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Vision Deal HK Acquisition Corp.

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 7827)

(Warrant Code: 4827)

- (1) DE-SPAC TRANSACTION ANNOUNCEMENT COMPRISING**
A. PIPE INVESTMENTS
B. SHARE REDEMPTION
C. TARGET CAPITAL RESTRUCTURING
D. SHARE TRANSFER
E. MERGER
F. REVERSE TAKEOVER INVOLVING A NEW LISTING
APPLICATION BY QUWAN HOLDING LIMITED
(2) INAPPLICABILITY OF THE CODES FOR DE-SPAC TRANSACTION
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ARTICLES OF ASSOCIATION
AND
(4) WITHDRAWAL OF LISTING OF SPAC CLASS A SHARES

The Successor Company



**Sole Sponsor to the deemed new listing application of the Successor Company and
Sole Sponsor-Overall Coordinator**



I. OVERVIEW OF THE DE-SPAC TRANSACTION

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

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

II. INFORMATION ON THE TARGET GROUP

The Target Company is an exempted company with limited liability incorporated in the Cayman Islands on May 29, 2019 and has authorized share capital of US\$50,000 divided into 420,628,721 Ordinary Shares and 79,371,279 preferred shares, 28,163,933 of which are designated series angel preferred shares, 23,386,682 of which are designated series A preferred shares, 12,992,601 of which are designated series B preferred shares, and 5,197,041 of which are designated series B+ preferred shares, 9,631,022 of which are designated series C preferred shares. The Target Group is a leading interest-driven mobile social platform in the PRC that endeavors to engage, link and connect Generation Z users. With its diversified product features and functions, the Target Group encourages relationship building and social interactions among its users who are primarily game lovers, by offering services and functions that improve gameplay experience. Through its voice-based and other real-time interactions and entertainment offerings, the Target Group further enhances the formation of social connections among its users. The Target Group is the largest mobile voice-based social network platform in the PRC and the largest mobile gamer-based social network platform in the PRC, each in terms of revenue in 2022, according to Frost & Sullivan.

III. INFORMATION ON VISION DEAL

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

Vision Deal has undertaken to publish the announcement and complete a De-SPAC transaction within 18 months and 30 months of the SPAC Listing Date, respectively, being December 9, 2023 and December 9, 2024, respectively, unless further extension of up to six months is approved by an ordinary resolution of the SPAC Class A Shareholders and granted by the Stock Exchange.

IV. REASONS FOR THE DE-SPAC TRANSACTION

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

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

- **Leading Interest-driven Mobile Social Platform.** The Target Group is the largest mobile voice-based social network platform and the largest mobile gamer-based social network platform in China, each in terms of revenues for 2022, according to Frost & Sullivan;
- **Large and Engaged User Community.** In 2022, the Target Group’s average monthly active users reached 13.8 million, and its average monthly paying users reached 1.0 million;
- **Diversified Product Features Bringing About Captivating User Experience.** The Target Group provides an online destination for its users, including game lovers, to socialize and have fun together and addresses the varying social needs of its users, by helping them to find, connect, interact and have fun with their new friends;
- **Solid Technological Infrastructure.** The Target Group’s ability to attract and serve a large and active user base is underpinned by its data analytics and technology infrastructure through years of development;
- **Shared Community Value Resulting in Strong Monetization Potential.** The Target Group purposefully fosters a user community and a facilitating environment that drive like-minded users’ inherent desire to engage with each other, and to monetize the social relationships built and enhanced in its user community; and
- **Professional and Experienced Leadership.** The Target Group’s platform was founded on its passion for games and bringing people together. The Target Group’s founder is an entrepreneur in the game industry with deep insight into the interests and needs of game lovers and Generation Z in China, who has led experienced senior management team of the Target Group to spearhead its rapid growth and expansion.

Taken into account the aforementioned and the terms of the Business Combination Agreement, the PIPE Investments, the Share Transfer and other arrangements as set out below, the Vision Deal Directors (including the independent non-executive Directors of Vision Deal) consider that the terms of the De-SPAC Transaction are fair and reasonable and in the interests of the SPAC Shareholders as a whole. See sections under “*I. The Business Combination Agreement*”, “*E. PIPE Investments*”, “*G. Share Transfer*” and “*J. Other Arrangements*” for further details.

V. PIPE INVESTMENTS AND PERMITTED EQUITY FINANCING

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

Pursuant to the PIPE Investment Agreements, the PIPE Investors have conditionally agreed to, by themselves or through their respective Qualified Investment Schemes, subscribe for, and Vision Deal has conditionally agreed to issue 57,620,000 PIPE Investment Shares (subject to adjustment to up to 61,020,000 PIPE Investment Shares upon determination of final Negotiated Value of Target and Permitted Equity Financing) in an aggregate purchase price of approximately HK\$576 million (subject to adjustment to up to approximately HK\$610 million upon determination of final Negotiated Value of Target and Permitted Equity Financing) at the price of HK\$10.0 per PIPE Investment Share. Vision Deal has reached an agreement with Taizhou TS First Fortune with respect to the aforementioned adjustment. The gross proceeds will be approximately HK\$576 million to approximately HK\$610 million depending on the adjustment to be made when the final Negotiated Value of Target being determined before the Closing. Upon completion of the De-SPAC Transaction, the gross proceeds from the PIPE Investments, after deduction of consideration of the De-SPAC Transaction, fees, commissions and expenses, aside from the portion to be used to acquire Target Disposing Shares which amounts to approximately HK\$298 million, will be used to (a) drive sustainable and high-quality user base expansion for *TT Chat* platform, (b) further engage user community with diversified offerings, (c) enhance the Target Company's technology capabilities to improve the overall user experience and strengthen its monetization ability and (d) general corporate purposes, including working capital needs, in each case, over the next three years. See section under "*E. PIPE Investments – 7. Use of Proceeds*".

The PIPE Investment Amount for each PIPE Investment was determined after arm's length negotiation between the parties to the respective PIPE Investment Agreements taking into account the effect of the De-SPAC Transaction on shareholdings in the Successor Company, the current development plan of the Target Company and its need for proceeds.

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

VI. SHARE REDEMPTION

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

Prior to an EGM to approve the De-SPAC Transaction, pursuant to Vision Deal Articles, Vision Deal will provide the SPAC Class A Shareholders with the opportunity to redeem all or a portion of their SPAC Class A Shares at a per-share price not less than HK\$10 payable in cash, equal to the aggregate amount then on deposit in the Escrow Account calculated as at 2 Business Days prior to the EGM (including interest or other income earned on the funds held in the Escrow Account and not previously released to Vision Deal to pay its expenses or taxes), divided by the number of the then issued and outstanding SPAC Class A Shares, subject to the limitations and on the conditions described in the Offering Circular. In accordance with the Vision Deal Articles, the Redemption Price per share price will not be lower than HK\$10. Should the interest income be depleted by the time SPAC Class A Shareholders submit redemption requests, such Redeeming SPAC Shareholders may not be able to receive more than HK\$10.00 but only the Redemption Price of HK\$10.00 per SPAC Class A Share, which is the original amount of their investment. The amount in the Escrow Account is initially anticipated to be HK\$1,001,000,000, representing the issuance of 100,100,000 SPAC Class A Shares at a price of HK\$10.00 per SPAC Class A Share. On this basis, the Redemption Price in any case will not be less than HK\$10.00.

VII. SHARE TRANSFER

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

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

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

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

Target Company Ordinary Shares acquired by Vision Deal in the Share Transfer will be surrendered by Vision Deal to the Successor Company for cancellation for nil consideration upon the Effective Time (as the SPAC Class A Shareholders (other than the Redeeming SPAC Shareholders and the Dissenting SPAC Shareholders) and the PIPE Investors will receive, as part of the Merger consideration, newly issued Successor Company Ordinary Shares based on their beneficial ownership of such Target Company Ordinary Shares. See section under "*I. The Business Combination Agreement – 1. Principal terms of the Business Combination Agreement – (iv) Merger consideration*").

VIII. TARGET CAPITAL RESTRUCTURING

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

IX. THE BUSINESS COMBINATION AGREEMENT

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

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

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

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

- (A) Upon Effective Time, each SPAC Class B Share held by the Promoters which are issued and outstanding will automatically cease to exist and will be converted into one fully paid SPAC Class A Share in accordance with the terms of the Vision Deal Articles and upon such conversion, all of the SPAC Class B Shares will no longer be issued and outstanding. By virtue of the Merger, each SPAC Class A Share issued in connection with the SPAC Class B Conversion will be automatically canceled and cease to exist in exchange for the right to receive one newly issued Successor Company Ordinary Share.
- (B) Upon the Effective Time:
 - (1) by virtue of Merger, each SPAC Class A Share (excluding the SPAC Class A Shares issued in connection with the SPAC Class B Conversion, the Redeeming SPAC Shares and the Dissenting SPAC Shares) will be canceled and cease to exist in exchange for the right to receive "N" newly issued Successor Company Ordinary Share based on the formula accounted ratio attributable to beneficially owned Target Disposing Shares and attributable to Merger consideration. See section under "*I. The Business Combination Agreement – 1. Principal terms of the Business Combination Agreement – (iv) Merger consideration – (ii) SPAC Class A Shareholders' interest in the Successor Company*" for the calculation of "N".

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

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

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

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

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

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

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

XI. APPRAISAL RIGHT OF DISSENTING SPAC SHAREHOLDERS

Section 238 of the Cayman Companies Act provides for the Appraisal Right of the Dissenting SPAC Shareholders to be paid the fair value of their SPAC Shares, subject to limitations under Section 239 of the Cayman Companies Act.

SPAC Class A Shareholders have the Appraisal Right in connection with the De-SPAC Transaction under the Cayman Companies Act. SPAC Class A Shareholders who wish to exercise their Appraisal Right must follow the statutory procedures prescribed in the Cayman Companies Act.

XII. EGM AND CIRCULAR

The De-SPAC Transaction (including the PIPE Investments, the Permitted Equity Financing (if any), the Share Transfer and the Merger) and the withdrawal of listing of the SPAC Class A Shares are subject to approval of the SPAC Shareholders at the EGM by ordinary resolutions. The Promoters and their respective close associates and any SPAC Class A Shareholders and their close associates who have a material interest in the De-SPAC Transaction are required to abstain from voting on the relevant resolutions to be proposed at the EGM to approve the De-SPAC Transaction and the transactions contemplated thereunder (including the PIPE Investments and the Merger). Voting rights of the SPAC Class A Shareholders will not be affected in the event that they elect to redeem all or a portion of their SPAC Shares in the Share Redemption.

As the Merger forms part of the De-SPAC Transaction, in the event that the adoption of the Private Company Memorandum and Articles by Vision Deal is not approved by the SPAC Shareholders at the EGM by special resolution, the De-SPAC Transaction will not be effected.

The Circular will contain, among other things, (i) further information on the De-SPAC Transaction (including the PIPE Investments, the Permitted Equity Financing (if any), the Share Transfer and the Merger), the Target Group and the Target Capital Restructuring and other information as required to be disclosed under the Listing Rules; (ii) details of the exchange of SPAC Class A Shares and SPAC Listed Warrants for Successor Company Shares and Successor Company Warrants pursuant to the De-SPAC Transaction and the withdrawal of the listing of SPAC Class A Shares and SPAC Listed Warrants; (iii) details of the Redemption Right and the Appraisal Right; (iv) a notice of the EGM; (v) a form of proxy and (vi) a form of election of redemption. Pursuant to Listing Rule 14.60(7), the Circular is required to be dispatched to the SPAC Shareholders within 15 Business Days from the date of this announcement. However, the Circular is subject to review and comments by the Stock Exchange and will be dispatched to the SPAC Shareholders as soon as practicable after the Successor Company has obtained the approval in principle from the Listing Committee with respect to the new listing application. In order to allow sufficient time for Vision Deal and the Target Company to prepare the Circular, including the accountants' report on the Target, and in view of the process required in connection with the new listing application by the Successor Company, Vision Deal expects that more time may be needed for the Stock Exchange to approve the Successor Company's new listing application and/or the preparation of the Circular, which will be dispatched more than 15 Business Days after the publication of this announcement and is expected to be dispatched to the SPAC Shareholders in or around February 2024. Vision Deal will make further announcement in relation to the dispatch of the Circular.

It is expected that the EGM will be convened to be held in or around February 2024.

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

Vision Deal has undertaken to publish the announcement and complete a De-SPAC transaction within 18 months and 30 months of the SPAC Listing Date, respectively, being December 9, 2023 and December 9, 2024, respectively. If the De-SPAC Transaction is not approved by SPAC Class A Shareholders at the EGM or completed for any reason:

- Vision Deal will not redeem any SPAC Class A Shares and all Share Redemption requests will be canceled; and
- subject to the deadlines under the Listing Rules, the listings of the SPAC Class A Shares and SPAC Listed Warrants on the Stock Exchange will be maintained; however, Vision Deal may not have sufficient time to identify another De-SPAC target and negotiate a De-SPAC transaction before it is required to wind up as provided for in the Listing Rules.

Therefore, SPAC Class A Shareholders are strongly recommended to vote FOR the resolutions to be proposed at the EGM, EVEN IF you intend to elect to redeem some or all of your SPAC Class A Shares.

XIV. WARNINGS

SPAC Class A Shareholders and holders of the SPAC Warrants and potential investors in the securities of Vision Deal should note that the De-SPAC Transaction and all transactions thereunder are subject to, among other things, compliance with applicable legal and regulatory requirements, including the requirements for approval by shareholders of the companies concerned at general meeting(s) and approval of the Stock Exchange and/or other regulators. Accordingly, there is no certainty as to whether, and if so when, any such proposed transactions will proceed and/or will become effective. If the De-SPAC Transaction is not completed, Vision Deal will not redeem any SPAC Class A Shares and all Share Redemption requests will be canceled.

SPAC Class A Shareholders and holders of the SPAC Listed Warrants and potential investors in the securities of Vision Deal should exercise caution when dealing or contemplate dealing in the shares or other securities of Vision Deal. Any person who is in doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional advisor(s).

A. OVERVIEW OF THE DE-SPAC TRANSACTION

The Vision Deal Board is pleased to announce that on December 8, 2023, Vision Deal signed agreements relating to the De-SPAC Transaction consisting of (i) the PIPE Investment Agreements with the Target Company and the PIPE Investors in relation to the PIPE Investments, (ii) the Share Transfer Agreements with the Target Company and the Target Disposing Shareholders in relation to the Share Transfer and (iii) the Business Combination Agreement with the Target Company and the Target Merger Sub (a wholly-owned subsidiary of Target Company) in relation to the Merger.

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

The Target Group is a leading interest-driven mobile social platform in China that endeavors to engage, link and connect Generation Z users. With its diversified product features and functions, the Target Group encourages relationship building and social interactions among its users who are primarily game lovers, by offering services and functions that improve gameplay experience. Through its voice-based and other real-time interactions and entertainment offerings, the Target Group further enhances the formation of social connections among its users. Further details of the Target Group are set out in “*B. Information on the Target Group*” below.

Vision Deal and the Target Company have entered into the PIPE Investment Agreements with the PIPE Investors. Pursuant to the PIPE Investment Agreements, the PIPE Investors agreed to subscribe for and Vision Deal agreed to issue to the PIPE Investors the PIPE Investment Shares as part of the De-SPAC Transaction. Pursuant to the De-SPAC Transaction, the PIPE Investment Shares will be issued to the PIPE Investors prior to the Share Transfer and the Merger. Therefore, the PIPE Investors are interested in the shares of the Target by participating in the Share Transfer and the Merger. The total funds to be raised from the PIPE Investors are approximately HK\$576 million (subject to adjustment to up to approximately HK\$610 million upon determination of final Negotiated Value of Target and Permitted Equity Financing). See “*E. PIPE Investments*” below for further details.

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

Prior to the completion of the Share Transfer, pursuant to the Vision Deal Articles, Vision Deal will redeem the SPAC Class A Shares from Redeeming SPAC Shareholders. Each Redeeming SPAC Share will be automatically canceled and cease to exist in exchange for the right to receive the Redemption Price. See “*F. Share Redemption*” below for further details.

Vision Deal and the Target Company have entered into the Share Transfer Agreements with the Target Disposing Shareholders, pursuant to the terms of the Share Transfer Agreements, subsequent to the Target Capital Restructuring and effective as of the Effective Time, Vision Deal will acquire 35,520,546 shares of the Target Company from Target Disposing Shareholders, representing approximately 4.32% of the issued share capital of the Target Company for a total consideration of HK\$298 million. See “*G. Share Transfer*” below for further details.

Pursuant to the terms of the Business Combination Agreement, the De-SPAC Transaction will be effected through the merger of Vision Deal and the Target Merger Sub, following which the separate existence of the Target Merger Sub will cease and Vision Deal will continue as the surviving entity and become a direct, wholly-owned subsidiary of the Successor Company. Details of the Business Combination Agreement are set out in “*I. The Business Combination Agreement*” below.

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

The Cayman Companies Act provides for a right of the Dissenting SPAC Shareholders to be paid the fair value of their SPAC Shares. See “*O. Appraisal Right of Dissenting SPAC Shareholders*” below for further details.

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

who have a material interest in the De-SPAC Transaction will abstain from voting on the relevant resolutions as required by the Listing Rules. See “Q. EGM and Circular” below for further details.

B. INFORMATION ON THE TARGET GROUP

1. Description of principal business activities of the Target Group

The Target Company is an exempted company with limited liability company incorporated in the Cayman Islands on May 29, 2019 and has authorized share capital of US\$50,000 divided into 420,628,721 Ordinary Shares and 79,371,279 preferred shares, 28,163,933 of which are designated series angel preferred shares, 23,386,682 of which are designated series A preferred shares, 12,992,601 of which are designated series B preferred shares, and 5,197,041 of which are designated series B+ preferred shares, 9,631,022 of which are designated series C preferred shares. The Target Group is a leading interest-driven mobile social platform in the PRC that endeavors to engage, link and connect Generation Z users. The Target Group operates interest-driven, decentralized and voice-based mobile social platform in the PRC. With its diversified product features and functions, the Target Group encourages relationship building and social interactions among its users who are primarily game lovers, by offering services and functions that improve gameplay experience. Through its voice-based and other real-time interactions and entertainment offerings, the Target Group further enhances the formation of social connections among its users. The Target Group is the largest mobile voice-based social network platform in the PRC and the largest mobile gamer-based social network platform in the PRC, each in terms of revenue in 2022, according to Frost & Sullivan.

2. Information on the Controlling Shareholders of the Target Company

As of the date of this announcement, Mr. Song, (i) through SK Family Trust, Future Exploration, Funplus and Vanker and (ii) by virtue of the Voting Proxy Agreements, controlled the voting rights of 75,489,822 shares of the Target Company, representing approximately 51.92% of the total issued share capital of the Target Company as at the date of this announcement, among which, Mr. Song held approximately 36.42% of the total issued shares of the Target Company indirectly through SK Family Trust, Future Exploration, Funplus and Vanker. Funplus and Vanker held 35,219,799 Target Company Ordinary Shares and 17,723,079 Target Company Preferred Shares, respectively, representing approximately 24.23% and 12.19% of the total issued shares of the Target Company, respectively. Both of Funplus and Vanker are wholly owned by Future Exploration, which is in turn wholly owned by Cantrust (Far East) Limited as the trustee of the SK Family Trust. Mr. Song is the founder and settlor of the SK Family Trust and the beneficiaries of SK Family Trust are Mr. Song and Exploring Time Limited (wholly-owned by Mr. Song).

In addition to the above, as of the date of this announcement, Mr. Song is also entitled to exercise the voting rights of an aggregate of 22,546,944 shares of the Target Company, representing 15.50% of the voting rights of the Target Company, pursuant to three voting proxy agreements (each a “**Voting Proxy Agreement**”, together, the “**Voting Proxy Agreements**”) dated September 23, 2021, entered into among Mr. Song and: (i) Mr. Chen Guangyao and Peerless Hero Limited (wholly owned by Mr. Chen Guangyao) as to the voting rights of 10,006,722 Ordinary Shares in the Target Company held by Peerless Hero Limited, representing 6.88% of the voting rights of Chen Guangyao as of the date of this announcement; (ii) Mr. Du Guo and Yun Qu Limited (wholly owned by Mr. Du Guo) as

to the voting rights of 7,549,852 Ordinary Shares in the Target Company held by Yun Qu Limited, representing 5.19% of the voting rights of the Target Company as of the date of this announcement; and (iii) Mr. Qiu Zhizhao and Fiery Dragon Limited (wholly owned by Mr. Qiu Zhizhao) as to the voting rights of 4,990,370 Ordinary Shares (each of the 10,006,722 Ordinary Shares held by Peerless Hero Limited, 7,549,852 Ordinary Shares held by Yun Qu Limited and 4,990,370 Ordinary Shares held by Fiery Dragon Limited, the “**Subject Shares**”) in the Target Company held by Fiery Dragon Limited, representing 3.43% of the voting rights of the Target Company as of the date of this announcement, respectively. Pursuant to the Voting Proxy Agreements, Mr. Song is entrusted to exercise, in his sole discretion, all voting rights attached to the Subject Shares. Each of the Voting Proxy Agreements will be terminated: (i) with the written consent of the parties therein; or (ii) when Mr. Chen Guangyao, Mr. Du Guo or Mr. Qiu Zhizhao (as the case may be) or his close associate ceases to hold any of the Subject Shares directly or indirectly. The primary reason for entering into the Voting Proxy Agreements are to affirm support and confidence of Mr. Chen Guangyao, Mr. Du Guo and Mr. Qiu Zhizhao as proxy granters in the direction and vision of Mr. Song as the founder of the Target Company to continuously manage the Group’s business and steer overall strategic planning, and to reflect the importance of Mr. Song’s leadership in the Target Group’s continued growth and development with stronger control.

Immediately upon completion of the De-SPAC Transaction and assuming that (i) the Target Capital Restructuring is completed, (ii) all SPAC Class A Shareholders exercise their Redemption Right, (iii) no SPAC Class A Shareholders exercise their Appraisal Right; (iv) 63,340,546 Successor Company Shares are issued to the PIPE Investors pursuant to the PIPE Investment Agreements, (v) there is no Permitted Equity Financing, Mr. Song, (i) through SK Family Trust, Future Exploration, Funplus and Vanker and (ii) by virtue of the Voting Proxy Agreements, will control the voting rights of 426,559,040 Successor Company Shares, representing approximately 48.79% of the total issued share capital of the Successor Company.

3. Contractual Arrangements of the Target Company

The Target Group operates certain businesses that are subject to foreign investment restrictions under current PRC laws and regulations. To comply with the PRC laws and regulations, while availing itself of international capital markets and maintaining effective control over all of its operations, the Target Company entered into the Contractual Arrangements, which enable the results of operations, assets and liabilities of the Consolidated Affiliated Entities to be consolidated into the results of operations, assets and liabilities of the Target Company under the IFRS as if they are subsidiaries of the Target Company. See the Appendix to this announcement for further details of the Contractual Arrangements of the Target Company.

