAPSED RSUS**

Please note that nothing in this letter or the Scheme Document serves to extend the life of a RSU which lapses, will lapse, or has already lapsed, under the terms of the 2016 Equity Incentive Plan. You will not receive the RSU Proposal Price in respect of a RSU which has lapsed or will have lapsed by the Scheme Record Date.

### **RECOMMENDATION OF THE INDEPENDENT BOARD COMMITTEE**

Your attention is drawn to the letter from the Independent Board Committee to the Independent Scheme Shareholders and the RSU Holders set out in the “*Letter from the Independent Board Committee*” on pages 54 to 55 in the Scheme Document, and the letter from Anglo Chinese Corporate Finance, Limited, being the Independent Financial Adviser, to the Independent Board Committee set out in “*Letter from the Independent Financial Adviser*” on pages 56 to 107 in the Scheme Document, which contain the recommendation of the Independent Board Committee and of the Independent Financial Adviser, respectively, in respect of the Proposal, the Scheme and the RSU Proposal.

### **INDEPENDENT FINANCIAL ADVICE**

The information provided in this letter is intended to give you factual details in respect of the RSU Proposal.

If you are in any doubt as to any aspect of this letter, the Scheme Document or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

### **GENERAL**

All communications, notices, cheques, certificates and other documents of any nature to be delivered by or sent to or from you will be delivered by or sent to or from you, or you designated agents, at your risk, and none of the Offeror, the Offeror Concert Parties, the Company, Credit Suisse, the Independent Financial Adviser and the Share Registrar and their respective ultimate beneficial owners, directors, officers, agents and associates and any other person involved in the Proposal or the RSU Proposal accepts any liability for any loss or any other liabilities whatsoever which may arise as a result. This letter shall be taken as having been received by you within two (2) business days of its despatch.

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## LETTER TO THE RSU HOLDERS

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The RSU Proposal will be governed by and construed in accordance with the laws of Hong Kong.

Receipt of the RSU Proposal Price may trigger taxes subject to withholding obligations of the Offeror. The RSU Proposal Price will be paid to the Non-Founder RSU Holder net of such applicable taxes, if any. All Non-Founder RSU Holders are recommended to consult their professional advisers if in any doubt as to the taxation implications of the RSU Proposal.

### RESPONSIBILITY STATEMENTS

The issue of this letter has been approved by the Directors, who jointly and severally accept full responsibility for the accuracy of the information contained in this letter (other than the information relating to the Offeror Group, the Founder Group and the CVC Network) and confirm, having made all reasonable inquiries, that, to the best of their knowledge, opinions expressed in this letter (other than the opinions expressed by the directors of the Offeror, TopCo, MidCo, the TML HoldCos and CVC HoldCo, by Mr. Tan (in respect of himself and the Chen Family Trust Holding Companies) and by Mr. Lim (in respect of himself, the LKL HoldCos, Lim Teck Lee and ImmoBillari)) have been arrived at after due and careful consideration and there are no other facts not contained in this letter, the omission of which would make any statement in this letter misleading.

The issue of this letter has been approved by the directors of the Offeror, TopCo, and MidCo, who jointly and severally accept full responsibility for the accuracy of the information contained in this letter relating to the Offeror Group and confirm, having made all reasonable inquiries, that, to the best of their knowledge, opinions expressed in this letter by the respective directors of the Offeror, TopCo, and MidCo have been arrived at after due and careful consideration and there are no other facts not contained in this letter, the omission of which would make any statement in this letter misleading.

The issue of this letter has been approved by Mr. Tan, who accepts full responsibility for the accuracy of the information contained in this letter in relation to himself, Chen Family Trust SPV 1, Chen Family Trust SPV 2 and the Chen Family Trust Holding Companies and confirms, having made all reasonable inquiries, that to the best of his knowledge, opinions expressed in this letter by him have been arrived at after due and careful consideration and there are no other facts not contained in this letter the omission of which would make any statements in this letter misleading.

The issue of this letter has been approved by Mr. Lim, who accepts full responsibility for the accuracy of the information contained in this letter in relation to himself, the LKL HoldCos, Lim Teck Lee and ImmoBillari and confirms, having made all reasonable inquiries, that to the best of his knowledge, opinions expressed in this letter by him have been arrived at after due and careful consideration and there are no other facts not contained in this letter the omission of which would make any statements in this letter misleading.

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## LETTER TO THE RSU HOLDERS

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The issue of this letter has been approved by the directors of CVC HoldCo and CVC Capital Partners Asia V Limited, who jointly and severally accept full responsibility for the accuracy of the information contained in this letter in relation to the CVC Network and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this letter by the directors of CVC HoldCo have been arrived at after due and careful consideration and there are no other facts not contained in this letter the omission of which would make any statements in this letter misleading.

Yours truly  
For and on behalf of  
**OUROBOROS (I) INC.**  
**Min-Liang TAN**  
*Director*