4. Financial information of the Target Group

Certain key financial information of the Target Group for the three financial years ended December 31, 2020, 2021 and 2022 and for the six months ended June 30, 2023 are set out as below:

	For the year ended			For the six months ended	
	December 31,			June 30,	
	2020	2021	2022	2022	2023
	<i>(RMB'000)</i>				
Revenue	1,493,420	2,630,592	3,401,990	1,659,489	1,627,468
Cost of revenues	(522,201)	(1,124,798)	(1,559,517)	(761,899)	(734,280)
Gross profit	971,219	1,505,794	1,842,473	897,590	893,188
(Loss)/profit before income taxation	(141,130)	(2,484,904)	577,948	329,379	201,593
(Loss)/profit for the year/period	(154,009)	(2,495,545)	509,253	289,443	180,596

As at June 30, 2023, the net current assets of the Target Group was approximately RMB222.1 million.

Based on the financial information of the Target Group set out above, the revenue of the Target Group decreased slightly mainly due to a decrease in the revenue generated from audio entertainment services as the Target Company optimized its host community to focus on improving hosts' content quality to enhance its user experiences. Cost of revenues of the Target Group correspondingly decreased slightly mainly due to the decrease in revenue sharing fees. As a result of the foregoing, the Target Group overall gross profit decreased slightly by 0.5% from RMB897.6 million in the six months ended June 30, 2022 to RMB893.2 million in the six months ended June 30, 2023.

The revenue of the Target Group for the year ended December 31, 2022 increased from that of the year ended December 31, 2021. That is mainly due to an increase in the revenue generated from value-added services, primarily attributable to the Target Group users' increased consumption of virtual items on *TT Chat* and the growth of the Target Group's paying user base, more interactions among its users and their increased willingness to deepen their connections through virtual gifting, driven by the satisfactory user experience the Target Group offers.

Cost of revenues of the Target Group also have increased from that of the year ended December 31, 2021 to that of the year ended December 31, 2022. The increase was consistent with the growth of its revenues and was primarily due to the increase in revenue sharing fees, which accounted for a vast majority of its total cost of revenues.

As a result of the foregoing, the Target Group's overall gross profit increased by 22.4% from RMB1,505.8 million in 2021 to RMB1,842.5 million in 2022.

Historically, the Target Group experienced fluctuations in its results of operations, including revenue, gross profit and net profit. These fluctuations were mainly attributable to fluctuations in the number of Target Group's users and in the user engagement levels due to seasonality, market trend, regulatory environment, unexpected events, and other factors, would have significant impact on the Target Group's results of operations.

(i) Non-IFRS Measures

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

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

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

	For the year ended December 31,			For the six months ended June 30,	
	2020	2021	2022	2022	2023
	<i>(RMB'000 except for percentages)</i>				
	<i>(unaudited)</i>				
Reconciliation of (loss)/profit for the year/period and adjusted net income (a non-IFRS measure)					
(Loss)/profit for the year/period	(154,009)	(2,495,545)	509,253	289,443	180,596
Add:					
Share-based compensation expenses	108,222	167,212	67,153	34,722	51,516
Fair value changes on convertible redeemable preferred shares	53,075	1,326,311	64,129	6,369	71,289
Fair value changes on convertible preferred shares	109,649	939,441	12,664	(40,087)	83,424
Listing expenses	-	33,636	12,692	-	4,475
Expenses related to group reorganization	34,365	138,546	-	-	-
Adjusted net income (a non-IFRS measure)	151,302	109,601	665,891	290,447	391,300
Adjusted net margin (a non-IFRS measure)	10.1%	4.2%	19.6%	17.5%	24.0%

The Target Company made adjustments of the above items to (loss)/profit for the years/period presented because Target Company's management considers that:

- i. share-based compensation expenses represent primarily non-cash employee benefit expenses incurred in connection with the Target Company's share incentive plan. Such expenses in any specific period are not expected to result in future cash payments;
- ii. fair value changes of convertible redeemable preferred share and fair value changes of convertible preferred shares mainly represent changes in the fair value of the convertible redeemable preferred shares and convertible preferred shares issued by us and relate to changes in Target Group's valuation. The Target Company does not expect to record any further fair value changes of the convertible redeemable preferred shares or the convertible preferred shares after Listing as preferred shares liabilities will be redesignated and reclassified from liabilities to equity after automatically converting into ordinary shares upon Listing;
- iii. listing expenses represent primarily the expenses incurred in connection with the previous listing application. The Target Company does not expect to record any future listing expenses related to the previous listing application after Listing; and
- iv. expenses related to group reorganization represent the deemed compensation paid to Mr. Song Ke and other management of the Target Company on two occasions in 2020 and 2021, respectively, in the form of special dividends declared by Guangzhou Quwan. Mr. Song Ke and other management of the Target Company used a portion of such dividends to repay the outstanding debt in connection with Target Group's corporate reorganization.

5. Information about Target Merger Sub

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

6. Previous Listing Application of the Target Company

The Target Company has submitted its first listing application to the Stock Exchange on October 19, 2021 which has already lapsed. The Target Company has re-submitted a listing application on June 19, 2023 (the "**Previous Listing Application**"). As the Target will pursue the listing by way of De-SPAC transaction involving Vision Deal, the Target Company will, with a view to continuing its listing application, concurrently withdraw the Previous Listing Application and submit a listing application in relation to the De-SPAC Transaction to the Stock Exchange pursuant to the term of the Business Combination Agreement. The Directors of the Target Company are not aware of any material matters that would materially adversely affect the Target Company's suitability for the new listing application by the Successor Company and need to be brought to the attention of the Stock Exchange and the SFC with respect to the Previous Listing Application.

As of the date of the announcement, the Previous Listing Application is still being vetted by the Stock Exchange. Based on the due diligence performed by the Sole Sponsor in the Previous Listing Application pursuant to relevant Listing Rules, nothing has come to the attention of the Sole Sponsor to disagree with the views of the Directors of the Target Company as stated above.

C. INFORMATION ON VISION DEAL

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

Vision Deal has undertaken to publish the announcement and complete a De-SPAC transaction within 18 months and 30 months of the SPAC Listing Date, respectively, being December 9, 2023 and December 9, 2024, respectively, unless further extension of up to six months is approved by an ordinary resolution of the SPAC Class A Shareholders and granted by the Stock Exchange.

In the event of termination of the Business Combination Agreement (see "*I. The Business Combination Agreement – 1. Principal terms of the Business Combination Agreement – (vi) Termination*" below) and the De-SPAC Transaction is not completed within the required timeframe mentioned above, Vision Deal will (i) cease all operations except for the purpose of winding up or liquidation; (ii) suspend trading of the SPAC Class A Shares and the SPAC Listed Warrants; (iii) as promptly as reasonably possible but no more than one month after the date that trading in the SPAC Class A Shares is suspended, Vision Deal will redeem the SPAC Class A Shares and distribute the funds held in the Escrow Account to holders of the SPAC Class A Shares on a pro rata basis at a per share price of no less than HK\$10.00 per SPAC Class A Share (being the issue price of SPAC Class A Shares at SPAC IPO), which will completely extinguish the rights of the holders of the SPAC Class A Shares as SPAC Shareholders (including the right to receive further liquidation distributions, if any); (iv) the listing of the SPAC Class A Shares and the SPAC Listed Warrants on the Stock Exchange will be canceled; and (v) Vision Deal will be liquidated and dissolved, subject to obligations under Cayman Islands law to provide for claims of creditors and in all cases subject to the other requirements of applicable law (including the Listing Rules) and the Promoter Agreement.

D. REASONS FOR THE DE-SPAC TRANSACTION

As stated in the Offering Circular, Vision Deal's business strategy is to identify and complete a De-SPAC transaction with a high-quality company in China that either specializes in smart car technologies or possesses supply chain and cross-border e-commerce capabilities to benefit from domestic consumption upgrading trends. Vision Deal has taken into account the said business strategy and developed several general characteristics for evaluating prospective De-SPAC targets. Such business strategy has been taken into account by Vision Deal and adopted as one of the non-exhaustive criteria to be used when assessing the De-SPAC targets.

Since the listing of Vision Deal, Vision Deal has commenced to identify, select and evaluate De-SPAC targets from the pipeline of potential De-SPAC targets which are in line with the business strategy. Vision Deal, after conducting due diligence and sourcing exercise, has identified the Target Company which engages in the provision of online audio content, online music and entertainment service. The Target Company has been focusing on facilitating decentralized social interactions and has provided each user with equal opportunities to receive engagement and interact with other like-minded users across a diversified range of social and entertainment use cases. The Vision Deal management believes that as a leading internet driven model social platform in China, the Target Company's principal business is coincided with the underlying business strategy of Vision Deal to identify De-SPAC target which possess the interchangeable ability in supply chain and cross-border e-commerce capability to benefit from domestic consumption upgrading trend.

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

Given that the Target Company is a leading interest-driven mobile social platform in China, the management of Vision Deal believes it satisfies the foremost characteristics for evaluating a prospective De-SPAC target. It possesses a best-in-class business model with an established platform and brand, contributing to an addressable market. The TT Platform has been proven to be the largest mobile voice-based social network platform and the largest mobile gamer-based social network platform in China in terms of revenues in 2022, according to Frost & Sullivan. The services offered by the Target Company are experiencing organic growth and consolidation opportunities to capitalize on favorable macroeconomic and sector tailwinds. As a consumer technology company, the Target Company is well-positioned to benefit from the trend of consumption upgrade in China. The Target Group's integrated platform of mobile applications, TT Chat, facilitates social relationships among users by leveraging its intelligent matching capabilities, diversified social features and entertainment scenarios.

The Target Company provides an online destination for its users, including game lovers, to socialize and have fun together and addresses the varying social needs of its users, by helping them to find, connect, interact and have fun with their new friends. After evaluating the target's business and the merits of the business combination, and considering the non-exhaustive guidelines, Vision Deal believes that the Target Company meets the business strategy of Vision Deal as disclosed in the Offering Circular under the section "Business – De-SPAC Transaction Criteria" for Vision Deal's criteria in evaluating prospective De-SPAC targets and conducting the De-SPAC Transaction. Having evaluated a number of potential target companies, Vision Deal considers that the Target Company has favourable and suitable characteristics and that it would be in the interests of Vision Deal to enter into the De-SPAC Transaction with the Target Company for the following reasons:

- **Leading Interest-driven Mobile Social Platform:** The Target Group is the largest mobile voice-based social network platform and the largest mobile gamer-based social network platform in China, each in terms of revenues for 2022, according to Frost & Sullivan. The Target Group's integrated platform of mobile applications, TT Chat, facilitates social relationships among users through leveraging its intelligent matching capabilities, diversified social features and entertainment scenarios. Over the years, the Target Group has been focusing on facilitating decentralized social interactions and has provided each user with equal opportunities to receive engagement and interact with other like-minded users across a diversified range of social and entertainment use cases. Users initiate virtual chatrooms on the Target Group's platform where multiple users can interact with each other through voice, text, virtual gifts, and a variety of other functions. These virtual chatrooms are welcomed by the Target Group's users as a personal cyberspace to express themselves to those who share common interests and passion for games and other topics. On June 30, 2023, over 90% of the chatrooms on TT Chat had less than 10 users simultaneously in a chatroom, which creates a more interpersonally connected online social environment.
- **Large and Engaged User Community:** In the six months ended June 30, 2023, the average MAUs of the Target Group's TT Chat platform was 12.6 million, and average MPUs of the Target Group's TT Chat platform was 897.0 thousand. In 2020, 2021 and 2022, the Target Group's users spent an average of approximately 156, 161 and 180 minutes in Target Group's voice chatrooms on a daily basis, respectively. As of June 30, 2023, based on information available to the Target Group, over 90% of its user base was aged 30 or below. Over time, the Target Group has grown its platform to appeal to a user base with balanced gender distribution. Approximately 48.9% of its paying users as in June 2023 were female. The diversified content, gaming and audio entertainment offered by the Target Group's TT Chat platform fulfills interest-driven social needs and is welcomed by users of different genders. The decentralized nature of social interactions that the Target Group promotes on its platform has also led to a more engaged user base that offers attractive long-term monetization potential in a cost-effective way. In 2020, 2021, 2022 and the six months ended June 30, 2023, the Target Group's daily average next day user retention ratio was 66.2%, 65.9%, 69.0% and 69.1%, respectively.

- Diversified Product Features Bringing About Captivating User Experience:** The Target Group provides an online destination for its users, including game lovers, to socialize and have fun together and addresses the varying social needs of its users, by helping them to find, connect, interact and have fun with their new friends. The Target Group’s voice chatrooms are designed to facilitate both pre – and post-game social interactions and provide a virtual social environment for Target Group’s users to interact with each other in an immersive group setting. The Target Group has developed a diversified range of product features and functions to address the derivative social needs of users beyond the gaming context. These features and functions include interest-driven matching mechanisms, virtual gifting, moments, in-app casual social games, and other social entertainment scenarios facilitated by hosts on Target Group’s platform, such as online dating and online karaoke, which enhance the diversity and quality of user engagement, rather than just increasing the length of user time spent.
- Solid Technological Infrastructure:** The Target Group’s ability to attract and serve a large and active user base is underpinned by its data analytics and technology infrastructure. Through years of development, the proprietary algorithms underlying its data analytics system has enabled the Target Group to improve the success rate of user matching and provide more personalized voice chat room recommendations which naturally leads to higher user engagement and satisfaction. In the six months ended June 30, 2023, the average MAUs of the Target Group’s TT Chat platform was 12.6 million, and average MPUs of the Target Group’s TT Chat platform was 897.0 thousand. The Target Group also adopts solid technologies to offer voice-based communications among users, delivering a satisfactory user experience. Target Group’s platform is highly scalable as Target Group can rapidly expand its network capacity on demand, which supports its geographic expansion and the rapid growth of its user base. The Target Group has also leveraged machine learning and artificial intelligence technologies to develop a proprietary automated system to facilitate content screening and monitoring to ensure the integrity of its content and platform.
- Shared Community Value Resulting in Strong Monetization Potential:** The Target Group purposefully fosters a user community and a facilitating environment that drive like-minded users’ inherent desire to engage with each other, and to monetize the social relationships built and enhanced in its user community. The Target Group has good understanding of its users behavior in the community, which enable it to create, encourage and deepen social relationships among its users, which serves as the foundation of the Target Group’s ability to drive user spending. Sales of virtual items are seamlessly integrated with the social and entertainment features and functions on the Target Group’s platform, allowing users to express and differentiate themselves through virtual gifting. In the six months ended June 30, 2023, approximately 2.1 million users had sent virtual gifts to others, and approximately 2.8 million users had received gifts from others. The large number of users who had received and sent gifts demonstrates the multi-way interactions that the Target Group believes are unique to its decentralized approach to engage with Target Group’s user community. Although the Target Group is still in the early stages of monetization but it has already achieved rapid growth with its revenues increasing from RMB1,493.4 million in 2020 to RMB2,630.6 million in 2021, and further to RMB3,402.0 million in 2022.

- **Professional and Experienced Leadership:** The Target Group’s platform was founded on its passion for games and bringing people together. The Target Group’s founder is an entrepreneur in the game industry with deep insight into the interests and needs of game lovers and Generation Z in China, who has led an experienced senior management team of the Target Group to spearhead its rapid growth and expansion. The senior management team of the Target Group consists of industry veterans who have extensive experience in China’s game and mobile internet industries, who have previously worked for renowned internet, technology and social media companies such as Tencent (0700.HK) and JOYY (Nasdaq: YY) who has brought extensive product development and technology expertise to the Target Company. The management’s experience with first-hand market insights and strong execution capabilities have enabled the Target Company to solidify its market leadership and drive its continued growth.

Taken into account the aforementioned and the terms of the Business Combination Agreement, the PIPE Investments, the Share Transfer and other arrangements as set out below, the Vision Deal Directors (including the independent non-executive Directors of Vision Deal) consider that the terms of the De-SPAC Transaction are fair and reasonable and in the interests of the SPAC Shareholders as a whole.

E. PIPE INVESTMENTS

On December 8, 2023, Vision Deal entered into the PIPE Investment Agreements with the PIPE Investors and the Target pursuant to which the PIPE Investors have conditionally agreed to, by themselves or through their respective Qualified Investment Schemes, subscribe for, and Vision Deal has conditionally agreed to issue 57,620,000 PIPE Investment Shares (subject to adjustment to up to 61,020,000 PIPE Investment Shares upon determination of final Negotiated Value of Target) in an aggregate purchase price of approximately HK\$576 million (subject to adjustment to up to approximately HK\$610 million upon determination of final Negotiated Value of Target) at the price of HK\$10.0 per PIPE Investment Share. Vision Deal has reached an agreement with Taizhou TS First Fortune with respect to the aforementioned adjustment.

1. Principal terms of the PIPE Investment Agreements

The principal terms of the PIPE Investment Agreements are set out below:

(a) Conditions precedent

The obligations of each PIPE Investor and the Target Company and/or Successor Company and/or Vision Deal (as applicable) to consummate the PIPE Investments pursuant to the relevant PIPE Investment Agreements are subject to the satisfaction of the following conditions (or if applicable, waived by the PIPE Investors and the Target Company and/or the Successor Company and/or Vision Deal (as applicable) in writing as applicable to the extent permitted by the applicable law):

(1) *Conditions to obligations of the PIPE Investors (or their respective Qualified Investment Schemes, as applicable) and the Target Company and/or the Successor Company and/or Vision Deal:*

- (i) all necessary approvals required to consummate the De-SPAC Transaction (including, but not limited to, the approval of the SPAC Shareholders and the approval granted by the Listing Committee of the Stock Exchange for the listing of the Successor Company) having been obtained and such approval and permission not having been withdrawn and all of the conditions precedent to the Share Transfer contemplated under the Share Transfer Agreements and all of the conditions precedent set forth in the Business Combination Agreement having been satisfied (or validly waived pursuant to the terms thereof) and the Share Transfer contemplated under the Share Transfer Agreements and the closing of the Merger will take place on the same date or one to two business day(s) after the completion of the PIPE Investments;
- (ii) no laws having been enacted or promulgated by any governmental authority which prohibit the consummation of the transactions contemplated in the (i) PIPE Investment Agreements, the (ii) Share Transfer Agreements or the (iii) Business Combination Agreement and there having been no orders or injunctions from a court of competent jurisdiction in effect which preclude or prohibit consummation of such transactions.

(2) *Conditions to obligations of the PIPE Investors (or their respective Qualified Investment Schemes, as applicable):*

- (i) the representations and warranties made by Vision Deal and the Target Company in the respective PIPE Investment Agreements, without taking into consideration “materiality”, “in all material aspects”, “material adverse effect” or other similar language, being true and accurate in all respects at and as of the date of closing of the PIPE Investments (other than representations and warranties that speak as of an earlier date or a specific date, in which case they shall have been true and accurate in all respects as of such earlier date or such specific date), except to the extent that the failure of such representations and warranties to be so true and accurate would not reasonably be expected to prevent, materially delay, or materially impair the ability of Vision Deal or the Target Company (as applicable) to comply in all material respects with the terms of the respective PIPE Investment Agreements;
- (ii) Vision Deal and the Target Company as of or before the date of closing of the PIPE Investments having performed, fulfilled and complied with all covenants, agreements and conditions required by the respective PIPE Investment Agreements to be performed, fulfilled or complied with, except where the failure of such performance, fulfilment or compliance would not or would not reasonably be expected to prevent, materially delay, or materially impair the ability of Vision Deal or the Target Company (as applicable) to consummate the closing of the PIPE Investments;

(3) *Conditions to obligations of the Target Company and/or Successor Company and/or Vision Deal (as applicable):*

- (i) the representations and warranties made by the PIPE Investors in the respective PIPE Investment Agreements, without taking into consideration “materiality”, “in all material aspects”, “material adverse effect” or other similar language, being true and accurate in all respects at and as of the date of closing of the PIPE Investments (other than representations and warranties that speak as of an earlier date or a specified date, in which case they shall have been true and correct in all respects as of such earlier date or such specified date), except to the extent that the failure of such representations and warranties to be so true and accurate would not reasonably be expected to prevent, materially delay, or materially impair the ability of the respective PIPE Investor to comply in all material respects with the terms of the respective PIPE Investment Agreements; and
- (ii) the PIPE Investors (or their respective Qualified Investment Schemes, as applicable) as of or before the date of closing of the PIPE Investments having performed, fulfilled and complied with all covenants, agreements and conditions required by the respective PIPE Investment Agreements to be performed, fulfilled or complied with, except where the failure of such performance, fulfilment or compliance would not or would not reasonably be expected to prevent, materially delay, or materially impair the ability of the PIPE Investors (or their respective Qualified Investment Schemes, as applicable) to consummate the closing of the PIPE Investments.

(b) *Restrictions and lock-ups on PIPE Investors*

Each PIPE Investor has agreed and undertaken that except with the prior written consent of Vision Deal and the Target Company, the aggregate holding of each PIPE Investor and close associates in the total issued share capital of the Successor Company will be less than 10% (or such other percentage as provided in the Listing Rules from time to time for the definition of substantial shareholder). The PIPE Investors have agreed that if it noticed the aggregate holding of each PIPE Investor and close associates in the total issued share capital of the Successor Company has reached 10% or more (or such other percentage as provided in the Listing Rules from time to time for the definition of substantial shareholder or as provided by the Stock Exchange from time to time for the definition of public shareholder), the PIPE Investor will notify the Successor Company.

Each PIPE Investor has agreed that other than the respective PIPE Investment Agreements, each PIPE Investor (or their respective Qualified Investment Schemes, as applicable) and its respective close associates, directors, officers, employees or agents will not enter into any other arrangement or agreement, including any side letter, with Vision Deal, the Target Company, any Controlling Shareholder of the Target Company or any other member of the Target Group or their respective close associates, directors, officers, employees or agents in connection with the De-SPAC Transaction and the PIPE Investments.

Six PIPE Investors (comprising of, in aggregate, 21,440,000 PIPE Investment Shares (representing 37.21% of the PIPE Investments assuming full redemption of the SPAC Class A Shares) have each agreed and undertook to Vision Deal and the Target Company that except with the prior written consent of Vision Deal and the Target Company, each PIPE Investor will not directly or indirectly during the six (6) month period after the Listing Date (the “**Lock-up Period**”) (i) sell any PIPE Investment Shares or any interest in any company or entity holding any PIPE Investment Shares in any way; (ii) allow itself to effect a change of control (as defined in the Takeovers Code) at the level of ultimate beneficial owner; or (iii) enter into any transaction that directly or indirectly has the same economic impact as any of the aforementioned transactions. However, the PIPE Investors will not be restricted from transferring all or part of their PIPE Investment Shares to any wholly-owned subsidiary of the PIPE Investors when the following conditions are met:

- (i) prior to the transfer, such wholly-owned subsidiary of the PIPE Investors shall make a written undertaking (addressed to Vision Deal and the Target Company in terms satisfactory to them) agreeing to, and the PIPE Investors shall undertake to procure such wholly-owned subsidiary to be bound by the obligations of the PIPE Investors under the PIPE Investment Agreements, including the restrictions imposed on the PIPE Investors under this “*Restrictions and lock-ups on PIPE Investors*” section, as if such wholly-owned subsidiary of the PIPE Investors itself is required to comply with such obligations and restrictions as a party of the PIPE Investment Agreement(s);
- (ii) such wholly-owned subsidiary of the PIPE Investors is deemed to have made the same acknowledgements, representations and warranties made by the PIPE Investors;
- (iii) the PIPE Investors and such wholly-owned subsidiary of the PIPE Investors shall be treated as being the investors holding all PIPE Investment Shares and shall jointly and severally bear all responsibilities and obligations imposed by the PIPE Investment Agreements;
- (iv) if at any time before the expiration of the Lock-up Period, such wholly-owned subsidiary of the PIPE Investors ceases to be or will no longer be a wholly-owned subsidiary of the PIPE Investors, it shall (and the PIPE Investors shall procure such subsidiary shall) immediately (and in any circumstances before ceasing to be a wholly-owned subsidiary of the PIPE Investors) transfer all of its PIPE Investment Shares to the PIPE Investors or another wholly-owned subsidiary of the PIPE Investors, which shall make and the PIPE Investors shall procure such subsidiary to make a written undertaking (addressed to and in favor of Vision Deal and the Target Company in terms satisfactory to them), agreeing to be bound by the obligations of the PIPE Investors under the PIPE Investment Agreements, including the restrictions imposed on the PIPE Investors under this “*Restrictions and lock-ups on PIPE Investors*” section, and making the same acknowledgements, representations and warranties as if such wholly-owned subsidiary itself is required to comply with such obligations and restrictions, and jointly and severally bear all responsibilities and obligations imposed by the PIPE Investment Agreements; and
- (v) such wholly-owned subsidiary of the PIPE Investors is (i) located outside the United States and (ii) purchasing the PIPE Investment Shares in offshore transactions in reliance on Regulation S of the U.S. Securities Act of 1933.

The remaining fourteen PIPE Investors (comprising of, in aggregate, 36,180,000 PIPE Investment Shares (representing 62.79% of the PIPE Investments assuming full redemption of the SPAC Class A Shares) are not subject to the above lock-ups restrictions. The Lock-up Period for PIPE Investors was determined through commercial negotiations involving Vision Deal, the Target Company, and the PIPE Investors. Several factors were taken into account, including the background of the PIPE Investment (such as the investment amount), investment sentiment, expected long-term growth prospects, and the expected investment return envisaged to be enjoyed by the PIPE Investors. Lock-up undertakings by pre-listing investors are not uncommon in traditional initial public offerings and certain PIPE Investors have therefore accepted the commercial term to be subject to a lock-up period based on arms-length negotiation.

The PIPE Investors have agreed that the PIPE Investor's holding in the Successor Company Shares is on a proprietary investment basis, and to, upon reasonable request by the Successor Company, provide reasonable evidence to the Successor Company showing that the PIPE Investor's holding of the Successor Company's share capital is on a proprietary investment basis.

(c) Closing

The PIPE Investors will, by themselves (or through their respective Qualified Investment Schemes, as applicable), subscribe for the PIPE Investment Shares, at such time and in such manner as shall be determined by Vision Deal and the Target Company. Prior to the Effective Time, the Share Transfer and the Merger, upon completion of the PIPE Investments, the PIPE Investors will receive the PIPE Investment Shares and shall become SPAC Class A Shareholders. Since the PIPE Investors will receive SPAC Class A Shares after the end of the redemption period, namely subsequent to the EGM to approve the De-SPAC Transaction, PIPE Investors will not be granted any Redemption Rights for the purpose of subscribing to PIPE Investment Shares.

(d) Termination

Each PIPE Investment Agreement will terminate upon the earliest to occur of:

- (i) the mutual written agreement of each of the parties to such PIPE Investment Agreements;
- (ii) such date and time as the Share Transfer Agreement and the Business Combination Agreement are validly terminated in accordance with its terms; and
- (iii) 30 days after the Longstop Date, if the closing of the relevant PIPE Investment has not occurred by such date other than a result of a breach of the relevant PIPE Investor's obligations under such PIPE Investment Agreement.

For the avoidance of doubt, the closing of the PIPE Investment Agreements are not inter-conditional on the closing of the other PIPE Investment Agreements, the termination of a PIPE Investment Agreement upon the occurrence of termination event itself will not affect the closing of the other PIPE Investment Agreements.

2. PIPE Investment Amount

Details of the respective PIPE Investment Amount by each PIPE Investor are set out below:

PIPE Investors	PIPE Investment Amount (HK\$ million)			Number of PIPE Investment Shares			PIPE Investment Amount as to the Negotiated Value of Target (%)		
	0%	50%	100%	0%	50%	100%	0%	50%	100%
Redemption Rate <i>(for illustrative purpose)</i>									
Zheshang International Financial Holdings Co., Limited(浙商國際金融控股有限公司) ("Zheshang International")		244.3			24,430,000		3.00	3.05	3.18
Orient Asset Management (Hong Kong) Limited (東方資產管理(香港)有限公司) ("Orient Asset Management")		60.9			6,090,000		0.75	0.76	0.79
Guangdong Finance Investment International Co., Limited(粵財控股香港國際有限公 司)("Guangdong Finance Investment International")		15			1,500,000		0.18	0.19	0.20
China Arbitrage Fund		2			200,000		0.02	0.02	0.03
*Taizhou TS First Fortune Enterprise Management Partnership (台州通盛時富 企業管理合夥企業(有限合夥))("Taizhou TS First Fortune")	79	70	45	7,900,000	7,000,000	4,500,000	0.97	0.87	0.59
*37 Starseek Co., Limited ("37 Starseek")		62.6			6,260,000		0.77	0.78	0.82
*Bluefocus International Limited(藍色光 標國際傳播集團有限公司)("Bluefocus International")		30			3,000,000		0.37	0.37	0.39
*SensePower Management Limited ("SensePower Management")		26.8			2,680,000		0.33	0.33	0.35
*Modern Leaves Limited ("Modern Leaves")		30			3,000,000		0.37	0.37	0.39
Galaxy Link Developments Limited ("Galaxy Link")		6.2			620,000		0.08	0.08	0.08
Admellora Limited		5			500,000		0.06	0.06	0.07
Chinese Culture Investment (Beijing) Co., Ltd. (國文文化投資(北京)有限公司) ("Chinese Culture Investment")		3.5			350,000		0.04	0.04	0.05
*PIPE Individual Investors		44.9			4,490,000		0.55	0.56	0.58
Total	610.2	601.2	576.2	61,020,000	60,120,000	57,620,000	7.51	7.51	7.51

Note:

- (1) PIPE Investors being subject to lock-up restrictions as set out under section "—1. Principal terms of the PIPE Investment Agreements – (b) Restrictions and lock-ups on PIPE Investors" above are marked with "*". Among the PIPE Individual Investors, Ms. Yu Su will be subject to such lock-up restrictions.

The PIPE Investment Amount for each PIPE Investment was determined after arm's length negotiation between the parties to the respective PIPE Investment Agreements taking into account the effect of the De-SPAC Transaction on shareholdings in the Successor Company, the current development plan of the Target Company and its need for proceeds.

The PIPE Investment Amount is expected to be funded by the respective PIPE Investors by internal funds and/or external financing. At least three Business Days prior to the scheduled date of closing of the PIPE Investments, each PIPE Investor will deliver to Vision Deal its respective PIPE Investment Amount in Hong Kong dollars by wire transfer in immediately available clear funds without any deduction or set-off to the bank account specified by Vision Deal to be held in escrow until closing.

3. Total Funds to be Raised from Independent PIPE Investors

The total funds to be raised from the PIPE Investors are approximately HK\$576 million (subject to adjustment to up to approximately HK\$610 million upon determination of final Negotiated Value of Target).

As disclosed in this announcement, assuming a full redemption of the SPAC Class A Shares, the Negotiated Value of Target is approximately HK\$7,676 million. Any deviation from this assumption in the full redemption rate will affect the final Negotiated Value of Target upon completion of the De-SPAC Transaction and result in divergence of Negotiated Value of Target (the “**Divergence of Negotiated Value**”).

Assuming that half or none of the SPAC Class A Shareholders elect to redeem their SPAC Class A Shares, the Negotiated Value of Target will be approximately HK\$8,008 million and HK\$8,130 million, respectively. Under the scenario of half redemption scenario and no redemption scenario, the minimum PIPE Investment Amount required to satisfy the minimum PIPE Investment percentage of 7.50% will be approximately HK\$601 million and HK\$610 million, respectively. Therefore there is a potential prerequisite increase in the funds of the PIPE Investment with reference to the ultimate Negotiated Value of Target (the “**Increment in Required PIPE Value**”) in case not all SPAC Class A Shareholders elect to redeem their SPAC Class A Shares. For illustrative purpose, in case of half redemption and no redemption scenario, the tentative PIPE Investment Amount of approximately HK\$576 million will increase by approximately HK\$25 million and HK\$34 million respectively.

With reference to the Increment in Required PIPE Value, Vision Deal has reached an agreement with Taizhou TS First Fortune to make additional PIPE Investment based on the Increment in Required PIPE Value. This additional investment will be made by Taizhou TS First Fortune using additional funding based on the agreed PIPE Investment increment mechanism (the “**PIPE Increment Mechanism**”). As stipulated under the PIPE Investment Agreement entered with the Target Company and Taizhou TS First Fortune, Taizhou TS First Fortune will subscribe for a minimum of 4,500,000 PIPE Investment Shares (with an aggregated minimum purchase price of approximately HK\$45 million) and up to 7,900,000 PIPE Investment Shares (with an aggregated maximum purchase price of approximately HK\$79 million), based on the PIPE Increment Mechanism. This represents a maximum additional purchase price of approximately HK\$34 million as stipulated under the PIPE Increment Mechanism. Under the PIPE Increment Mechanism, in addition to the fixed PIPE Investment Amount committed by Taizhou TS First Fortune, Taizhou TS First Fortune will made additional PIPE financing with reference to the actual Divergence of Negotiated Value (the “**Incremental PIPE Investment**”) positively correlated with the Increment in Required PIPE Value, approximately HK\$25 million and HK\$34 million under half redemption and full redemption scenario respectively. With the PIPE Increment Mechanism and the divergence multiplier agreed upon with Taizhou TS First Fortune and incorporated in the PIPE Investment Agreement, the minimum PIPE Investment Amount, under different redemption rates ranging from no redemption to full redemption, will be able to satisfy Rule 18B.41 of the Listing Rules. The Vision Deal Board and the Sole Sponsor are of the view that the Target Company has a fair market value exceeding the Benchmark Value as of the date of the De-SPAC Transaction taking into account, among others, the Negotiated Value of Target, which has been determined by negotiations with the PIPE Investors who have undertaken independent due diligence on the Target Company, and the Target Merger Total Equity Value, which has been determined with reference to the fund-raising history of the pre-listing investments of the Target including the approximate amount raised in each round of the pre-listing investment of the Target, which both provides support for the valuation of the

Target Company and represents the fair market value of the Target Company. In particular, among such PIPE Investors, Zheshang International, Orient Asset Management, Guangdong Finance Investment International and China Arbitrage Fund satisfy the relevant “sophisticated investor” requirements under the Listing Rules as discussed in “—5. *Information on the PIPE Investors*” below, whose investment amount in aggregate represents more than a majority (approximately 55.92%, 53.59% and 52.80% under the scenario of full redemption, half redemption and no redemption of the SPAC Class A Shares, respectively) of the PIPE Investment Amount.

4. Basis of the Negotiated Value of Target

The Negotiated Value of Target, which represents the pre-money equity value of the Target Company in the De-SPAC Transaction for PIPE Investors, is HK\$7,676 million (assuming full redemption of the SPAC Class A Shares). It is calculated with reference to the Share Transfer Total Equity Value and the Target Merger Total Equity Value with respect to the corresponding percentage of shares of Successor Company through the De-SPAC Transaction. The PIPE Investors upon completion of the De-SPAC Transaction will hold approximately 7.24% (assuming full redemption of the SPAC Class A Shares) of the Successor Company Shares, which amounts to 63,340,546 Successor Company Shares (assuming full redemption of the SPAC Class A Shares).

By virtue of Share Transfer Total Equity Value has been adopted in the Share Transfer, reflecting certain Target Disposing Shares acquired by Vision Deal through Share Transfer, which will subsequently be exchanged for Successor Company Shares at the Target Merger Total Equity Value upon Merger, the PIPE Investors are able to obtain the Target Company Shares at a lower valuation upon completion of Share Transfer and retain the total equity value in Vision Deal to receive shares of the Successor Company at the Target Merger Total Equity Value upon Merger. This differentiation in the Share Transfer consideration of HK\$298 million and the value of Target Disposing Shares of approximately HK\$355 million has resulted in the appreciation of the value of the Successor Company. The cash proceeds of HK\$298 million are paid to acquire Target Company Shares with a value of approximately HK\$355 million (based on the Target Merger Total Equity Value), which in turn gives the SPAC Shareholders (other than the Redeeming SPAC Shareholders and the Dissenting SPAC Shareholders) and PIPE Investors the right to receive approximately HK\$633 million (assuming full redemption of the SPAC Class A Shares) equity value of Successor Company Shares.

In order to reflect the Negotiated Value of Target, the cash proceeds raised from SPAC IPO which was the original cash assets of Vision Deal raised from SPAC IPO has been excluded for ascertaining the net indicative value of the Target in the De-SPAC Transaction as the cash proceeds are not relevant for the assessment and determination the value of the Target. Therefore, the net indicative pre-money valuation of the Target, representing the net effect of the actual investment valuation of the PIPE Investment is approximately HK\$7,676 million (assuming full redemption of the SPAC Class A Shares).

The Negotiated Value of Target was determined through arm’s length negotiations with the PIPE Investors (who have undertaken independent due diligence on the Target Company) with reference to factors outlined under the sections headed “*G. Share Transfer – 1. Principal*

terms of the Share Transfer Agreements – (b) Share Transfer consideration and basis of valuation of the Target Disposing Shares”, “I. The Business Combination Agreement – 2. Basis of valuation of the Merger” and “L. Valuations adopted for The De-SPAC Transaction”. As the total funds to be raised from the PIPE Investors are approximately HK\$576 million (subject to adjustment to up to approximately HK\$610 million upon determination of final Negotiated Value of Target and Permitted Equity Financing), representing equal to or more than 7.50% of the Negotiated Value of Target, the total funds to be raised from the PIPE Investors therefore satisfy the minimum independent third party investment requirement as required under Rule 18B.41 of the Listing Rules.

5. Information on the PIPE Investors

(a) Zheshang International

Zheshang International is a limited liability company incorporated in Hong Kong and is licensed to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on future contracts) and Type 9 (asset management) regulated activities under the SFO in Hong Kong by the SFC. Zheshang International is wholly-owned by Zheshang Futures Co., Ltd. which is held by Zheshang Securities Co, Ltd (浙商證券股份有限公司) as to approximately 72.9%. Zheshang Securities Co, Ltd is listed on the Shanghai Stock Exchange (Stock Code: 601878) and had approximately HK\$103.7 billion of assets under management as of June 30, 2023.

(b) Orient Asset Management

Orient Asset Management is a subsidiary of Orient Finance Holdings (Hong Kong) Limited and is licensed to carry out Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO in Hong Kong by the SFC. Orient Finance Holdings (Hong Kong) Limited is a wholly-owned subsidiary of DFZQ (東方證券股份有限公司), which is listed on the Stock Exchange (Stock Code: 3958) and the Shanghai Stock Exchange (Stock Code: 600958). Orient Asset Management had approximately HK\$10.7 billion of assets under management as of June 30, 2023.

(c) Guangdong Finance Investment International

Guangdong Finance Investment International is a limited liability company incorporated in Hong Kong and primarily engaged in securities investment and funds investment. Guangdong Finance Investment International is wholly-owned by Guangdong Yuecai Investment Holdings Co., Ltd. (廣東粵財投資控股有限公司) (“**Guangdong Yuecai Investment**”) which is primarily engaged in trust finance, asset management, and financing guarantee and is held by the People’s Government of Guangdong Province (廣東省人民政府) as to approximately 94.6% and the Department of Finance of Guangdong Province (廣東省財政廳) as to approximately 5.4% as of September 30, 2023. Guangdong Yuecai Investment had over RMB100 billion of assets under management as of December 31, 2022.

(d) China Arbitrage Fund

China Arbitrage Fund is a fund established in the Cayman Islands with Shenyi Financial Advisor Ltd. as its fund manager. Shenyi Financial Advisor Ltd. is wholly-owned by Shanghai Shenyi Investment Corporation Limited (上海申毅投資股份有限公司) (“**Shanghai Shenyi Investment**”). Shanghai Shenyi Investment is registered as a private fund manager of the Asset Management Association of China, a financial advisor of the U.S. Securities and Exchange Commission in the US and a member of the Alternative Investment Management Association in China. Shanghai Shenyi Investment is held by Mr. Shen Yi (申毅) as to 60% and Mr. Zhu Wenzhong (朱文忠) as to 40%. Shanghai Shenyi Investment had approximately above HK\$8.79 billion of assets under management as of June 30, 2023.

(e) Taizhou TS First Fortune

Taizhou TS First Fortune is a limited partnership established in the PRC, which is managed by its general partner, TS First Fortune Asset Management Co., Ltd. (上海通盛時富股權投資基金管理有限公司) (“**TS First Fortune**”). TS First Fortune is primarily engaged in direct funds, fund investments in mobile internet, e-commerce, internet media, rail rapid transit, new agriculture, consumer, healthcare technology sectors and private equity funds. TS First Fortune is held by TS First Fortune Asset Management Co., Ltd. (重慶通盛時富股權投資基金管理有限公司) (“**TS First Fortune Asset Management**”) as to 99% and Mr. Wang Qi (王祺) as to 1%. TS First Fortune Asset Management is primarily engaged in equity investment management and is held by Mr. Zhu Yang (朱陽) as to 55%. None of the other shareholders of TS First Fortune Asset Management hold 30% or more equity interests in TS First Fortune Asset Management. The limited partners of Taizhou TS First Fortune is Ms. Xu Pingping (許萍萍). Ms. Xu Pingping is an experienced investor who mainly engages in investments of scientific research, technology, software and information technology.

(f) 37 Starseek

37 Starseek is a limited liability company incorporated in the BVI and is principally engaged in the development, operation, distribution of mobile games and web games, as well as the provision of information services. The controlling shareholder of 37 Starseek is 37 Interactive Entertainment Network Technology Group Co., Ltd. (“**37 Interactive Entertainment**”), a company limited by shares established in the PRC and is listed on the Shenzhen Stock Exchange (Stock Code: 002555) and is primarily engaged in cultural and creative business including game development, game publishing and online game operation.

(g) *Bluefocus International*

Bluefocus International is a limited liability company incorporated in the Hong Kong. Bluefocus International is a wholly-owned subsidiary of BlueFocus Intelligent Communications Group Co., Ltd. (北京藍色光標數據科技股份有限公司) (“**BlueFocus Intelligent Communications**”), which is listed on the Shenzhen Stock Exchange (Stock Code: 300058) and is primarily engaged in full-service promotion, full-service advertising agency and meta-universe related business. None of the shareholders of BlueFocus Intelligent Communications hold 30% or more equity interests in BlueFocus Intelligent Communications.

(h) *SensePower Management*

SensePower Management was incorporated in the BVI and is principally engaged in investment holding. It is an indirect wholly-owned subsidiary of SenseTime Group Inc. (“**SenseTime**”), a company whose shares are listed on the Stock Exchange (stock code: 0020), and the ultimate beneficial owner of which is an individual, Dr. Tang Xiao’ou, a professor at the Department of Information Engineering of the Chinese University of Hong Kong. SenseTime is a leading AI software company focused on creating a better AI-empowered future through innovation. With roots in the academic world, SenseTime offers and continuously improves industry-leading AI capabilities in universal multimodal and multi-task models, covering key fields across perception intelligence, natural language processing, decision intelligence, AI-enabled content generation, as well as key capabilities in AI chips, sensors, and computing infrastructure.

(i) *Modern Leaves*

Modern Leaves is a limited liability company established in the BVI and primarily engages in equity holding and investment. Modern Leaves is wholly-owned by Mr. Wang Yun’an (王雲安).

(j) *Galaxy Link*

Galaxy Link is a limited liability company incorporated in the BVI which is primarily engaged in investment. Galaxy Link is wholly-owned by Mr. Wang Peng (王鵬).

(k) *Admeliora Limited*

Admeliora Limited is a limited liability company incorporated in the BVI which is primarily engaged in investments. Admeliora Limited is wholly-owned by Mr. Lin Sunming (林孫明).

(l) *Chinese Culture Investment*

Chinese Culture Investment is a limited liability company incorporated in the PRC and is principally engaged in project investments, investment management, asset management and organizing cultural and artistic exchange activities. Chinese Culture Investment is held by Ms. Liu Qiugui (劉秋桂) as to 95%. None of the remaining shareholders of Chinese Culture Investment hold 30% or more equity interests in Chinese Culture Investment.

(m) PIPE Individual Investors

PIPE Individual Investors include the following individuals:

(a) Ms. Yu Su (蘇渝)

Ms. Yu Su is a financial investor with over 20 years of investment experience in shares, bonds, funds and trusts.

(b) Mr. Yucheng Xiao (肖玉成)

Mr. Yucheng Xiao is the founder and chairman of Shenzhen You Weier Technology Co., Ltd. (深圳優維爾科技有限公司).

(c) Ms. Lian Ye (葉蓮)

Ms. Lian Ye is a certified public account in Virginia in the United States and has obtained a qualification certificate from the Asset Management Association of China. She has previously worked for PricewaterhouseCoopers and KPMG. Ms. Lian Ye has rich investment experience.

(d) Mr. Xiaoyang Tai (泰曉揚)

Mr. Xiaoyang Tai is a renowned artist with over 40 years of experience in ancient Chinese landscape painting.

(e) Mr. Yonglei Shi (施永雷)

Mr. Yonglei Shi is the founder and chairman of Shanghai Laiyifen Co. Ltd. (上海來伊份股份有限公司) (Shanghai Stock Exchange: 603777). He is an entrepreneur with more than 20 years of experience in snack food chain management.

(f) Mr. Jinfeng Cui (崔錦鋒)

Mr. Jinfeng Cui is currently an executive director of Wuhan Shanshui Private Equity Fund Co. Ltd. (武漢山水私募基金有限公司).

(g) Mr. Tong Zhou (周桐)

Mr. Tong Zhou is currently the deputy general manager of Wuxi Tianlian Chemical Co. Ltd. (無錫市天聯化工有限公司).

(h) Mr. William Richard Vanbergen

Mr. William Richard Vanbergen is the founder and executive director of a premium international education group. He is an entrepreneur with over 20 years of experience in international education in China.

As stipulated in the PIPE Agreements as an agreed commercial term, PIPE Investors may engage asset managers who are qualified domestic institutional investors or qualified investment enterprise as approved by the relevant authority, to subscribe for and hold the respective PIPE Investment Shares on behalf of the PIPE Investors. Under this contemplated QDII or QDLP arrangement, the relevant PIPE Investors, through the Qualified Investment Schemes, will continue to be entitled to all the rights as holders of the PIPE Investment Shares (and the Successor Company Shares upon completion of the De-SPAC Transaction). If the QDII arrangement materializes, further details will be provided in the circular of the De-SPAC Transaction.

As at the date of this announcement, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, (i) each of the PIPE Investors are independent third parties to Vision Deal, the Target Company and their respective connected persons; (ii) each of the PIPE Investors satisfies the independence requirements as prescribed under Rule 18B.40 of the Listing Rules; (iii) each of the PIPE Investors is a Professional Investor; and (iv) Zheshang International, Orient Asset Management, Guangdong Finance Investment International and China Arbitrage Fund satisfy the investments from sophisticated investor requirements as prescribed by Guidance Letter HKEX-GL113-22 and have invested and committed an aggregate principal amount of HK\$322.2 million, representing more than 50% of the value of the aggregate principal amount of the entire PIPE Investment as required under Listing Rule 18B.42 and Guidance Letter GL113-22 (January 2022) (Updated in December 2022).

6. Reasons for the PIPE Investment

The Vision Deal Board considers that the PIPE Investment represents a good opportunity for Vision Deal to raise funds, given that (i) the PIPE Investment can provide immediate funding to enlarge and strengthen Vision Deal's capital base, (ii) provide support for the valuations of the Share Transfer and Merger and (iii) diversify the shareholders bases of the Successor Company, and (iv) provide an effective means in ensuring fairness and prevent manipulation in the De-SPAC Transaction, given that (a) the PIPE Investors are Professional Investors who have rich experience in commercial valuation, (b) professional team of the PIPE Investors is able to envisage the commercial viability of the principal business of the Target based on their expertise and superior industry knowledge and operational experience and (c) diversity of the investments and investment experience from PIPE Investors have demonstrated the investors' sufficient knowledge and expertise in the technology, media, and telecommunications field. Vision Deal is of the view that, leveraging on the PIPE Investors' investment experience, the PIPE Investment will further raise the profile of the Successor Company and to signify that such investors have confidence in the Successor Company's business and prospect.

Apart from the fund-raising activities mentioned in this announcement (i.e. the PIPE Investment) and the SPAC IPO as referred in the Offering Circular, Vision Deal has not conducted any equity fund raising activities in the 12 months immediately preceding the date of this announcement.

7. Use of Proceeds

The gross proceeds will be approximately HK\$576 million (subject to adjustment to up to approximately HK\$610 million upon determination of final Negotiation Value of Target). Upon completion of the De-SPAC Transaction, the gross proceeds from the PIPE Investments, after deduction of consideration of the De-SPAC Transaction, fees, commissions and expenses, aside from the portion to be used to acquire Target Disposing Shares which amounts to approximately HK\$298 million, will be used for the following:

- (a) approximately 25% will be used to drive sustainable and high-quality user base expansion for *TT Chat* platform in the next three years;
- (b) approximately 20% will be used to further engage user community with diversified offerings in the next three years;
- (c) approximately 45% will be used to enhance the Target Company's technology capabilities to improve the overall user experience and strengthen its monetization ability in the next three years; and
- (d) approximately 10% will be used for general corporate purposes, including working capital needs over the next three years.

Further details of the use of proceeds will be set out in the Circular.

F. SHARE REDEMPTION

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

Prior to an EGM to approve the De-SPAC Transaction, pursuant to the Vision Deal Articles, Vision Deal will provide the SPAC Class A Shareholders with the opportunity to redeem all or a portion of their SPAC Class A Shares at a per-share price not less than HK\$10 payable in cash, equal to the aggregate amount then on deposit in the Escrow Account calculated as at 2 Business Days immediately before to the EGM (including interest or other income earned on the funds held in the Escrow Account and not previously released to Vision Deal to pay its expenses or taxes), divided by the number of the then issued and outstanding SPAC Class A Shares, subject to the limitations and on the conditions described in the Offering Circular. In accordance with the Vision Deal Articles, the Redemption Price per share price will not be lower than HK\$10. Should the interest income be depleted by the time SPAC Class A Shareholders submit redemption requests, such Redeeming SPAC Shareholders may not be able to receive more than HK\$10.00 but only the Redemption Price of HK\$10.00 per SPAC Class A Share, which is the original amount of their investment. The amount in the Escrow Account is initially anticipated to be HK\$1,001,000,000, representing the issuance of 100,100,000 SPAC Class A Shares at a price of HK\$10.00 per SPAC Class A Share. On this basis, **the Redemption Price in any case will not be less than HK\$10.00.**

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

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

A Share Redemption election will not be accepted unless the election is accompanied by the delivery of the relevant number of SPAC Class A Shares. Further details of the election procedures will be set out in the Circular and the form of election. The form of election will be dispatched to SPAC Class A Shareholders together with the notice of EGM and the Circular, as described in “*Q. EGM and Circular*” below. Further announcement(s) will be made by Vision Deal in relation to the effective date and the amount of Share Redemption as required under Listing Rule 18B.63.

If the De-SPAC Transaction is not completed, Vision Deal will not redeem any SPAC Class A Shares and all Share Redemption requests will be canceled. Redeeming SPAC Shareholders are strongly recommended to vote FOR the resolution to be proposed at the EGM even if you choose to redeem all or some of SPAC Class A Shares.

Holders of the SPAC Warrants have no redemption rights with respect to their warrants. Each SPAC Warrant will be exchanged for one Successor Company Warrant upon Closing, which will be exercisable on a cashless basis for one Successor Company Share per Successor Company Warrant at the warrant exercise price of HK\$11.50, subject to the terms and conditions of the applicable Successor Company Warrant.

Redeeming SPAC Shareholders who exercise their Redemption Right to redeem all of their holdings of SPAC Class A Shares will not be able to exercise their Appraisal Right. See “*O. Appraisal Right of Dissenting SPAC Shareholders*” below for details on the Appraisal Right.

G. SHARE TRANSFER

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

On December 8, 2023, Vision Deal and the Target Company have entered into the Share Transfer Agreements with the Target Disposing Shareholders set out below.

1. Principal terms of the Share Transfer Agreements

(a) *Subject Matter*

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

The details of the Target Disposing Shares to be acquired from the Target Disposing Shareholders by Vision Deal is set for the in the below table:

Name of Shareholders	Date of completion of last pre-listing investment	Number of Target Disposing Shares (prior to Target Capital Restructuring)	Number of Target Disposing Shares (upon completion of Target Capital Restructuring)	Consideration
Matrix Partners China VI Hong Kong Limited and its affiliates	December 10, 2020	1,462,706	8,265,093	HK\$66,000,000
Skycus China Fund L.P.	November 13, 2020	1,462,706	8,265,093	HK\$66,000,000
Dream League Limited	September 9, 2020	1,662,165	9,392,149	HK\$75,000,000
Image Frame Investment (HK) Limited	June 17, 2021	1,698,633	9,598,211	HK\$91,000,000
Total		6,286,210	35,520,546	HK\$298,000,000

(b) *Share Transfer consideration and basis of valuation of the Target Disposing Shares*

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

For the avoidance of doubt, the proceeds from the PIPE Investments will be primarily utilized to satisfy the consideration of the Share Transfer. Considering that the consideration for the Target Disposing Shares is HK\$298 million, which is lower than the PIPE Investment Amount of approximately HK\$576 million (subject to adjustment to up to approximately HK\$610 million upon determination of final Negotiated Value of Target and Permitted Equity Financing), the Share Transfer consideration will not outweigh the PIPE Investment Amount under all redemption scenarios. Therefore the funds in Escrow Account of Vision Deal, namely HK\$1,001,000,000, will be able to satisfy the redemption request of SPAC Class A Shareholders under all redemption scenarios, from the range of full redemption of the SPAC Class A Shares to no redemption of the SPAC Class A Shares. Please refer to “F. Share Redemption” for details of the redemption price and mechanism.

The Share Transfer Total Equity Value, which is approximately HK\$6,892 million, was determined through arm's length negotiation with the Target Disposing Shareholders with reference to:

- (i) the Target Disposing Shareholders are selling their minority shareholding interest of approximately 4.32% in the Target Company to Vision Deal;
- (ii) the Target Disposing Shareholders' investment background, including the timing of investments, the expected return on investment, internal policies adopted for investment as passive investors and the aggregate investment amount of the Target Disposing Shareholders;
- (iii) the commercial decision of the Target Disposing Shareholders to realize their equity interest for cash in order to meet their immediate financial needs;
- (iv) the willingness of the Target Disposing Shareholders to sell their Target Disposing Shares at a lower valuation in exchange for receiving immediate and ascertained cash as consideration; and
- (v) the absence of any lock-up restrictions on the Target Disposing Shares, which would otherwise be imposed on the Target Disposing Shares if the shares were not disposed.

(c) *Conditions to closing*

The obligations of each Target Disposing Shareholders and Vision Deal to consummate the Share Transfer pursuant to the relevant Share Transfer Agreements are subject to the satisfaction of the following conditions (or if applicable, waived by the Target Disposing Shareholders and/or Vision Deal in writing as applicable to the extent permitted by applicable law):

(1) Conditions to obligations of the Target Disposing Shareholders and Vision Deal:

- (i) no applicable laws or orders preclude or prohibit the consummation of the transactions contemplated in the Share Transfer Agreements;
- (ii) the approvals of SPAC Shareholders required to consummate the De-SPAC Transaction have been obtained and such approvals remain valid and in full force;
- (iii) the PIPE Investment Amount satisfies the required independent third party investment amount under Rule 18B.41 of the Listing Rules (or, in the event that a waiver from the Exchange allowing a lower independent third party investment amount is granted, the required amount and other conditions in such waiver);
- (iv) all conditions to Closing in "*I. The Business Combination Agreement – 1. Principal terms of the Business Combination Agreement – (v) Conditions to Closing – (1) Conditions to obligations of all parties*" are satisfied; and
- (v) the Merger is reasonably expected to consummate pursuant to the terms of the Business Combination Agreement.

(2) *Conditions to obligations of Vision Deal:*

- (i) all the Target Disposing Shareholders' obligations required under the Share Transfer Agreements to be performed by them as at or prior to the completion of the Share Transfer shall have been duly performed by the Target Disposing Shareholders in all material respects, unless the applicable obligation has a materiality or material adverse effect qualifier in which case it shall be duly performed in all respects (after taking into account the qualifier);
- (ii) the fundamental representations and warranties that the Target Disposing Shareholders (A) are duly incorporated, validly existing and in good standing and (B) have all necessary authority and power to execute the Share Transfer Agreements being true and correct in all respects at and as of the signing date of the respective Share Transfer Agreements and the date of closing (other than representations and warranties that speak as of a specific date, in which case they shall have been true and correct in all respects as of such date);
- (iii) the other representations and warranties made by Target Disposing Shareholders in the respective Share Transfer Agreement, disregarding the materiality or material adverse effect qualifier and regardless of whether there are known risks, being true and correct in all material respects at and as of the signing date of the respective Share Transfer Agreements and the date of closing (other than (A) representations and warranties that speak as of a specific date, in which case they shall have been true and correct in all material respects as of such date; and (B) representations and warranties that are qualified by material adverse effect, in which case they shall be true and correct (after taking into effect the material adverse effect qualifier)); and
- (iv) Vision Deal having received a certificate signed by an authorized representative of each Target Disposing Shareholder certifying that the conditions set out in (i) to (iii) above have been fulfilled.

(3) *Conditions to obligations of Target Disposing Shareholders:*

- (i) all Vision Deal's obligations required under the Share Transfer Agreements to be performed by it as at or prior to the completion of the Share Transfer shall have been duly performed by Vision Deal in all material respects, unless the applicable obligation has a materiality or material adverse effect qualifier in which case it shall be duly performed in all respects (after taking into account the qualifier);
- (ii) the fundamental representations and warranties that Vision Deal (A) is duly incorporated, validly existing and in good standing and (B) has all necessary authority and power to execute the Share Transfer Agreements being true and correct in all respects at and as of the signing date of the respective Share Transfer Agreement and the date of closing (other than representations and warranties that speak as of a specific date, in which case they shall have been true and correct in all respects as of such date);

- (iii) the other representations and warranties made by Vision Deal in the respective Share Transfer Agreement, disregarding the materiality or material adverse effect qualifier and regardless of whether there are known risks, being true and correct in all material respects at and as of the signing date of the respective Share Transfer Agreements and the date of closing (other than (A) representations and warranties that speak as of a specific date, in which case they shall have been true and correct in all material respects as of such date; and (B) representations and warranties that are qualified by material adverse effect, in which case they shall be true and correct (after taking into account the material adverse effect qualifier)); and
- (iv) Target Disposing Shareholders having received a certificate signed by an authorized representative of Vision Deal certifying that the conditions set out in (i) to (iii) above have been fulfilled.

(d) Closing

Vision Deal will acquire the Target Disposing Shares at the Effective Time of the Merger, within five Business Days or at such time and in such manner as shall be determined by Vision Deal and the Target Disposing Shareholders after all the conditions precedent under the Share Transfer Agreement having been fulfilled or waived (as the case may be) by the parties of the Share Transfer Agreement. Share Transfer with all Target Disposing Shareholders shall be consummated concurrently.

Upon completion of the Share Transfer, Vision Deal will own the Target Disposing Shares, representing approximately 4.32% of the share capital of the Target Company and its results will be consolidated with the financial results of Vision Deal in accordance with the relevant accounting standards.

(e) Termination

The Share Transfer Agreements will terminate upon:

- (i) the mutual written agreement of the parties to terminate such Share Transfer Agreements;
- (ii) automatically upon the termination of the Business Combination Agreement;
- (iii) by Target Disposing Shareholders, if the required SPAC Shareholders' approvals have not been obtained in the EGM convened to approve the Share Transfer Agreements and the transaction agreements contemplated under the De-SPAC Transaction where SPAC Shareholders have voted;
- (iv) by written notice of any party to the Share Transfer Agreement, if by the Longstop Date, any condition to the closing of the Share Transfer under the Share Transfer Agreements set out in “– (c) *Conditions to closing*” above has not been satisfied or waived; however, such right to terminate may not be exercised by a party whose breach of any representations, warranties, undertakings or obligations under the Share Transfer Agreements is the material and immediate cause of failure to complete the closing of the Share Transfer as at the Longstop Date;

- (v) by Vision Deal if Vision Deal has not breached its obligations under the Share Transfer Agreement in any material respects and the Target Disposing Shareholders have breached or failed to perform any of their representations, warranties or undertakings under the Share Transfer Agreement in any material aspects, which breach and failure to perform (a) would result in the failure of a condition set out in “– (c) *Conditions to closing*” above to be satisfied and (b) is not cured by the Target Disposing Shareholders within 15 days upon receipt of the written notice of the breach and failure to perform by Vision Deal and (c) has not been waived by Vision Deal; and
- (vi) by the Target Disposing Shareholders if Target Disposing Shareholders have not breached their obligations under the Share Transfer Agreement in any material respects and Vision Deal has breached or failed to perform any of its representations, warranties or undertakings under the Share Transfer Agreement in any material aspects, which breach or failure to perform (a) would result in the failure of a condition set out in “– (c) *Conditions to closing*” above to be satisfied and (b) is not being cured by Vision Deal within 15 days upon receipt of the written notice of the breach and failure to perform by the Target Disposing Shareholders and (c) has not been waived by the Target Disposing Shareholders.

2. Reasons for the Share Transfer

The Target Disposing Shareholders include Dream League Limited, which holds Series Angel Preferred Shares, and Matrix Partners, Skycus China Fund L.P. and Image Frame Investment (HK) Limited which hold series A, series B or series C preferred shares. The Target Disposing Shareholders made their initial investment in the Target Company at a lower subscription valuation during early stages and they are selling a minority shareholding in the Target Company based on their expected annual return rate. Target Disposing Shareholders holding series A to C preferred shares are professional investment institutions and generally, their expected annual return rate can vary and often falls within a broad range, influenced by factors like the stage of the investment, industry dynamics, general economic conditions and the specific terms of the deal. The Target Disposing Shareholders did not disclose to the Target Company their respective ranges of annual return rate with respect to their pre-listing investment in Target Company. Nevertheless, for reference purpose, certain Target Disposing Shareholders and the Target Company did reach certain agreement on a specified annual return rate of the investment amount in the event that the redemption rights of the investors are triggered. Instead of retaining such shares in the Successor Company upon listing, the Target Disposing Shareholders have decided to dispose of their Target Disposing Shares through the Share Transfer. This will allow them to realize the equity value of their Target Shares to be disposed of in the form of immediate and ascertained return as at the time of the completion of the Share Transfer instead of future annual return rate subject to future operation return, performance and prospect of the Successor Company, risks and uncertainties regarding the growth of the industry which the Target is operating in and the impact of future economic conditions on the Target Company subsequent to Lock-up Period. See section under “*J. Other Arrangements – 4. Target Shareholders Lock-up Undertakings*”.

The Share Transfer is a means for the Target Disposing Shareholders to divest and obtain a fixed and ascertained return on their investment immediately upon completion of De-SPAC Transaction. This is a crucial commercial factor being taken into account by the Target Disposing Shareholders for accepting a lower valuation as compared to the Target Merger Total Equity Value considering the growth of industry and the level of demand and market acceptance of the Successor Company that could impact their annual return rate subsequent to the Lock-up Period if they are not able to sell their shares at the envisaged return level to public investors. Notwithstanding the Share Transfer Total Equity Value is lower than the Target Merger Total Equity Value, the valuation is sufficient to obtain a premium and is an accepted level as financial investment for them with ascertained fixed and prompt return needing not to consider the future uncertainty in macroeconomic environment.

Therefore, the Share Transfer is favorable and beneficial to both the Target Disposing Shareholders and the Target Remaining Shareholders. The value of Target Disposing Shares held by Target Disposing Shareholders is reflecting the realizing portion of disposing share interest for immediate return of their shares for disposal, meanwhile the Target Remaining Shares held by the Target Remaining Shareholders mainly reflected by the Merger consideration with reference to the dilution impact for the purpose of effectuating the Merger. As professional and institutional investors who were early financing providers of the Target Company, after disposing the portion of equity interest in the Target Company, those portions of disposing shares will no longer imposing further lock-up restrictions upon Merger. The Lock-up Period for Target Disposing Shareholders was agreed upon following commercial negotiations between the Target Company and the Target Disposing Shareholder. Whilst the Target Disposing Shareholders have been given the opportunity to sell a portion of their shareholdings as an immediate exit to realize returns on their investments, the Target Disposing Shareholders agreed to give a lock-up undertaking with respect to the remaining portions of their shareholding as an expression of their confidence in the long-term value and prospect of the Target Company. The Target Disposing Shareholders considered that the giving of a lock-up undertaking by pre-listing investors is not uncommon in a traditional IPO and believed that this is a commercial term acceptable to them. Therefore, they have chosen to receive cash consideration at a different valuation, taking into account their envisaged annual return rate and the macroeconomic environment, as compared to the Merger.

From the perspective of the PIPE Investors and the SPAC Shareholders (other than the Redeeming SPAC Shareholders), the decision of the Target Disposing Shareholders to sell their shares at a different valuation is a commercial decision that benefits the PIPE Investors and the SPAC Shareholders. This valuation takes into consideration various factors such as the financial, operational and trading position, earnings, prospects, assets, and liabilities of the entire Target Group. These are ordinary parameters that investors consider when making investment decisions based on their business acumen.

3. Information of the Target Disposing Shareholders

Set out below is a description of the Target Disposing Shareholders:

Matrix Partners

Matrix Partners V

Matrix Partners China V, L.P. and Matrix Partners China V-A, L.P. are exempted limited partnerships organized and existing under the laws of the Cayman Islands. The general partner of both Matrix Partners China V, L.P. and Matrix Partners China V-A, L.P. is Matrix China Management V, L.P.. As of the date of this announcement, Matrix Partners China V, L.P. has 52 limited partners and Matrix Partners China V-A, L.P. has 72 limited partners. The general partner of Matrix China Management V, L.P. is Matrix China V GP GP, Ltd. (“**Matrix Partners V**”). David Su, Ho Kee Harry Man and Xiaoning Liu are directors of Matrix China V GP GP, Ltd. and are deemed to have shared investment voting power over the shares held by Matrix Partners China V, L.P. and Matrix Partners China V-A, L.P.. After due enquiry and to the best knowledge of the Directors of the Target Company, each of David Su, Ho Kee Harry Man and Xiaoning Liu, the limited partners of Matrix Partners China V, L.P., Matrix Partners China V-A, L.P. and their ultimate beneficial owners are Independent Third Parties, and no one holds more than one third of the economic interest of Matrix Partners China V, L.P. or Matrix Partners China V-A, L.P..

Matrix Partners VI

Matrix Partners China VI, L.P. and Matrix Partners China VI-A, L.P., are exempted limited partnerships organized and existing under the laws of the Cayman Islands. The general partner of both Matrix Partners China VI, L.P. and Matrix Partners China VI-A, L.P. is Matrix China Management VI, L.P. As of the date of this announcement, Matrix Partners China VI, L.P. has 55 limited partners and Matrix Partners China VI-A, L.P. has 75 limited partners. The general partner of Matrix China Management VI, L.P. is Matrix China VI GP GP, Ltd. (“**Matrix Partners VI**”). David Su, Ho Kee Harry Man and Xiaoning Liu are directors of Matrix China VI GP GP, Ltd. and are deemed to have shared investment voting power over the shares held by Matrix Partners China VI, L.P. and Matrix Partners China VI-A, L.P. After due enquiry and to the best knowledge of the Directors of the Target Company, each of David Su, Ho Kee Harry Man and Xiaoning Liu, the limited partners of Matrix Partners China VI, L.P., Matrix Partners China VI-A, L.P. and their ultimate beneficial owners are Independent Third Parties, and no one holds more than one third of the economic interest of Matrix Partners China VI, L.P. or Matrix Partners China VI-A, L.P.. Matrix Partners V and Matrix Partners VI are venture capital funds with a primary purpose of making investments in the PRC, mainly focusing on companies in the advanced technology, mobile Internet, healthcare and consumer sectors, including Shoucheng Holdings Limited (HKEX: 697) and Genor Biopharma Holdings Limited (HKEX: 6998).

Skycus China Fund, L.P.

Skycus China Fund, L.P. is a limited partnership established in the Cayman Islands. Skycus China Fund, L.P. is managed by its general partner, Parallel Universes Asset Management Limited, which is ultimately controlled by Eric Li. To the best knowledge of the Directors of the Target Company, Skycus China Fund, L.P. has more than 20 limited partners, none of which holds more than one third of the interest in Skycus China Fund, L.P.. Skycus China Fund, L.P. focuses on investment opportunities being created in emerging industries driven by innovations, and traditional industries being transformed and upgraded. Skycus China Fund, L.P. intends to primarily invest in strategic emerging industries (including telecommunication, media and technology, culture, sports and grand health industries), covering growth-stage and mature-stage portfolios, and in leading enterprises with a vision to collectively lead or participate in depth in the integration and expansion of industry value chain. Skycus China Fund, L.P.’s investments in TMT industry include Waterdrop Inc. (NYSE: WDH), Dingdong (Cayman) Ltd (NYSE: DDL), etc.

Dream League Limited

Dream League Limited is a limited liability company incorporated in the BVI. Dream League Limited holds 10,440,854 series angel preferred shares of the Target Company. Mr. Song Guowen, Mr. Song’s brother, holds 51.02% of the shares in Dream League Limited. Therefore, Song Guowen is deemed to be interested in the Shares held by Dream League Limited. The remaining shareholding interest of Dream League Limited is held as to 19.59% by Chen Fangping, 20.41% by Zhu Lin, and 8.98% by Zhang Dongmei. Zhang Dongmei is the spouse of Mr. Lyu Shaoyu, an executive Director and chief financial officer of the Target Company. Each of Chen Fangping and Zhu Lin is an Independent Third Party.

Image Frame Investment (HK) Limited

Image Frame Investment (HK) Limited is a limited liability company incorporated in Hong Kong. Image Frame Investment (HK) Limited holds 5,095,898 series C preferred shares of the Target Company and is ultimately controlled by Tencent Holdings Limited (“**Tencent Holdings**”), a company listed on the Main Board of the Stock Exchange (HKEX: 700). Tencent Holdings is one of the leading providers of Internet value-added services in China, including communications and social games, digital content, advertising, fintech and business services.

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, the transferors and their ultimate beneficial owners (if applicable) are independent third parties of Vision Deal and its connected persons.

H. TARGET CAPITAL RESTRUCTURING

1. Target Capital Restructuring

Prior to the Effective Time and the Merger, the Target Company will implement the following transactions and restructuring in the order set out below (collectively, the “**Target Capital Restructuring**”):

- (a) the Target Company will allot and issue a number of fully paid Target Company Ordinary Shares and Target Company Preferred Shares at par value by way of capitalizing all or any part of any amount for the time being standing to the credit of the share premium account of the Target Company, on a pro rata basis to all Target Shareholders that registered on the register of members of the Target Company (the “**Capitalization Issue**”), such that immediately after the Capitalization Issue, the share capital of the Target Company (on an outstanding share basis) will consist of such number of Target Company Shares equal to the quotient obtained by the Target Merger Total Equity Value by HK\$10.00;
- (b) the exercise price and number of underlying shares of Existing Target Company Option shall be adjusted pursuant to the terms and conditions of the Target Company ESOP in connection with the Capitalization Issue;
- (c) the Target Company will implement a redesignation and reclassification of its share capital (the “**Share Reclassification**”), effective as of the Effective Time, such that all of the issued and unissued Preferred Shares be re-classified and re-designated as Ordinary Shares on a 1:1 basis; and
- (d) the Target Company Articles will be amended and restated and replaced in its entirety with the Successor Company Articles upon the Effective Time.

Upon the Effective Time, each Target Company Preferred Share then issued and outstanding (including those allotted and issued per paragraph (a) above) will cease to exist and convert into a number of validly issued and fully paid Target Company Ordinary Shares pursuant to the Target Company Articles.

I. THE BUSINESS COMBINATION AGREEMENT

On December 8, 2023, Vision Deal, the Target and the Target Merger Sub entered into the Business Combination Agreement pursuant to which the Target Merger Sub will merge with and into Vision Deal with reference to the fair target valuation prior to the De-SPAC Transaction of HK\$8,215 million. Following the Merger, the separate corporate existence of Target Merger Sub shall cease and the Target Merger Sub will be struck off the Cayman Registrar, Vision Deal shall continue as the surviving company following the Merger as a wholly owned subsidiary of the Successor Company.

1. Principal terms of the Business Combination Agreement

The principal terms of the Business Combination Agreement are set out below:

(i) Date

December 8, 2023

(ii) Parties

(i) Vision Deal;

(ii) The Target; and

(iii) The Target Merger Sub (each, a “**Merger Party**” and together, the “**Merger Parties**”)

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, the Target Company and the Target Merger Sub and their ultimate beneficial owners are independent third parties of Vision Deal and its connected persons.

(iii) Merger

The Merger will be implemented after which Vision Deal will become a direct, wholly-owned subsidiary of the Successor Company and in consideration therefore, the SPAC Shareholders (other than the Redeeming SPAC Shareholders and the Dissenting SPAC Shareholders) will become shareholders of the Successor Company upon Closing.

The detailed steps of the Merger are set out below:

- (i) Subsequent to the completion of the PIPE Investments, the Capitalization Issue, and promptly on not later than 10:00 p.m. (Hong Kong time) on the Unconditional Date, Vision Deal and Target Merger Sub will execute and cause to be filed with the Cayman Registrar the Plan of Merger;
- (ii) at the Effective Time, (1) the Target Merger Sub will merge with and into Vision Deal, following which the separate existence of Target Merger Sub will cease and Vision Deal will continue as the surviving entity after the Merger and become a direct, wholly-owned subsidiary of the Successor Company and (2) the Vision Deal Articles will be amended and restated and replaced in its entirety with a set of memorandum and articles of association in agreed form between the Target Company and Vision Deal, being the Private Company Memorandum and Articles;
- (iii) at the Effective Time, all the property, rights, privileges, agreements, powers and franchises, debts, liabilities, duties and obligations of Target Merger Sub and Vision Deal will become that of Vision Deal's as the surviving entity, being a direct, wholly-owned subsidiary of the Successor Company;
- (iv) at the Effective Time, Vision Deal will surrender for cancellation for nil consideration, and the Successor Company will cancel, the Target Disposing Shares; and
- (v) immediately following the Effective Time, the sole issued and outstanding ordinary share of Target Merger Sub will be converted into one ordinary share of Vision Deal as the surviving entity, issued in the name of the Successor Company.

(iv) Merger consideration

- (i) *SPAC Class B Shareholders' interest in the Successor Company.* At the Effective Time, each SPAC Class B Share held by the Promoters which are issued and outstanding will automatically cease to exist and will be converted into one fully paid SPAC Class A Share in accordance with the terms of the Vision Deal Articles (such automatic conversion, the “**SPAC Class B Conversion**”) and upon the SPAC Class B Conversion, all of the SPAC Class B Shares will no longer be issued and outstanding. By virtue of the Merger, each SPAC Class A Share issued in connection with the SPAC Class B Conversion will be automatically canceled and cease to exist in exchange for the right to receive one newly issued Successor Company Ordinary Share.
- (ii) *SPAC Class A Shareholders' interest in the Successor Company.* By virtue of the Merger, each SPAC Class A Share (excluding the SPAC Class A Shares issued in connection with the SPAC Class B Conversion, the Redeeming SPAC Shares and the Dissenting SPAC Shares) that is outstanding immediately prior to the Effective Time will be automatically canceled and cease to exist in exchange for the right to receive “N” newly issued Successor Company Ordinary Share, with “N” being calculated pursuant to the formula below:

N = Ratio attributable to beneficially owned Target Disposing Shares ***plus*** Ratio attributable to Merger consideration, where:

- (1) Ratio attributable to beneficially owned Target Disposing Shares equals (A) number of Target Disposing Shares after giving effect of the Capitalization Issue *divided* by (B) total number of De-SPAC Participating Shares; and
- (2) Ratio attributable to Merger consideration equals (A) (total number of De-SPAC Participating Shares) *minus* (Share Transfer consideration *divided* by 10), *divided* by (B) total number of De-SPAC Participating Shares

Notes:

1. The number of Target Disposing Shares after giving effect to Capitalization Issue equals to 35,520,546 shares.
2. Share Transfer consideration is HK\$298 million.
3. The total number of De-SPAC Participating Shares will not be confirmed until the end of the redemption period, namely the end of the date and time of commencement of the EGM to approve the De-SPAC Transaction

Please see below the impact on N under different scenarios for redemption of SPAC Class A Shares. N will be a number that is higher than 1 in any event.

	Full Redemption <small><i>Note 1</i></small>	Half Redemption	No Redemption
N	1.0993	1.0519	1.0355

Note 1

Assuming full redemption of the SPAC Class A Shares, only PIPE Investors will receive the Merger consideration. Thus the N newly issued Successor Company Ordinary Shares will only be applicable to the PIPE Investors.

When determining the Merger consideration, the remaining cash available to Vision Deal after the Share Transfer, as well as the value of the Target Disposing Shares acquired by Vision Deal as part of the De-SPAC Transaction has been taken into account. For details regarding the differentiation in the Share Transfer consideration of HK\$298 million and the value of approximately HK\$355 million for the Target Disposing Shares to ascertain the Merger consideration, please refer to “*E. PIPE Investments – 4. Basis of the Negotiated Value of Target*” for details of the Share Transfer impacts on the determination of the Merger consideration.

According to the formula specified in the Business Combination Agreement, in the event of a half redemption or no redemption of the SPAC Class A Shares, the SPAC Class A Shareholders will receive 52,597,415 Successor Company Shares and 103,654,038 Successor Company Shares respectively, representing approximately 5.67% and approximately 10.60% of the total Successor Company Shares. For the avoidance of doubt, no Successor Company Shares will be issued to SPAC Class A Shareholders under the full redemption of the SPAC Class A Shares scenario.

Please see below the details of the newly issued Successor Company Ordinary Shares by the Successor Company as Merger consideration to the SPAC Class A Shareholders and PIPE Investors based on the formula under different redemption of SPAC Class A Shares scenarios:

	Full Redemption		Half Redemption		No Redemption	
	SPAC Class A Shareholders	PIPE Investors	SPAC Class A Shareholders	PIPE Investors	SPAC Class A Shareholders	PIPE Investors
Merger consideration attributable to beneficially owned Target Disposing Shares	N/A	35,520,546	16,128,108	19,392,438	22,068,065	13,452,481
Merger consideration attributable to Merger consideration	N/A	27,820,000	36,469,307	43,850,693	81,585,973	49,734,027
Total number of Successor Company Shares	N/A	63,340,546	52,597,415	63,243,131	103,654,038	63,186,508

Please refer to “*K. Effect of the De-SPAC Transaction on the Shareholdings in Vision Deal and the Successor Company*” for details of the Merger consideration received by the SPAC Class A Shareholders and PIPE Investors of the De-SPAC Transaction.

- (iii) *SPAC Warrants*. Immediately following the Effective Time, by virtue of the Merger, (i) each SPAC Listed Warrant that is outstanding immediately prior to the Effective Time will be automatically canceled and cease to exist in exchange for one Successor Company Listed Warrant; and (ii) each SPAC Promoter Warrant that is outstanding immediately prior to the Effective Time will be automatically canceled and cease to exist in exchange for one Successor Company Promoter Warrant.
- (iv) *Dissenting SPAC Shares*. Each Dissenting SPAC Share issued and outstanding immediately prior to the Effective Time held by a Dissenting SPAC Shareholder will be automatically canceled and cease to exist and will thereafter represent only the right to be paid the fair value of such Dissenting SPAC Share and such other rights as are granted by the Cayman Companies Act, or (unless and until such Dissenting SPAC Shareholder fails to perfect or withdraws or otherwise loses his, her or its Appraisal Right under the Cayman Companies Act) one newly issued Successor Company Share. Further details of the rights of the Dissenting SPAC Shareholders and the prescribed statutory procedure are set out in “*O. Appraisal Right of Dissenting SPAC Shareholders*” below and will be set out in the Circular.

Please refer to “*K. Effect of the De-SPAC Transaction on the Shareholdings in Vision Deal and the Successor Company*” for details of the shareholding impact of the De-SPAC Transaction on the shareholders of Vision Deal and the Target Company.

(v) *Conditions to Closing*

(1) *Conditions to obligations of all parties:*

The obligations of the Merger Parties to complete the De-SPAC Transaction are subject to the satisfaction of the following conditions:

- (i) no law or governmental order being in force prohibiting the completion of the Merger;
- (ii) the required SPAC Shareholders' approval having been obtained and the approval remains valid and in full force;
- (iii) the required Target Shareholders' approval having been obtained and the approval remains valid and in full force;
- (iv) the PIPE Investment Amount satisfies the required independent third party investment amount under Rule 18B.41 of the Listing Rules (or, in the event that a waiver from the Exchange allowing a lower independent third party investment amount is granted, the required amount and other conditions in such waiver);
- (v) approval from the Stock Exchange in accordance with Listing Rule 18B.35 of the Listing Rules regarding the initial listing application submitted by the Successor Company with regards to the transactions contemplated under the Business Combination Agreement having been obtained, and the Successor Company meeting all new and continuing listing requirements as defined in Listing Rule 18B.36; and
- (vi) filing with the China Securities Regulatory Commission having been completed.

(2) *Conditions to obligations of Vision Deal:*

The obligations of the Vision Deal to complete the De-SPAC Transaction are subject to the satisfaction of the following additional conditions (or if waived by Vision Deal at its discretion):

- (i) all the Target Company's obligations under the Business Combination Agreement required to be performed by it as at or prior to the Closing shall have been duly performed by the Target Company in all material respects, unless the applicable obligation has a materiality qualifier in which case it shall be duly performed in all respects (after taking into account the qualifier);
- (ii) all fundamental representations and warranties of the Target Company being true and accurate in all aspects as at the date of the Business Combination Agreement and the date of Closing (except for representation and warranties that speak as at a specific date, in which case such representations and warranties need only to be true and correct as at such date);

- (iii) all other representations and warranties of the Target Company being true and accurate in all material aspects as at the date of the Business Combination Agreement and the date of Closing (except for (A) representation and warranties that speak as at a specific date, in which case such representations and warranties need only to be true and accurate as at such date, and (B) representation and warranties that has a material adverse effect qualifier, in which case such representations and warranties need to be true and accurate (after taking into account the material adverse effect qualifier)); and
- (iv) the Target Company having delivered to Vision Deal a certificate signed by an authorized representative of the Target Company certifying that the conditions set out in (i) through (iii) above have been fulfilled.

(3) *Conditions to obligations of the Target Company:*

The obligations of the Target Company to complete the De-SPAC Transaction are subject to the satisfaction of the following additional conditions (or if waived by Target Company at its discretion):

- (i) all the Vision Deal's obligations under the Business Combination Agreement required to be performed by it as at or prior to the Closing shall have been duly performed by Vision Deal in all material respects, unless the applicable obligation has a materiality qualifier in which case it shall be duly performed in all respects (after taking into account the qualifier);
- (ii) all fundamental representations and warranties of Vision Deal being true and correct in all aspects as at the date of the Business Combination Agreement and the date of Closing (except for representation and warranties that speak as at a specific date, in which case such representations and warranties need only to be true and accurate as at such date);
- (iii) all other representations and warranties of Vision Deal being true and correct in all material aspects as at the date of the Business Combination Agreement and the date of Closing (except for (A) representation and warranties that speak as at a specific date, in which case such representations and warranties need only to be true and accurate as at such date, and (B) representation and warranties that has a material adverse effect qualifier, in which case such representations and warranties need to be true and correct (after taking into account the material adverse effect qualifier));
- (iv) available cash being no less than HK\$600,000,000;
- (v) the date of Closing being no later than the Longstop Date;
- (vi) the total number of Successor Company Shares which may be issued upon exercise of Successor Company Warrants, outstanding options under Target Company ESOP and Earn-out Rights under the Successor Company Unlisted Warrants will be in compliance Rule 15.02(1) of the Listing Rules; and

- (vii) Vision Deal having delivered to the Target Company a certificate signed by an authorized representative of Vision Deal certifying that the conditions set out in (i) through (v) above have been fulfilled.

(vi) Termination

The Business Combination Agreement may be terminated prior to the Closing only as follows:

- (i) by written agreement of all Merger Parties;
- (ii) by written notice of any Merger Party to the other Merger Parties, if the transactions contemplated under the Business Combination Agreement have not closed as at the Longstop Date; however, if the breach of any representations and warranties, undertakings or obligations under the Business Combination Agreement by any Merger Parties or its associates is the material and immediate cause of failure to complete Closing as at the Longstop Date, such Merging Party shall not be entitled to terminate the Business Combination Agreement;
- (iii) by the Target Company if the Target Company has not breached the Business Combination Agreement in any material aspects and Vision Deal has breached or fails to perform any of its representations, warranties or undertakings under the Business Combination Agreement in any material aspects, which breach and failure to perform (a) would result in the failure of a condition set out in “– (v) *Conditions to Closing*” above to be satisfied and (b) cannot be cured or has not been cured by Vision Deal within 15 days upon its receipt of the written notice of the breach and failure to perform and (c) has not been waived by the Target Company;
- (iv) by Vision Deal if Vision Deal has not breached the Business Combination Agreement in any material aspects and the Target Company has breached or fails to perform any of its representations, warranties or undertakings under the Business Combination Agreement in any material aspects, which breach and failure to perform (a) would result the failure of a condition set out in “– (v) *Conditions to Closing*” above not to be met, (b) cannot be cured or has not been cured by the Target Company within 15 days upon its receipt of the written notice of the breach and failure to perform and (c) has not been waived by Vision Deal;
- (v) by the Target Company if the required SPAC Shareholders’ approval fails to be obtained on the EGM where the SPAC Shareholders have voted on the applicable matters; or
- (vi) by Vision Deal if the required Target Shareholders’ approval fails to be obtained on the shareholders meeting of the Target Company where the shareholders of the Target Company have voted on the applicable matters.

Upon termination of the Business Combination Agreement, such agreement will become void and have no effect and the De-SPAC Transaction will not proceed, except that certain surviving provisions will survive termination.

(vii) Closing

Closing will occur upon completion of the transactions contemplated to take place upon the Effective Time, including, but not limited to the transactions set out in “– (iv) Merger consideration” above. Subject to the satisfaction (or if applicable and permitted by law, waiver) of the Conditions, it is currently expected that Closing will take place in the first quarter of 2024.

2. Basis of valuation of the Merger

The Target Merger Total Equity Value, which is HK\$8,215 million, was determined through arm’s length negotiation with the PIPE Investors (who have undertaken independent due diligence on the Target Company) with reference to:

- (i) Most recent round of pre-listing investment:** The Target Company raised an aggregate of US\$45 million from experienced investors in the most recent round of pre-listing investment in 2021. The Target Company’s post-money valuation after this round of investment was approximately US\$1,045 million, representing approximately HK\$8,088 million. The Target Merger Total Equity Value represents an approximately 1.57% increase from such valuation.
- (ii) Business development and performance after the most recent round of pre-listing investment:** The Target Group has demonstrated significant growth in recent years. In 2020, 2021 and 2022, the Target Group’s average monthly paying users were approximately 643.9 thousand, 965.6 thousand and 1,000.3 thousand, respectively, representing paying ratio of approximately 5.3%, 5.7% and 7.2%, respectively. In 2022, approximately 3.7 million users had sent virtual gifts to others and approximately 5.3 million users had received gifts from others. The large number of users who had received and sent gifts demonstrates the multi-way interactions that the Target Group believes are unique to its decentralized approach to engage with Target Group’s user community. Although the Target Group is still in the early stages of monetization, it has already achieved rapid growth with its revenues increasing from approximately RMB1,493.4 million in 2020 to approximately RMB2,630.6 million in 2021, and further to approximately RMB3,402.0 million in 2022.
- (iii) Business prospects:** The Target Group is the largest mobile voice-based social network platform and the largest mobile gamer-based social network platform in China, each in terms of revenues in 2022, according to Frost & Sullivan. The Target Group’s integrated platform of mobile applications, TT Chat, facilitates social relationships among users through leveraging its intelligent matching capabilities, diversified social features and entertainment scenarios. Over the years, the Target Group has been focusing on facilitating decentralized social interactions and has provided each user with equal opportunities to receive engagement and interact with other like-minded users across a diversified range of social and entertainment use cases. Users initiate virtual chatrooms on the Target Group’s platform where multiple users can interact with each other through voice, text, virtual gifts, and a variety of other functions. These virtual chatrooms are welcomed by the Target Group’s users as a personal cyberspace to express themselves to those who share common interests and passion for games and other topics. On June 30, 2023, over 90% of the chatrooms on TT Chat had less than 10 users simultaneously in a chatroom, which creates a interpersonally connected online social environment.

3. Board of Directors of the Successor Company

Immediately after the Effective Time, the board of Directors of the Successor Company is expected to comprise seven Directors, as follows:

- (i) three executive Directors designated by the Target Company, who will be Mr. Song Ke, Mr. Chen Guangyao and Mr. Lyu Shaoyu;
- (ii) one non-executive Director designated by Vision Deal, who will be Mr. Wei Zhe; and
- (iii) three independent non-executive Directors, who will be Mr. Mak Yau Kee Adrian, Ms. Wang Yuxiao and Mr. He Dongdong.

J. OTHER ARRANGEMENTS

1. Permitted Equity Financing

From the date of the Business Combination Agreement until the Listing Date (the “**Pre-Closing Period**”), Vision Deal and the Target Company may execute one or more permitted equity subscription agreements in substantially the same form as the PIPE Investment Agreements with one or more investors that would constitute a Permitted Equity Financing (if any); provided that unless otherwise agreed by Vision Deal and the Target Company in writing, no such permitted equity subscription agreement shall provide for the issuance of any equity securities other than SPAC Class A Shares. Details of any Permitted Equity Financing will be announced by Vision Deal.

Each of Vision Deal and the Target Company has agreed to use its commercially reasonable efforts to cooperate with each other in connection with the arrangement of any Permitted Equity Financing as may be reasonably requested by each other.

2. Earn-out Rights

Pursuant to the Business Combination Agreement, the Target Company will grant earn-out rights in the form of warrants to the Earn-out Participants, pursuant to which the warrants will enable the Earn-out Participants to subscribe, after the completion of the De-SPAC Transaction, up to 87,434,500 new Successor Company Shares (assuming that (i) the Target Capital Restructuring is completed, (ii) all SPAC Class A Shareholders exercise their Redemption Right, (iii) no SPAC Class A Shareholders exercise their Appraisal Right; (iv) 63,340,546 Successor Company Shares are issued to the PIPE Investors pursuant to the PIPE Investment Agreements, and (v) there is no Permitted Equity Financing) or up to 97,784,500 new Successor Company Shares (assuming that (i) the Target Capital Restructuring is completed, (ii) no SPAC Class A Shareholders exercise their Redemption Right, (iii) no SPAC Class A Shareholders exercise their Appraisal Right; (iv) 63,186,508 Successor Company Shares are issued to the PIPE Investors pursuant to the PIPE Investment Agreements, and (v) there is no Permitted Equity Financing) based upon share price performance of the Successor Company and adjusted net profit performance of the Successor Company after completion of the De-SPAC Transaction. The number of Maximum Issuable Earn-out Shares represents 10% of the total number of shares that the Successor Company had in issue as at Listing Date.

The grant of Earn-out Rights is one of the major terms under the De-SPAC Transaction designed to incentivize the Target Company with key performance indicators. It encourages the Earn-out Participants to maintain the continuous development of the Target Group and lead the Target Group for its ongoing business growth following the De-SPAC Transaction, and assures confidence to SPAC investors for the performance of the Target Company with stable management team after the De-SPAC Transaction.

The Share Price Earn-out Right will be triggered when the volume weighted average price of the Successor Company Shares (calculated based on the daily quotation sheets of the Stock Exchange) equals or exceeds a price representing a 50% increase, 100% increase, 150% increase and 200% increase per share respectively of the per share closing price of the Successor Company Shares as at the Listing Date in any 25 trading days within any 35-trading day period commencing one month after Closing and ending on the fifth anniversary of the Closing and during the aforementioned 35-trading day period as a whole (each, a “**Share Price Earn-out Event**”). The Successor Company may issue up to 87,434,500 new Successor Company Shares (assuming that (i) the Target Capital Restructuring is completed, (ii) all SPAC Class A Shareholders exercise their Redemption Right, (iii) no SPAC Class A Shareholders exercise their Appraisal Right; (iv) 63,340,546 Successor Company Shares are issued to the PIPE Investors pursuant to the PIPE Investment Agreements, and (v) there is no Permitted Equity Financing) or up to 97,784,500 Successor Company Shares (assuming that (i) the Target Capital Restructuring is completed, (ii) no SPAC Class A Shareholders exercise their Redemption Right, (iii) no SPAC Class A Shareholders exercise their Appraisal Right; (iv) 63,186,508 Successor Company Shares are issued to the PIPE Investors pursuant to the PIPE Investment Agreements, and (v) there is no Permitted Equity Financing) upon the exercise of the Successor Company Unlisted Warrant based on the Share Price Earn-out Event when the Share Price Earn-out Events are triggered and the Earn-out Participants will be entitled to receive one-fourth of the Share Price Issuable Earn-out Shares whenever the Share Price Earn-out Event for the first 50% increase and an additional 50% increase is being triggered. For avoidance of doubt, the Earn-out Participants will only be entitled to receive the Share Price Issuable Earn-out Shares once when each Share Price Earn-out Event is being triggered.

The Net Profit Earn-out Right will be triggered when (i) the net profit from the Successor Company’s audited financial statement, adding back certain non-recurring items, comprising (a) share-based compensation expenses, (b) fair value changes on the Successor Company Warrants, (c) impairment loss of intangible assets (including goodwill), (d) expenses in connection with the Listing application and (e) non-operating expenses in connection with the De-SPAC Transaction (the “**Adjusted Net Profit**”), achieves not less than RMB800 million for the year ending December 31, 2024, (ii) the Adjusted Net Profit from the Successor Company’s audited financial statement achieves not less than RMB920 million for the year ending December 31, 2025 or if the Net Profit Earn-out Event has not been triggered in 2024, the Adjusted Net Profit from the Successor Company’s audited financial statement achieves an aggregate sum of not less than RMB1,720 million for the years ending December 31, 2024 and 2025, and (iii) the Adjusted Net Profit from the Successor Company’s audited financial statement achieves not less than RMB1,058 million for the year ending December 31, 2026 or if the Net Profit Earn-out Events have not been triggered in 2024 and 2025, the Adjusted Net Profit from the Successor Company’s audited financial statement achieves an aggregate sum of not less than RMB2,778 million for the years ending December 31, 2024, 2025 and 2026 (each, a “**Net Profit Earn-out Event**”) within three fiscal years after Closing. The Successor Company may issue up to 87,434,500 new Successor Company Shares (assuming that (i) the Target Capital Restructuring is completed, (ii) all SPAC Class A Shareholders exercise their

Redemption Right, (iii) no SPAC Class A Shareholders exercise their Appraisal Right; (iv) 63,340,546 Successor Company Shares are issued to the PIPE Investors pursuant to the PIPE Investment Agreements, and (v) there is no Permitted Equity Financing) or up to 97,784,500 Successor Company Shares (assuming that (i) the Target Capital Restructuring is completed, (ii) no SPAC Class A Shareholders exercise their Redemption Right, (iii) no SPAC Class A Shareholders exercise their Appraisal Right; (iv) 63,186,508 Successor Company Shares are issued to the PIPE Investors pursuant to the PIPE Investment Agreements, and (v) there is no Permitted Equity Financing). Upon exercise of the Successor Company Listed Warrant based on the Net Profit Earn-out Event when the Net Profit Earn-out Events are triggered and the Earn-out Participants will be entitled to receive one-third of the Net Profit Issuable Earn-out Shares upon exercise of the Successor Company Unlisted Warrant whenever the Net Profit Earn-out Event based on the single year Adjusted Net Profit is being triggered. The Earn-out Participants will be entitled to receive two-third of the Net Profit Issuable Earn-out Shares upon exercise of the Successor Company Unlisted Warrant when the Net Profit Earn-out Event has not been triggered in 2024 and the Adjusted Net Profit from the Successor Company's audited financial statement achieves an aggregate sum of RMB1,720 million for the years ending December 31, 2024 and 2025 and the Earn-out Participants will be entitled to receive all of the Net Profit Issuable Earn-out Shares upon exercise of the Successor Company Unlisted Warrant when the Net Profit Earn-out Events have not been triggered in 2024 and 2025, and the Adjusted Net Profit from the Successor Company's audited financial statement achieves an aggregate sum of RMB2,778 million for the years ending December 31, 2024, 2025 and 2026.

The Maximum Issuable Earn-out Shares for Share Price Earn-out Right and Net Profit Earn-out Right are 87,434,500 Successor Company Shares and 87,434,500 Successor Company Shares, respectively (assuming that (i) the Target Capital Restructuring is completed, (ii) all SPAC Class A Shareholders exercise their Redemption Right, (iii) no SPAC Class A Shareholders exercise their Appraisal Right; (iv) 63,340,546 Successor Company Shares are issued to the PIPE Investors pursuant to the PIPE Investment Agreements, and (v) there is no Permitted Equity Financing) or 97,784,500 Successor Company Shares and 97,784,500 Successor Company Shares, respectively (assuming that (i) the Target Capital Restructuring is completed, (ii) no SPAC Class A Shareholders exercise their Redemption Right, (iii) no SPAC Class A Shareholders exercise their Appraisal Right; (iv) 63,186,508 Successor Company Shares are issued to the PIPE Investors pursuant to the PIPE Investment Agreements, and (v) there is no Permitted Equity Financing). Both Share Price Earn-out Right and Net Profit Earn-out Right are subject to the Maximum Issuable Earn-out Shares under a Mixed Pool mechanism which the Successor Company will adopt, such that the Share Price Issuable Earn-out Shares and the Net Profit Issuable Earn-out Shares issued upon triggering of the Share Price Earn-out Events and the Net Profit Earn-out Events will be drawn from the same pool (the "**Mixed Pool**"), which consists of maximum of 87,434,500 Successor Company Shares (assuming full redemption of the SPAC Class A Shares) or up to 97,784,500 Successor Company Shares (assuming no redemption of the SPAC Class A Shares) which represents 10% of total number of Successor Company Shares as at the Listing Date.

Details of the Maximum Issuable Earn-out Shares based upon the Share Price Earn-out Event and Net Profit Earn-out Event under the Mixed Pool mechanism is listed as below:

	Number of Successor Company Shares	
	Full Redemption	No Redemption
Maximum Issuable Earn-out Shares (assuming there is no Permitted Equity Financing)		
for Share Price Earn-out Right	87,434,500	97,784,500
for Net Profit Earn-out Right	87,434,500	97,784,500
Maximum Issuable Earn-out Shares under the Mixed Pool (assuming there is no Permitted Equity Financing)		
	87,434,500	97,784,500

The Successor Company Unlisted Warrants will be issued to Quwan EOR Limited held by a Earn-out Trust set up by Mr. Song, and the beneficiaries of the Earn-out Trust will be all the Earn-out Participants. Upon exercise of the Earn-out Rights, the Issuable Earn-out Shares will be issued to Quwan EOR Limited held by Earn-out Trust for the benefits of the Earn-out Participants. The voting rights of the Issuable Earn-out Shares held by Quwan EOR Limited will be exercised by Quwan EOR Limited as the registered shareholder, and the voting instruction will be given by Mr. Song as settlor of the Earn-out Trust to Quwan EOR Limited. Such trust arrangement was set up for the purpose of facilitating the ease of management of the interests of the Earn-out Participants and achieving administrative convenience, such that the Successor Company is only required to issue Successor Company Shares to a single entity whenever the Share Price Earn-out Right or the Net Profit Earn-out Right is triggered. The applicable requirements under Chapter 15 of the Listing Rules will be complied in respect of the Successor Company Unlisted Warrants.

The table below sets forth the identities and positions of the Earn-out Participants and their respective percentage of interest as beneficiaries under the Earn-out Trust:

Name of the Earn-out Participants	Position in the Target Group	Percentage of interest as beneficiaries under the Earn-out Trust
Mr. Song	Chairman of the board, executive director and chief executive officer	50%
Chen Guangyao	Executive director and senior vice president	20%
Lyu Shaoyu	Executive director, chief financial officer and joint company secretary	15%
Xie Rui	Chief technology officer	15%
Total		100%

The Earn-out Rights are subject to approval by ordinary resolution at the EGM of the SPAC Shareholders convened to approve the De-SPAC Transaction.

Further details regarding the Earn-out Rights, Earn-out Participants and other detail will be included in the Circular.

The Earn-out Rights will be cancelled and become void if the De-SPAC Transaction is not completed.

3. Promoters Lock-up Undertakings

Concurrently with the execution of the Business Combination Agreement, each of the Promoters has provided a lock-up undertaking to Vision Deal, the Target Company, the Promoters and other parties named therein (the “**Promoters Lock-up Undertakings**”), pursuant to which, among other things, and subject to the terms and conditions set forth therein, each of the Promoters has agreed (a) not to transfer the Successor Company Shares held by such Promoter for a period of twelve months from the Unconditional Date, and (b) to unconditionally and irrevocably waive their Appraisal Right pursuant to the Cayman Companies Act in respect to all SPAC Shares held by such Promoter with respect to the Merger.

As explained in “*I. The Business Combination Agreement – 1. Principal terms of the Business Combination Agreement – (iv) Merger consideration*” above, immediately following the Effective Time, each SPAC Promoter Warrant will be automatically canceled and cease to exist in exchange for one Successor Company Promoter Warrant (subject to adjustment as explained below).

4. Target Shareholders Lock-up Undertakings

The Target Shareholders (each a “**Target Shareholder**”) (other than the Controlling Shareholders) will enter into a deed of lock-up undertaking prior to the completion of the De-SPAC Transaction in favour of the Target Company and the Sole Sponsor, pursuant to which, among other things, and subject to the terms and conditions set forth therein, each Target Shareholder (other than the Controlling Shareholders) has agreed not to transfer or in any way dispose of any securities of the Successor Company beneficially owned by such Target Shareholder for a period of six months (for Target Shareholders other than Controlling Shareholder) from the Listing Date (save and except only in respect of 3W Global Fund, the lock-up securities shall refer to two-third of the Successor Company Shares held by it following completion of the De-SPAC Transaction).

Immediately upon completion of the De-SPAC Transaction, 3W Global Fund will hold 12,812,973 Successor Company Shares, representing:

- (a) approximately 1.31% of the voting rights of the Successor Company (assuming that (i) the Target Capital Restructuring is completed; (ii) no SPAC Class A Shareholders exercise their Redemption Right with respect to their SPAC Class A Shares; (iii) no SPAC Class A Shareholders exercise their Appraisal Right; (iv) 63,186,508 Successor Company Shares (subject to adjustments) are issued to the PIPE Investors pursuant to the PIPE Investment Agreements and (v) there is no Permitted Equity Financing), or
- (b) approximately 1.47% of the voting rights of the Successor Company (assuming that (i) the Target Capital Restructuring is completed; (ii) all SPAC Class A Shareholders exercise their Redemption Right and/or Appraisal Right with respect to their SPAC Class A Shares; (iii) 63,340,546 Successor Company Shares (subject to adjustments) are issued to the PIPE Investors pursuant to the PIPE Investment Agreements and (iv) there is no Permitted Equity Financing).

The Controlling Shareholders will enter into a deed of undertaking in favour of the Target Company, the Sole Sponsor and other Target Shareholders, pursuant to which among other things, and subject to the terms and conditions set forth therein, the Controlling Shareholders have agreed not to transfer or in any way dispose of any securities of the Successor Company beneficially owned by the Controlling Shareholders for a period of twelve months from the Listing Date.

5. Successor Company Listed Warrant

Prior to the Unconditional Date, the Target Company will approve and adopt the listed warrant instrument (the “**Successor Company Listed Warrant Instrument**”), to take effect immediately prior to the Merger and containing the terms and conditions of the Successor Company Listed Warrants, which are substantially similar as the terms and conditions of the SPAC Listed Warrants under the SPAC Listed Warrant Instrument, subject to necessary changes required by the Business Combination Agreement and the transactions contemplated thereunder. Details of the terms and conditions of the Successor Company Listed Warrants will be disclosed in the Circular.

6. Successor Company Promoter Warrant Agreement

Prior to the Unconditional Date, the Target Company, the Promoters and certain other parties named therein entered into a warrant agreement (the “**Successor Company Promoter Warrant Agreement**”), to take effect immediately prior to the Merger and containing the terms and conditions of the Successor Company Promoter Warrants, which are substantially the same as the terms and conditions of the SPAC Promoter Warrants under the SPAC Promoter Warrant Agreement, subject to necessary changes required by the Business Combination Agreement and the transactions contemplated thereunder. Details of the terms and conditions of the Successor Company Promoter Warrants will be disclosed in the Circular.

7. Amendment of the SPAC Listed Warrant Instrument

Pursuant to Condition 11.2(a)(iv) of the terms and conditions of the SPAC Listed Warrants set out in schedule 2 to the SPAC Listed Warrant Instrument, the Vision Deal Board has resolved to add the following new clause 5A to the SPAC Listed Warrant Instrument:

“5A. Exchange of Listed Warrants for Successor Company Listed Warrants and Termination of This Instrument

In the event that the Successor Company which is listed on the Stock Exchange upon the completion of a De-SPAC Transaction is the De-SPAC Target and not the Company:

- (a) each Listed Warrant may by a resolution of the board of directors of the Company be cancelled in exchange for an equivalent listed warrant in the Successor Company on substantially the same terms and conditions as the Listed Warrants; and
- (b) this Instrument may by a resolution of the board of directors of the Company be terminated upon the Successor Company executing a warrant instrument with substantially similar terms and conditions as this Instrument.”

For avoidance of doubt, the Company in new clause 5A refers to Vision Deal.

The Vision Deal Board has deemed the addition of clause 5A to the SPAC Listed Warrant Instrument (a) to be necessary or desirable to give effect to the arrangements of the De-SPAC Transaction with respect to the SPAC Listed Warrants, and (b) on the basis that each SPAC Listed Warrant will be exchanged for an equivalent Successor Company Listed Warrant on substantially similar terms and conditions, and the Successor Company will assume each such SPAC Listed Warrant in accordance with its terms, the addition of such clause 5A to the SPAC Listed Warrant Instrument would not adversely affect the rights of the holders of the SPAC Listed Warrants in any material respect.

Based on the above, the amendment to the SPAC Listed Warrant Instrument does not require the consent of any holder of the SPAC Listed Warrants pursuant to the terms of the SPAC Listed Warrant Instrument but is subject to the approval of the Stock Exchange under Listing Rule 15.06, the approval of which has been granted.

A notice of the above amendment to the SPAC Listed Warrant Instrument will be given to the holders of the SPAC Listed Warrants by way of an announcement published on the websites of the Stock Exchange and Vision Deal.

K. EFFECT OF THE DE-SPAC TRANSACTION ON THE SHAREHOLDINGS IN VISION DEAL AND THE SUCCESSOR COMPANY

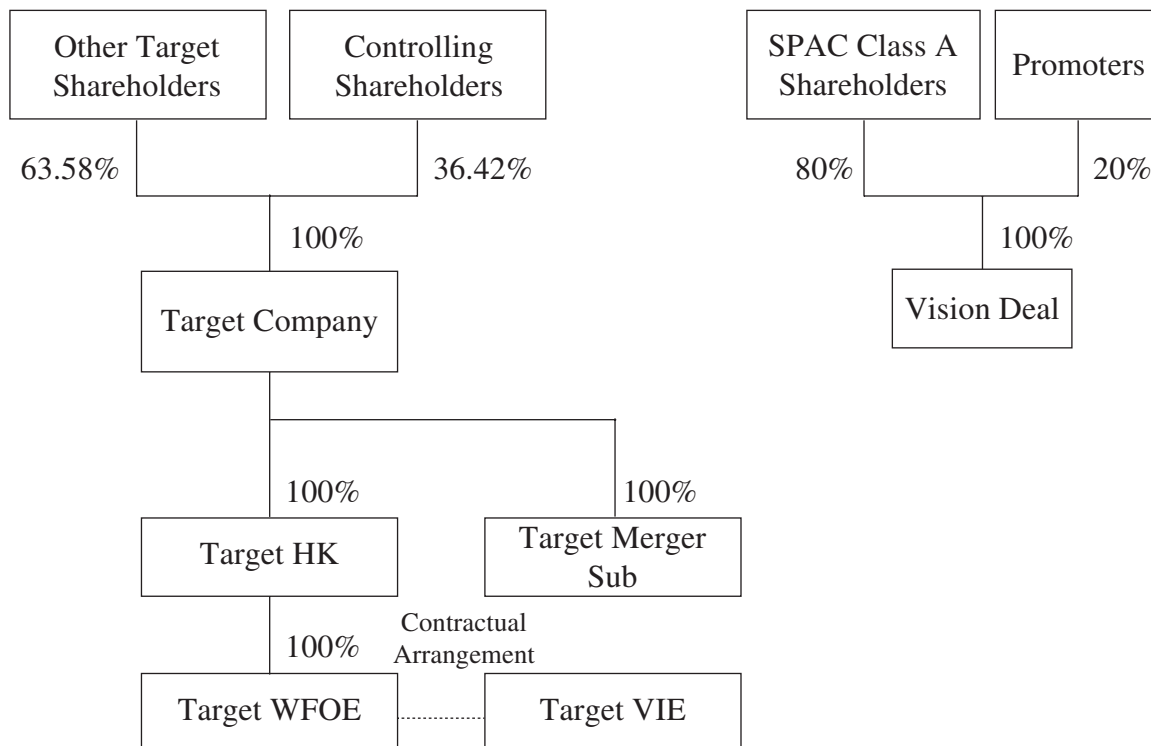
As explained in “I. The Business Combination Agreement – 1. Principal terms of the Business Combination Agreement – (iv) Merger consideration” above, upon the Effective Time,

- (i) each SPAC Class A Share (excluding the SPAC Class A Shares issued in connection with the SPAC Class B Conversion, the Redeeming SPAC Shares and the Dissenting SPAC Shares) will be automatically canceled and cease to exist in exchange for the right to receive “N” newly issued Successor Company Ordinary Share based on the formula accounted ratio attributable to beneficially owned Target Disposing Shares and attributable to Merger consideration, and each SPAC Class A Share issued in connection with the SPAC Class B Conversion will be automatically canceled and cease to exist in exchange for the right to receive one newly issued Successor Company Ordinary Share;
- (ii) (1) each SPAC Listed Warrant that is outstanding immediately prior to the Effective Time will be automatically canceled and cease to exist in exchange for one Successor Company Listed Warrant; and (2) each SPAC Promoter Warrant that is outstanding immediately prior to the Effective Time will be automatically canceled and cease to exist in exchange for one Successor Company Promoter Warrant; and
- (iii) each Dissenting SPAC Share issued and outstanding immediately prior to the Effective Time held by a Dissenting SPAC Shareholder will be automatically canceled and cease to and will thereafter represent only the right to be paid the fair value of such Dissenting SPAC Share and such other rights as are granted by the Cayman Companies Act, or (unless and until such Dissenting SPAC Shareholder fails to perfect or withdraws or otherwise loses his, her or its Appraisal Right under the Cayman Companies Act) one newly issued Successor Company Share.

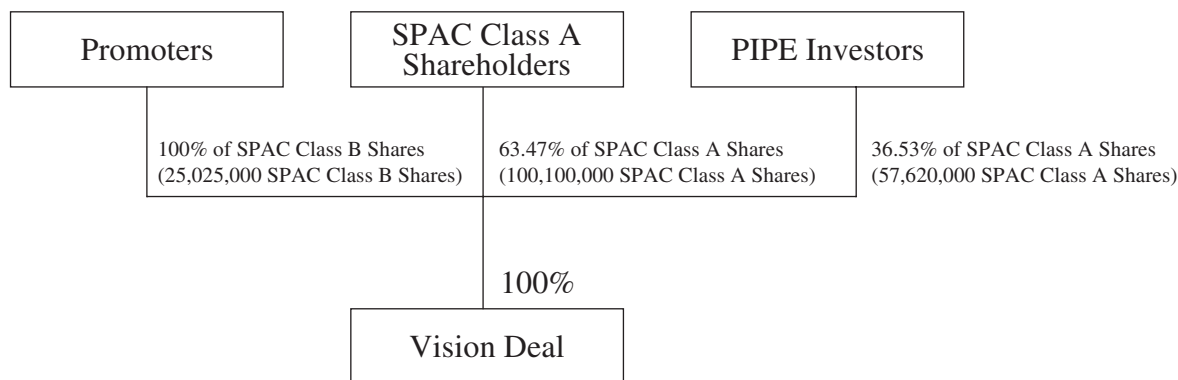
Upon the completion of the De-SPAC Transaction, current SPAC Class A Shareholders (other than the Redeeming SPAC Shareholders and the Dissenting SPAC Shareholders) will become shareholders of the Successor Company together with the PIPE Investors, investors of the Permitted Equity Financing (if any) and the Target Remaining Shareholders.

1. Corporate Structures

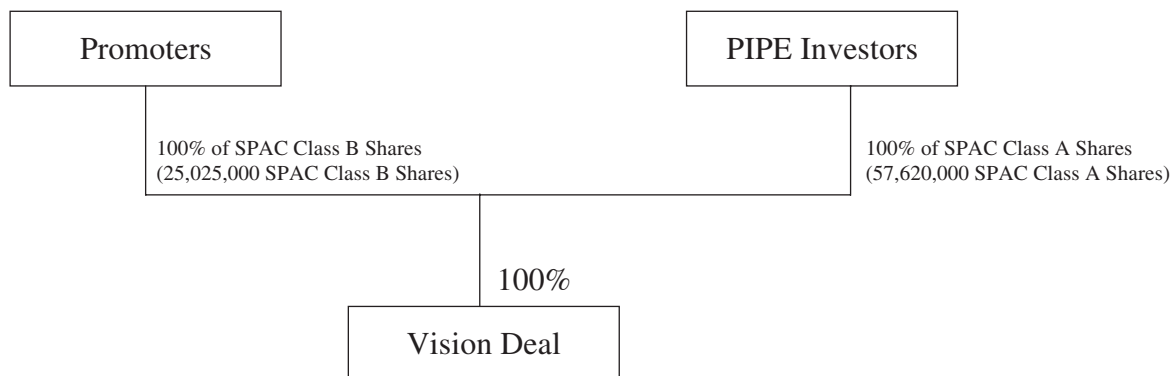
- (i) The simplified corporate structure charts which show the shareholding of the Target Group and Vision Deal immediately prior to the De-SPAC Transaction are set out below:



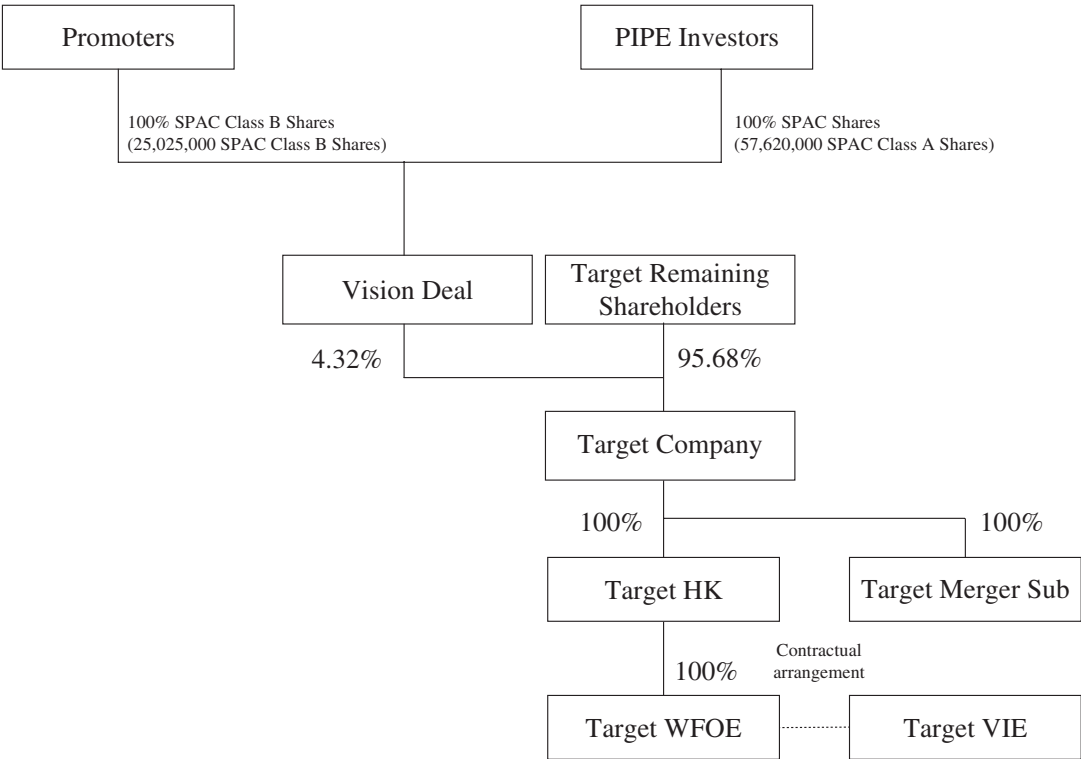
- (ii) The simplified corporate structure chart of Vision Deal immediately after the implementation of PIPE Investments is set out below:



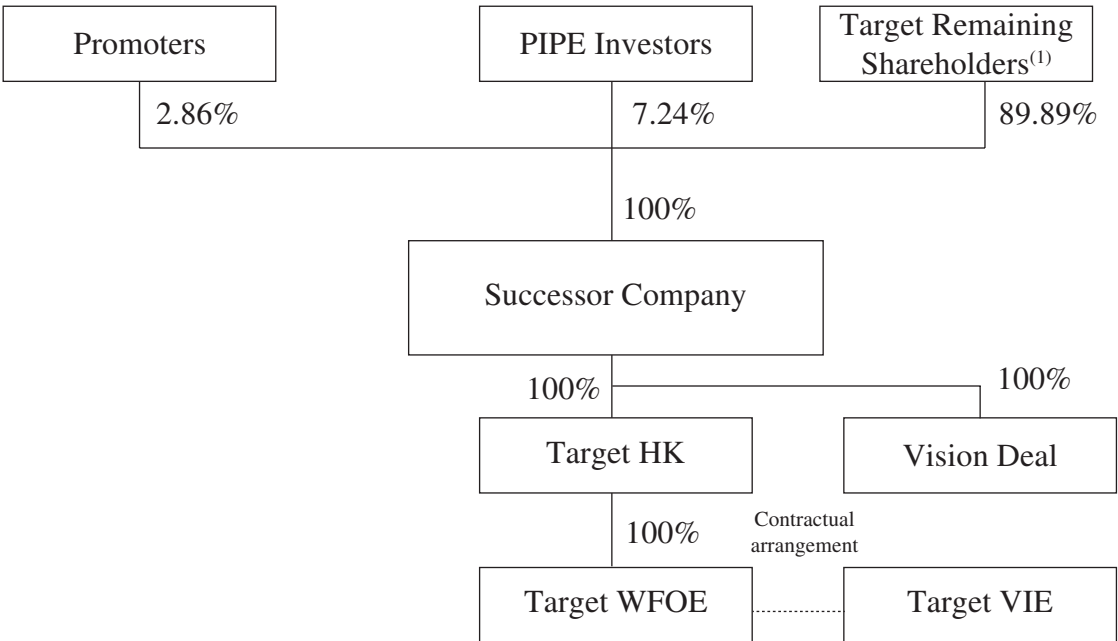
- (iii) The simplified corporate structure chart of Vision Deal immediately after the implementation of the Share Redemption (assuming full redemption of SPAC Class A Shares) is set out below:



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



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



Note:

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

2. Expected Shareholding in the Successor Company and Potential Dilution Effect of the De-SPAC Transaction

(a) Assuming full redemption of SPAC Class A Shares

Assuming all SPAC Class A Shareholders elect to redeem any SPAC Class A Shares and there is no Permitted Equity Financing, the expected shareholding in the Successor Company immediately after Closing are set out below:

Shareholders of the Successor Company	Number of shares	%
Core connected persons of the Successor Company which are Target Shareholders Controlling Shareholders		
Funplus	199,011,247	22.76%
Vanker	100,145,150	11.45%
Total Controlling Shareholders shares	299,156,397	34.21%
Other core connected persons		
Peerless Hero Limited	56,543,487	6.47%
Yun Qu Limited	42,660,819	4.88%
Fiery Dragon Limited	28,198,337	3.23%
Matrix Partners China V, L.P.	11,901,664	1.36%
Matrix Partners China V-A, L.P.	1,237,730	0.14%
Matrix Partners China VI, L.P.	76,348,128	8.73%
Matrix Partners China VI-A, L.P.	8,266,885	0.95%
Skycus China Fund, L.P.	50,467,184	5.77%
Duckling Fund, L.P.	55,061,511	6.30%
Iridescent Rainbow Limited	4,254,073	0.49%
Target Shareholders which are core connected person	634,096,215	72.52%
Target Shareholders which are not core connected person	151,883,239	17.37%
Total Target Shareholders	785,979,454	89.89%
Other core connected person of the Successor Company		
VKC Management	11,261,250	1.29%
Total core connected persons shares	645,357,465	73.81%

Shareholders of the Successor Company	Number of shares	%
PIPE Investors		
Zheshang International	26,855,424	3.07%
Orient Asset Management	6,694,619	0.77%
Guangdong Finance Investment International	1,648,920	0.19%
China Arbitrage Fund	219,856	0.03%
Taizhou TS First Fortune	4,946,763	0.57%
37 Starseek	6,881,496	0.79%
Bluefocus International	3,297,842	0.38%
SensePower Management	2,946,072	0.34%
Modern Leaves	3,297,842	0.38%
Galaxy Link	681,554	0.08%
Admeliora Limited	549,640	0.06%
Chinese Culture Investment	384,748	0.04%
PIPE Individual Investors	4,935,770	0.56%
 Total PIPE Investment	 63,340,546	 7.24%
 SPAC Class A Shareholders	 0	 0%
 Promoters (other than VKC Management)	 13,763,750	 1.57%
 Total	 874,345,000	 100%

Notes:

- (1) Assuming all SPAC Class A Shareholder elects to redeem all SPAC Class A Shares, no SPAC Class A Shareholders exercise their Appraisal Right and there is no Permitted Equity Financing.
- (2) The percentage figures are subject to rounding adjustments and may not be an arithmetic aggregation of the figures preceding them.

The Successor Company Listed Warrants and the Successor Company Promoter Warrants will become exercisable 30 days and 12 months after the Listing Date, respectively, and subject to the satisfaction of certain conditions. If the Successor Company Warrants are exercised in full, an aggregate of 42,525,000 Successor Company Shares will be issued, representing a maximum dilution impact of 4.64% in the shareholding in the Successor Company immediately after Closing, assuming all SPAC Class A Shareholders elect to redeem their SPAC Class A Shares and there is no Permitted Equity Financing.

The Issuable Earn-out Shares may only be issued subject to the satisfaction of certain conditions. Assuming no adjustments to the number of Issuable Earn-out Shares pursuant to the terms and conditions of the Earn-out Agreement and the Issuable Earn-out Shares are issued in full, an aggregate of 87,434,500 Successor Company Shares (representing 10% of total 874,345,000 Successor Company Shares) will be issued, representing a maximum dilution impact of 9.09% in the shareholding in the Successor Company immediately after Closing, assuming all SPAC Class A Shareholders elect to redeem their SPAC Class A Shares and there is no Permitted Equity Financing. See “*J. Other Arrangements – 2. Earn-out Rights*” above for further details on the Earn-out Rights.

(b) Assuming no redemption of SPAC Class A Shares

Assuming no SPAC Class A Shareholders elect to redeem any SPAC Class A Shares, no SPAC Class A Shareholders exercise their Appraisal Right and there is no Permitted Equity Financing, the expected shareholding in the Successor Company immediately after Closing are set out below:

Shareholders of the Successor Company	Number of shares	%
Core connected persons of the Successor Company which are Target Shareholders Controlling Shareholders		
Funplus	199,011,247	20.35%
Vanker	100,145,150	10.24%
Total Controlling Shareholders shares	299,156,397	30.59%
Other core connected persons		
Peerless Hero Limited	56,543,487	5.78%
Yun Qu Limited	42,660,819	4.36%
Fiery Dragon Limited	28,198,337	2.88%
Skycus China Fund, L.P.	50,467,184	5.16%
Duckling Fund, L.P.	55,061,511	5.63%
Iridescent Rainbow Limited	4,254,073	0.44%
Target Shareholders which are core connected person	536,341,808	54.85%
Target Shareholders which are not core connected person	249,637,646	25.53%
Total Target Shareholders	785,979,454	80.38%
Other core connected person of the Successor Company		
VKC Management	11,261,250	1.15%
Total core connected persons shares	547,603,058	56.00%
PIPE Investors		
Zheshang International	25,297,384	2.59%
Orient Asset Management	6,306,225	0.64%
Guangdong Finance Investment International	1,553,257	0.16%
China Arbitrage Fund	207,101	0.02%
Taizhou TS First Fortune	8,180,489	0.84%
37 Starseek	6,482,260	0.66%
Bluefocus International	3,106,515	0.32%
SensePower Management	2,775,153	0.28%
Modern Leaves	3,106,515	0.32%
Galaxy Link	642,013	0.07%
Admeliora Limited	517,752	0.05%
Chinese Culture Investment	362,427	0.04%
PIPE Individual Investors	4,649,417	0.48%
Total PIPE Investment	63,186,508	6.46%
SPAC Class A Shareholders	103,654,038	10.60%
Promoters (other than VKC Management)	13,763,750	1.41%
Total	977,845,000	100%

Notes:

- (1) Assuming no SPAC Class A Shareholder elects to redeem any SPAC Class A Shares, no SPAC Class A Shareholders exercise their Appraisal Right and there is no Permitted Equity Financing
- (2) The percentage figures are subject to rounding adjustments and may not be an arithmetic aggregation of the figures preceding them.

The Successor Company Listed Warrants and the Successor Company Promoter Warrants will become exercisable 30 days and 12 months after the Listing Date, respectively, and subject to the satisfaction of certain conditions. If the Successor Company Warrants are exercised in full, an aggregate of 42,525,000 Successor Company Shares will be issued, representing a maximum dilution impact of 4.17% in the shareholding in the Successor Company immediately after Closing, assuming no SPAC Class A Shareholders elect to redeem their SPAC Class A Shares, no SPAC Class A Shareholders exercise their Appraisal Right, and there is no Permitted Equity Financing.

The Issuable Earn-out Shares may only be issued subject to the satisfaction of certain conditions. Assuming no adjustments to the number of Issuable Earn-out Shares pursuant to the terms and conditions of the Earn-out Rights under the Business Combination Agreement and the Issuable Earn-out Shares are issued in full, an aggregate of 97,784,500 Successor Company Shares (representing 10% of total 977,845,000 Successor Company Shares) will be issued, representing a maximum dilution impact of 9.09% in the shareholding in the Successor Company immediately after Closing, assuming no SPAC Class A Shareholders elect to redeem their SPAC Class A Shares and no SPAC Class A Shareholders exercise their Appraisal Right. See “*J. Other Arrangements – 2. Earn-out Rights*” above for further details on the Earn-out Rights.

Vision Deal will apply for the withdrawal of listing of the SPAC Class A Shares and SPAC Listed Warrants and the Successor Company will apply for the listing of the Successor Company Shares and the Successor Company Listed Warrants.

Details of the procedures by which SPAC Class A Shareholders and securities of the holders of the SPAC Warrants will be canceled and exchanged for Successor Company Shares and Successor Company Warrants will be set out in the Circular.

3. Public float

Save for the following persons,

- (i) the Controlling Shareholders (namely Funplus, Vanker);
- (ii) Peerless Hero Limited, Yun Qu Limited and Fiery Dragon Limited, pursuant to the Voting Proxy Agreements in which Mr. Song is entrusted to exercise, in his sole discretion, all voting rights attached to the Successor Company Shares held by Peerless Hero Limited, Yun Qu Limited and Fiery Dragon Limited, respectively;
- (iii) the substantial shareholders of the Successor Company (namely Matrix Partners China V, L.P., Matrix Partners China V-A, L.P., Matrix Partners China VI, L.P., Matrix Partners China VI-A, L.P., Skycus China Fund, L.P., Duckling Fund, L.P. (Note));

Note: For the avoidance of doubt, Matrix Partners China V, L.P., Matrix Partners China V-A, L.P., Matrix Partners China VI, L.P., Matrix Partners China VI-A, L.P., in aggregate will not hold 10% or more Successor Company Shares upon Closing, if no SPAC Class A Shareholders elect to redeem any SPAC Class A Shares and no SPAC Class A Shareholders exercise their Appraisal Right. In such case, the Successor Company Shares held by Matrix Partners China V, L.P., Matrix Partners China V-A, L.P., Matrix Partners China VI, L.P., Matrix Partners China VI-A, L.P. will count towards public float upon Closing.

- (iv) Iridescent Rainbow Limited, the voting rights attached to its Successor Company Shares, as nominated by Guangzhou Quwan are exercised by Sun Mingjun to the best of the knowledge of the directors of the Target Company; and
- (v) VKC Management, wholly owned by Mr. Wei Zhe, the proposed non-executive director of the Successor Company.

Except as stated above, the existing shareholders of the Target Company, the PIPE Investors, the SPAC Class A Shareholders and the Promoters (other than VKC Management) will not be core connected persons of the Successor Company and will not be accustomed to taking instructions from the core connected persons in relation to the acquisition, disposal, voting or other disposition of the Successor Company Shares held or to be allotted to them, therefore the Successor Company Shares held by them will count towards the public float upon Closing.

Based on the above, immediately after Closing, (i) the core connected persons of the Successor Company will be interested in 56.00% of the shareholding in the Successor Company and the public float of the Successor Company will be 44.00% (assuming no SPAC Class A Shareholders elect to redeem any SPAC Class A Shares, no SPAC Class A Shareholders exercise their Appraisal Right and there is no Permitted Equity Financing); or (ii) the core connected persons of the Successor Company will be interested in 73.81% of the shareholding in the Successor Company and the public float of the Successor Company will be 26.19% (assuming all SPAC Class A Shareholders elect to redeem their SPAC Class A Shares and there is no Permitted Equity Financing).

Taking into account the Successor Company Shares that may be issued upon exercise of the Successor Company Warrants and the Issuable Earn-out Shares, the public float of the Successor Company will be 51.01% (assuming no SPAC Class A Shareholders elect to redeem any SPAC Class A Shares, no SPAC Class A Shareholders exercise their Appraisal Right and there is no Permitted Equity Financing), or 35.98% (assuming all SPAC Class A Shareholders elect to redeem their SPAC Class A Shares and there is no Permitted Equity Financing).

The Successor Company will comply with the minimum public float requirement under Listing Rule 8.08(1)(a) under any of or any combination of the scenarios involving issue of the Successor Company Shares.

L. VALUATIONS ADOPTED FOR THE DE-SPAC TRANSACTION

The De-SPAC Transaction consists of the Share Transfer and the Merger. The valuations for the Share Transfer and the Merger are based on the Share Transfer Total Equity Value and the Target Merger Total Equity Value, respectively. The Share Transfer and the Merger are distinct transactions within the De-SPAC Transaction, each reflecting their inherent nature and components.

From the perspective of the Target Disposing Shareholders, who are selling minority equity interest in the Target Company based on their expected annual return rate and the macroeconomic environment, the disposal of the Target Disposing Shares through the Share Transfer allows them to realize the equity value in the form of immediate and ascertained cash return. The valuation adopted to obtain ascertained cash return through Share Transfer is a commercial decision agreed by the Target Disposing Shareholders, instead of retaining such equity interest in the Successor Company upon completion of the De-SPAC Transaction. As a result, the interests of the Target Disposing Shares become distinct from the Target Remaining Shares upon the Share Transfer.

From Target Remaining Shareholders perspective, the valuation for the Merger primarily considers the prospects of the Target Company and the equity interest held by the Target Remaining Shareholders. The Target Merger Total Equity Value accounts for the majority of the valuation of the De-SPAC Transaction and determines the Merger consideration for effectuating the Merger. The Target Merger Total Equity Value reflects the negotiated value between the Target Remaining Shareholders, the PIPE Investors and the SPAC Shareholders (other than the Redeeming SPAC Shareholders), taking into account various parameters such as the financial, operational and trading position, earnings, prospects, assets, and liabilities of the Group as a whole from the Successor Company's perspective. The Target Remaining Shareholders negotiate the valuation for Merger by aligning their equity interest in the Target Company with its future business prospects with the PIPE Investors and the SPAC Shareholders (other than the Redeeming SPAC Shareholders) and to achieve a listing of the Target Company's business through De-SPAC Transaction.

From the perspective of the PIPE Investors and the SPAC Shareholders (other than the Redeeming SPAC Shareholders), the different valuations reflects two components of the De-SPAC Transaction, namely the lower Share Transfer Total Equity Value as compared to the Target Merger Total Equity Value, which allows the PIPE Investors and the SPAC Shareholders (other than the Redeeming SPAC Shareholders) to immediately benefit from an appreciation value of approximately 4.32% of the Target Shares upon the completion of the Share Transfer. This is because the Target Merger Total Equity Value will be adopted as the Merger consideration in the Business Combination Agreement and to determine the number of newly issued shares of the Successor Company to be received by the SPAC Shareholders (other than the Redeeming SPAC Shareholders and PIPE Investors).

SPAC Shareholders (other than the Redeeming SPAC Shareholders) and PIPE Investors will be informed about the different valuations applied to the Share Transfer and the Merger and can make an informed investment decision regarding their participation in the De-SPAC Transaction. The Successor Company's listing document for the De-SPAC Transaction, which will be provided to the SPAC Shareholders, will offer detailed disclosure about the terms and basis for the valuation and consideration payable by Vision Deal for the Share Transfer and the Merger. Consequently, after the completion of the De-SPAC Transaction, all SPAC Shareholders (other than the Redeeming SPAC Shareholders) and PIPE Investors, will agree on and share the same valuation of the Target Company based on the Share Transfer Total Equity Value and Target Merger Total Equity Value respectively. These valuations reflect the consideration of the Merger to be received by the existing SPAC Shareholders (other than the Redeeming SPAC Shareholders) and PIPE Investors proportionally based on their shareholdings in Vision Deal prior to Share Transfer and Merger.

As required by the Listing Rules, (i) the completion of the De-SPAC Transaction will be conditional on approval by the SPAC Shareholders at the EGM, and (ii) SPAC Shareholders can redeem all or part of their SPAC Shares and therefore not participate in the De-SPAC Transaction if they consider the terms and valuation of the Target Company to be unattractive or overvalued. **The Shareholders of Vision Deal are reminded that they are provided an opportunity to elect to redeem all or part of their holdings of SPAC Class A Shares if they consider the terms and valuation of the Target Company to be unattractive or over-valued.**

M. INAPPLICABILITY OF THE CODES FOR THE DE-SPAC TRANSACTION

As at the date of this announcement, the Controlling Shareholders in aggregate hold approximately 51.92% of the voting rights of the Target Company.

Immediately upon completion of the De-SPAC Transaction, the Controlling Shareholders will in aggregate hold (i) approximately 43.62% of the voting rights of the Successor Company (assuming that (i) the Target Capital Restructuring is completed; (ii) no SPAC Class A Shareholders exercise their Redemption Right with respect to their SPAC Class A Shares; (iii) no SPAC Class A Shareholders exercise their Appraisal Right; (iv) 63,186,508 Successor Company Shares (subject to adjustments) are issued to the PIPE Investors pursuant to the PIPE Investment Agreements and (v) there is no Permitted Equity Financing), or (ii) approximately 48.79% of the voting rights of the Successor Company (assuming that (i) the Target Capital Restructuring is completed; (ii) all SPAC Class A Shareholders exercise their Redemption Right and/or Appraisal Right with respect to their SPAC Class A Shares; (iii) 63,340,546 Successor Company Shares (subject to adjustments) are issued to the PIPE Investors pursuant to the PIPE Investment Agreements and (iv) there is no Permitted Equity Financing).

Under Rule 26.1 of the Takeovers Code, the De-SPAC Transaction would trigger a technical mandatory general offer obligation unless a waiver is granted.

The Target Company and the Controlling Shareholders have applied for a ruling from the SFC on the applicability of the Codes to the De-SPAC Transaction, and the SFC has confirmed that the Codes will not apply to the De-SPAC Transaction pursuant to section 2.1 of the Introduction to the Codes.

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

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

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

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

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

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

O. APPRAISAL RIGHT OF DISSENTING SPAC SHAREHOLDERS

Section 238 of the Cayman Companies Act provides for the Appraisal Right of the Dissenting SPAC Shareholders to be paid the fair value of their SPAC Shares, subject to limitations under Section 239 of the Cayman Companies Act.

SPAC Shareholders have the Appraisal Right in connection with the De-SPAC Transaction under the Cayman Companies Act. SPAC Class A Shareholders who wish to exercise their Appraisal Right must follow the statutory procedures prescribed in the Cayman Companies Act as further explained below.

1. Procedures for exercising the Appraisal Right

The statutory procedures prescribed in the Cayman Companies Act for exercise of the Appraisal Right are as follows:

- (a) A Dissenting SPAC Shareholder should give a written objection to Vision Deal before the EGM, containing a statement that it proposes to object to the Merger and demands payment for its SPAC Shares if the Merger is approved by the SPAC Shareholders at the EGM (a “**Written Objection**”). For the avoidance of doubt, the giving of a Written Objection does not represent a vote at the EGM. SPAC Class A Shareholders may vote for or against the De-SPAC Transaction at the EGM irrespective of whether they wish to exercise their Appraisal Right and are not required to vote against the De-SPAC Transaction at the EGM in order to exercise their Appraisal Right.
- (b) Upon receipt of the Written Objection and within 20 days immediately following the EGM, Vision Deal shall give written notice of the approval of the Merger (if it is so approved at the EGM) to each Dissenting SPAC Shareholder who gave a Written Objection.

- (c) Within 20 days immediately following the date on which the written notice of the approval of the Merger is given (the “**Dissenting Period**”), each Dissenting SPAC Shareholder must give Vision Deal a written notice of its decision to dissent (“**Appraisal Right Exercise Notice**”), stating (i) its name and address, (ii) the number and classes of SPAC Shares in respect of which it dissents, and (iii) a demand for payment of the fair value of its SPAC Shares. A Dissenting SPAC Shareholder must dissent and exercise its Appraisal Right in respect of all (and not part only) of its holding of SPAC Shares.
- (d) Within seven days immediately following the date of expiration of the Dissenting Period or within seven days immediately following the date on which the Plan of Merger is filed with the Cayman Registrar, whichever is later, Vision Deal or the Successor Company (as applicable) will make a written offer (the “**Purchase Offer**”) to each Dissenting SPAC Shareholder to purchase its Dissenting SPAC Shares at a specified price determined by the Vision Deal Board to be the fair value of the SPAC Shares (the “**Purchase Price Offer**”). See “–2. *Fair value of the SPAC Shares*” below for the determination of fair value of the SPAC Shares.
- (e) Within 30 days immediately following the date on which the Purchase Offer is made, if the Dissenting SPAC Shareholder agrees with the Purchase Price Offer, such amount will be paid forthwith in cash to the Dissenting SPAC Shareholder.
- (f) If the Dissenting SPAC Shareholder does not agree with the Purchase Price Offer, Vision Deal or the Successor Company (as applicable) will, and the Dissenting SPAC Shareholder may, file a petition with the Cayman Court for a determination of the fair value of the Dissenting SPAC Shares of all Dissenting SPAC Shareholders. At the hearing of such petition, the Cayman Court shall determine the fair value of the Dissenting SPAC Shares to be paid to each Dissenting SPAC Shareholder. The costs of the proceeding may be determined by the Cayman Court and taxed upon the parties as the Cayman Court deems equitable in the circumstances (i.e. the Cayman Court will determine whether the costs of the proceedings should be borne by the Dissenting SPAC Shareholder(s) and/or Vision Deal or the Successor Company (as applicable) and the amount to be borne by each party).

2. Fair value of the SPAC Shares

The Vision Deal Board will determine the fair value of the SPAC Shares with reference to the assets and liabilities position of Vision Deal and the Redemption Price. See “*F. Share Redemption*” above for determination of the Redemption Price. If the Dissenting SPAC Shareholders do not agree with the fair value determined by the Vision Deal Board and file a petition with the Cayman Court for a determination of the fair value of the Dissenting SPAC Shares, the Cayman Court will determine the fair value of the Dissenting SPAC Shares as at the date of the EGM at which the Merger is approved.

3. Consequences of exercising the Appraisal Right

Under the Cayman Companies Act, upon giving the Appraisal Right Exercise Notice, the Dissenting SPAC Shareholder will cease to have any right as an SPAC Shareholder (including the Redemption Right to redeem all or part of their holdings of SPAC Class A Shares) except the Appraisal Right, the right under Section 238(12) of the Cayman Companies Act to participate fully in all proceedings until the determination of fair value is reached and the right under Section 238(16) of the Cayman Companies Act to institute proceedings to obtain relief on the ground that the Merger is void or unlawful.

Pursuant to the Business Combination Agreement, Dissenting SPAC Shareholders will also have no right to receive any Successor Company Shares or any other consideration under the De-SPAC Transaction unless and until such Dissenting SPAC Shareholder fails to perfect in accordance with the prescribed statutory procedure or withdraws or otherwise loses its Appraisal Right under the Cayman Companies Act. The SPAC Shares held by Dissenting SPAC Shareholders who fail to perfect in accordance with the prescribed statutory procedure or withdraw or otherwise lose their Appraisal Rights under the Cayman Companies Act will cease to be Dissenting SPAC Shares and will be deemed to have been converted into the right to receive newly issued Successor Company Shares immediately following the Effective Time pursuant to the Business Combination Agreement.

Notwithstanding any exercise of the Appraisal Right by Dissenting SPAC Shareholders, upon the approval of the Merger and the De-SPAC Transaction by the SPAC Shareholders at the EGM, the Plan of Merger will be filed with the Cayman Registrar and the Merger will become effective at the Effective Time.

If the De-SPAC Transaction is not completed for any reason, Dissenting SPAC Shareholders will lose their Appraisal Right under the Cayman Companies Act and any Appraisal Right Exercise Notice given by Dissenting SPAC Shareholders will become void.

P. PROPOSED ADOPTION OF PRIVATE COMPANY MEMORANDUM AND ARTICLES

The existing Vision Deal Articles has not been amended since January 20, 2022. Following the Merger and the withdrawal of listing of the SPAC Class A Shares, Vision Deal will become a private unlisted company and a wholly-owned subsidiary of the Successor Company. Subject to the approval by SPAC Shareholders at the EGM by way of special resolution, upon the Effective Time, Vision Deal will adopt the Private Company Memorandum and Articles which will replace the existing Vision Deal Articles in their entirety. A summary of the Private Company Memorandum and Articles will be set out in the Circular.

Q. EGM AND CIRCULAR

The De-SPAC Transaction (including the PIPE Investments, the Permitted Equity Financing (if any), the Share Transfer and the Merger) and the withdrawal of listing of the SPAC Class A Shares are subject to approval of the SPAC Class A Shareholders at the EGM by ordinary resolutions. The Promoters and their respective close associates and any SPAC Class A Shareholders and their close associates who have a material interest in the De-SPAC Transaction are required to abstain from voting on the relevant resolutions to be proposed at the EGM to approve the De-SPAC Transaction and the transactions contemplated thereunder (including the PIPE Investments and the Merger). Voting rights of the SPAC Class A Shareholders will not be affected in the event that they elect to redeem all or a portion of their SPAC Shares in the Share Redemption.

As the Merger forms part of the De-SPAC Transaction, in the event that the adoption of the Private Company Memorandum and Articles by Vision Deal is not approved by the SPAC Shareholders at the EGM by special resolution, the De-SPAC Transaction will not be effected.

The Circular will contain, among other things, (i) further information on the De-SPAC Transaction (including the PIPE Investments, the Permitted Equity Financing (if any), the Share Transfer and the Merger), the Target Group and the Target Capital Restructuring and other information as required to be disclosed under the Listing Rules; (ii) details of the exchange of SPAC Class A Shares and SPAC Listed Warrants for Successor Company Shares and Successor Company Warrants pursuant to the De-SPAC Transaction and the withdrawal of the listing of SPAC Class A Shares and SPAC Listed Warrants; (iii) details of the Redemption Right and the Appraisal Right; (iv) a notice of the EGM; (v) a form of proxy and (vi) a form of election of redemption. Pursuant to Listing Rule 14.60(7), the Circular is required to be dispatched to the SPAC Shareholders within 15 Business Days from the date of this announcement.

The Circular is subject to review and comments by the Stock Exchange and will be dispatched to the SPAC Shareholders as soon as practicable after the Successor Company has obtained the approval in principle from the Listing Committee with respect to the new listing application. In order to allow sufficient time for Vision Deal and the Target Company to prepare the Circular, including the accountants' report on the Target, and in view of the process required in connection with the new listing application by the Successor Company, Vision Deal expects that more time may be needed for the Stock Exchange to approve the Successor Company's new listing application and/or the preparation of the Circular, which will be dispatched more than 15 Business Days after the publication of this announcement and is expected to be dispatched to the SPAC Shareholders in or around February 2024. Vision Deal will make further announcement in relation to the dispatch of the Circular.

It is expected that the EGM will be convened to be held in or around February 2024.

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

Vision Deal has undertaken to publish the announcement and complete a De-SPAC transaction within 18 months and 30 months of the SPAC Listing Date, respectively, being December 9, 2023 and December 9, 2024, respectively. If the De-SPAC Transaction is not approved by SPAC Class A Shareholders at the EGM or completed for any reason:

- Vision Deal will not redeem any SPAC Class A Shares and all Share Redemption requests will be canceled; and
- subject to the deadlines under the Listing Rules, the listings of the SPAC Class A Shares and SPAC Listed Warrants on the Stock Exchange will be maintained; however, Vision Deal may not have sufficient time to identify another De-SPAC target and negotiate a De-SPAC transaction before it is required to wind up as provided for in the Listing Rules.

Therefore, SPAC Class A Shareholders are strongly recommended to vote FOR the resolutions to be proposed at the EGM, EVEN IF you intend to elect to redeem some or all of your SPAC Class A Shares.

S. WARNINGS

SPAC Class A Shareholders and holders of the SPAC Warrants and potential investors in the securities of Vision Deal should note that the De-SPAC Transaction and all transactions thereunder are subject to, among other things, compliance with applicable legal and regulatory requirements, including the requirements for approval by shareholders of the companies concerned at general meeting(s) and approval of the Stock Exchange and/or other regulators. Accordingly, there is no certainty as to whether, and if so when, any such proposed transactions will proceed and/or will become effective. If the De-SPAC Transaction is not completed, Vision Deal will not redeem any SPAC Class A Shares and all Share Redemption requests will be canceled.

SPAC Class A Shareholders and holders of the SPAC Listed Warrants and potential investors in the securities of Vision Deal should exercise caution when dealing or contemplate dealing in the shares or other securities of Vision Deal. Any person who is in doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional advisor(s).

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following respective meanings:

“Appraisal Right”	the right of the Dissenting SPAC Shareholders to be paid the fair value of their SPAC Shares under Section 238 of the Cayman Companies Act in connection with the De-SPAC Transaction
“AVSP License”	the Online Transmission of Audio-visual Programs License (信息網絡傳播視聽節目許可證)
“Benchmark Value”	HK\$800,800,000, being 80% of the funds raised by Vision Deal from SPAC IPO (prior to the Share Redemption)
“Business Combination Agreement”	the business combination agreement dated December 8, 2023 entered into among Vision Deal, the Target and the Target Merger Sub in relation to the Merger
“Business Day”	a day (other than a Saturday or a Sunday or a public holiday in Hong Kong, Cayman Islands or the PRC or (ii) a day on which a tropical cyclone warning signal no. 8 or above or black rainstorm warning signal is hoisted in Hong Kong) on which licensed banks in Hong Kong, Cayman Islands or the PRC are generally open to the public in Hong Kong or the PRC (as applicable) for normal banking business and on which the Stock Exchange is open for the business of dealing in securities
“BVI”	the British Virgin Islands
“Cayman Companies Act”	the Companies Act (As Revised) of the Cayman Islands
“Cayman Court”	the Grand Court of the Cayman Islands
“Cayman Registrar”	the Registrar of Companies in the Cayman Islands
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Circular”	circular and listing document for the deemed new listing application by the Successor Company to be dispatched by Vision Deal to the SPAC Shareholders in connection with the EGM
“Closing”	the closing of the De-SPAC Transaction
“Codes”	the Takeovers Code and the Code on Share Buy-backs
“Company Law”	the Companies Ordinance, Cap.622 of the Laws of Hong Kong
“Conditions”	the conditions to Closing set out in “ <i>I. The Business Combination Agreement – 1. Principal terms of the Business Combination Agreement – (v) Conditions to Closing</i> ”

“Consolidated Affiliated Entities”	the entities that the Target Company controlled through the Contractual Arrangements, namely Guangzhou Quwan and its subsidiaries established from time to time
“Contractual Arrangements”	the series of contractual arrangements entered into among Guangzhou Yongjie, Guangzhou Quwan and its registered shareholders and the general partners of the limited partnership of Guangzhou Quwan’s registered shareholders, details of which are set out in “ <i>B. Information on the Target Group – 3. Contractual Arrangements of the Target Company</i> ”
“Controlling Shareholders”	has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, refers to Mr. Song, Future Exploration, Funplus and Vanker. See the section headed “ <i>B. Information on the Target Group – 2. Information on the Controlling Shareholders of the Target Company</i> ”
“CSRC”	China Securities Regulatory Commission of the PRC
“DealGlobe”	DealGlobe Limited, a company incorporated in the United Kingdom on December 12, 2013 with limited liability, an entity authorized and regulated by the Financial Conduct Authority to conduct corporate finance business in the United Kingdom and one of the Promoters
“De-SPAC Participating Shares”	all SPAC Class A Shares outstanding immediately prior to the Effective Time, <i>minus</i> Dissenting SPAC Shares. For the avoidance of doubt, SPAC Class A Shares issued in connection with the SPAC Class B Conversion and the Redeeming SPAC Shares are not De-SPAC Participating Shares
“De-SPAC Transaction”	the restructuring steps and transactions contemplated under the PIPE Investment Agreements, the Share Transfer Agreements and the Business Combination Agreement, including the PIPE Investments, the Share Transfer and the Merger, resulting in the listing of the Successor Company on the Stock Exchange subject to obtaining all the necessary approvals
“Directors”	the directors of Vision Deal, the Target Company or the Successor Company, as the context requires
“Dissenting SPAC Shareholders”	SPAC Class A Shareholders who have validly exercised their Appraisal Right in accordance with the statutory procedures prescribed under the Cayman Companies Act
“Dissenting SPAC Shares”	the SPAC Class A Shares that are issued and outstanding immediately prior to the Effective Time and that are held by the Dissenting SPAC Shareholders who have validly exercised their Appraisal Right for such SPAC Class A Shares in accordance with the Cayman Companies Act and otherwise complied with all of the provisions of the Cayman Companies Act relevant to the exercise and perfection of the Appraisal Right

“Earn-out Participants”	Mr. Song, Mr. Chen Guangyao, Mr. Lyu Shaoyu and Mr. Xie Rui
“Earn-out Rights”	the issuable Successor Company Shares upon exercise of the unlisted warrants at US\$0.0001 when certain conditions connected with the Share Price Earnout Event and Net Profit Earn-out Event being satisfied
“Earn-out Trust”	a trust set up by Mr. Song, and the beneficiaries of the Earn-out Trust will be all the Earnout Participants
“Effective Time”	9:00 a.m. (Hong Kong time) on the Listing Date
“EGM” or “Extraordinary General Meeting”	the extraordinary general meeting of Vision Deal to be convened for the SPAC Shareholders to consider and, if appropriate, approve the De-SPAC Transaction (including the PIPE Investments, the Permitted Equity Financing (if any), the Share Transfer and the Merger), the withdrawal of listing of the SPAC Class A Shares and the adoption of the Private Company Memorandum and Articles by Vision Deal
“Escrow Account”	the ring-fenced escrow account located in Hong Kong with the CCB (Asia) Trustee Company Limited acting as trustee of such account
“Existing Target Company Option”	each option or similar right to subscribe for ordinary shares in the Target Company pursuant to the Target Company ESOP
“Frost & Sullivan”	Frost & Sullivan Limited, a global market research and consulting company, the industry consultant of the Target Company
“Funplus”	Funplus (BVI) Limited, one of the Controlling Shareholders of the Target Company, a limited liability company incorporated in the BVI on September 10, 2019, which is controlled by Mr. Song
“Future Exploration”	Future Exploration Limited, one of the Controlling Shareholders of the Target Company, a limited liability company incorporated in the BVI on July 21, 2021, which is controlled by Mr. Song
“Generation Z”	the population born between the years 1990 and 2009
“Guangzhou Quwan”	Guangzhou Quwan Network Technology Co., Ltd., (廣州趣丸網絡科技有限公司), a limited liability company established in the PRC on December 13, 2014 and one of the Consolidated Affiliated Entities of the Target Company
“HKSCC”	Hong Kong Securities Clearing Company Limited

“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	any entity or person who is not a connected person within the meaning ascribed thereto under the Listing Rules
“Issuable Earn-out Unlisted Warrant”	the Successor Company Unlisted Warrant to be issued to a company as the earnout warrant holder held by the Earnout Trust before the Closing
“Listing”	the listing of the Successor Company Shares and Successor Company Listed Warrants on the Stock Exchange
“Listing Committee”	the listing committee appointed by the Stock Exchange for considering applications for listing and the granting of listing of securities on the Stock Exchange
“Listing Date”	the date of listing of the Successor Company Shares and Successor Company Listed Warrants on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange
“Lock-up Period”	the six (6) month period after the Listing Date which certain PIPE Investors agreed and undertook to Vision Deal and the Target Company that except with the prior written consent of Vision Deal and the Target Company, each PIPE Investor will subject to lock-up arrangements as detailed under section “ <i>E. PIPE Investments – 1. Principal terms of the PIPE Investment Agreements – (b) Restrictions and lock-ups on PIPE PIPE Investors</i> ”
“Longstop Date”	May 31, 2024 or another date (as may be agreed by the written consent of Vision Deal, the Target Company and the Target Merger Sub, provided that such date will automatically extend to August 31, 2024 if the Merger Parties have made substantive progress towards the completion of the Merger and the satisfaction of the Conditions
“Maximum Issuable Earn-out Shares”	the maximum number of Successor Company Shares that are issuable under the Earn-out Rights, being 10% of the total number of Successor Company Shares in issue as at the Listing Date
“MAU”	refer to the number of unique user accounts, excluding spam accounts, that logged in to Target Group’s <i>TT Chat</i> platform in a given month at least once

“Merger”	the merger of Target Merger Sub with and into Vision Deal, subject to the terms and conditions of the Business Combination Agreement and in accordance with the laws of the Cayman Islands, with Vision Deal being the surviving entity following the Merger and becoming (immediately following the Merger) a direct wholly owned subsidiary of the Target Company
“MPU”	refer to user accounts who paid for services offered on Target Group’s TT Chat platform in a given month at least once
“Mr. Song” or “Mr. Song Ke”	Mr. Song Ke (宋克), the chairman of the board of the Target Company, an executive Director of the Target Company, the chief executive officer of the Target Company and one of its Controlling Shareholders
“Mr. Wei” or “Mr. Wei Zhe”	Mr. Wei Zhe (衛哲), one of the Promoters, the chairman of the Vision Deal Board, an executive Director of Vision Deal, and the sole director of VKC Management
“Negotiated Value of Target”	the pre-money equity value of the Target Company in the De-SPAC Transaction for PIPE Investors, which is HK\$7,676 million (assuming full redemption of the SPAC Class A Shares)
“Net Profit Earn-out Right”	the issuable Earn-out Shares that are issuable under the exercise of the Successor Company Unlisted Warrant when the warrant is exercisable based on the conditions connected with the Net Profit Earn-out Event being satisfied
“Net Profit Issuable Earn-out Shares”	the maximum number of issuable shares under the Net Profit Earn-out Right upon exercise of the Successor Company Unlisted Warrant based on the conditions connected to the Net Profit Earn-out Event being satisfied but subject to the maximum Limit as permitted to be issued under Mixed Pool
“Offering Circular”	the offering document of Vision Deal dated June 6, 2022 in relation to the offer and the listing of the SPAC Class A Shares and the SPAC Listed Warrants on the Main Board of the Stock Exchange
“Opus Capital”	Opus Capital Limited, a company incorporated in Hong Kong on January 9, 2014 with limited liability, a corporation licensed to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO and one of the Promoters
“Ordinary Shares”	Ordinary shares of the Target Company
“Permitted Equity Financing”	the subscription of SPAC Shares prior to the Effective Time and concurrently with completion of the PIPE Investments by one or more investors pursuant to one or more subscription agreements entered into during the Pre-Closing Period by and among such investors, the Target Company and Vision Deal

“PIPE Individual Investors”	PIPE Investors who are individual investors, including, Ms. Yu Su, Mr. Yucheng Xiao, Ms. Lian Ye, Mr. Xiaoyang Tai, Mr. Yonglei Shi, Mr. Jinfeng Cui, Mr. Tong Zhou, Mr. William Richard Vanbergen
“PIPE Investments”	the subscription of the PIPE Investment Shares by the PIPE Investors pursuant to the PIPE Investment Agreement(s)
“PIPE Investment Agreement(s)”	the PIPE Investment agreement(s) dated December 8, 2023 entered into among Vision Deal, the PIPE Investor(s) and the Target in relation to the PIPE Investments
“PIPE Investment Amount”	the investment amount to be paid by the PIPE Investors to Vision Deal for the subscription of the PIPE Investment Shares
“PIPE Investment Shares”	57,620,000 to 61,020,000 SPAC Class A Shares to be allotted and to be subscribed by the PIPE Investors under the PIPE Investment Agreements depending on the adjustment to be made when the final Negotiated Value of Target being determined before Closing
“PIPE Investors”	the independent third party investors in the De-SPAC Transaction. See section under “ <i>E. PIPE Investments – 5. Information on the PIPE Investors</i> ” for details of the PIPE Investors
“Plan of Merger”	the agreed form plan of merger to be filed in accordance with the Business Combination Agreement and pursuant to Part XVI of the Cayman Companies Act with the Cayman Registrar
“PRC” or “China”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, Taiwan and the Macau Special Administrative Region of the PRC
“PRC Legal Advisor to the Target Company”	Commerce & Finance Law Offices
“Private Company Memorandum and Articles”	the second amended and restated memorandum of association and second amended and restated articles of association of Vision Deal to be adopted by Vision Deal and become effective as at the Effective Time subject to approval of the SPAC Shareholders at the EGM by special resolution
“Professional Investors”	has the meaning given to it in section 1 of Part 1 of Schedule 1 to the SFO
“Promoters”	Mr. Wei, DealGlobe and Opus Capital
“Promoter Agreement”	the letter agreement entered into among the Promoters, the Promoter SPVs and Vision Deal on June 2, 2022
“Promoter SPVs”	VKC Management, Vision Deal Acquisition Sponsor LLC and Opus Vision SPAC Limited

“QDIE”	with respect to the relevant PIPE Investor, a qualified investment enterprise which is established in Shenzhen, the PRC, by the QDIE Manager with the participation of domestic investors, as reviewed and approved by the QDIE Manager, to make overseas investment with foreign exchange or RMB, and through which such PIPE Investor may purchase the relevant PIPE Investment Shares
“QDIE Manager”	an enterprise incorporated in Shenzhen, the PRC, which is licensed to establish overseas investment enterprise and manage its overseas investment business subject to entrustment, pursuant to the pilot programs developed by the applicable governmental authorities in Shenzhen, the PRC since December 2014
“QDII”	with respect to the relevant PIPE Investor, a qualified domestic institutional investor in the PRC, which is licensed by the CSRC to invest in foreign securities markets and through which such PIPE Investor may purchase the relevant PIPE Investment Shares
“QDLP”	with respect to the relevant PIPE Investor, a qualified private fund established by a QDLP fund manager licensed pursuant to the pilot programs developed by the applicable governmental authorities in the PRC and raising funds in the PRC from qualified domestic investors, to make investments in foreign securities markets and through which such PIPE Investor may purchase the relevant PIPE Investment Shares
“Qualified Investment Schemes”	with respect to the relevant PIPE Investor, the QDII, QDIE and/or QDLP (as the case may be) through which such PIPE Investor may purchase the relevant PIPE Investment Shares
“Quwan EOR Limited”	the earnout warrant holder of the Successor Company Unlisted Warrant, a company held by the Earn-out Trust
“Redeeming SPAC Shareholders”	SPAC Shareholders who have validly exercised their Redemption Right
“Redeeming SPAC Shares”	the SPAC Class A Shares in respect of which the relevant SPAC Shareholder has validly exercised its Redemption Right
“Redemption Price”	a per-share repurchase price payable in cash, equal to the aggregate amount then on deposit in the Escrow Account calculated as of two business days immediately prior to the EGM (including interest and other income earned on the funds held in the Escrow Account and not previously released to pay the Vision Deal’s expenses or taxes), divided by the number of the then issued and outstanding SPAC Class A Shares, provided that such per share price will not be less than HK\$10.00 according to the Vision Deal Articles

“Redemption Right”	the redemption rights of SPAC Class A Shareholders in relation to the De-SPAC Transaction
“RMB”	Renminbi, the lawful currency of the PRC
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time
“Share Price Earn-out Right”	the issuable Earn-out Shares that are issuable under the exercise of the Successor Company Unlisted Warrant when the warrant is exercisable based on the conditions connected with the Share Price Earn-out Event being satisfied
“Share Price Issuable Earnout Shares”	the maximum number of issuable shares under the Share Price Earn-out Right upon exercise of the Successor Company Unlisted Warrant based on the conditions connected to the Share Price Earn-out Event being satisfied but subject to the maximum Limit as permitted to be issued under Mixed Pool
“Share Redemption”	the redemption of all or part of the SPAC Class A Shares held by the SPAC Class A Shareholders at the Redemption Price
“Share Transfer”	the acquisition of the Target Disposing Shares by Vision Deal and the transfer of such Target Disposing Shares from the Target Disposing Shareholders to Vision Deal pursuant to the Share Transfer Agreements
“Share Transfer Agreement(s)”	the share transfer agreement(s) dated December 8, 2023 entered into between Vision Deal and the Target Disposing Shareholders in relation to the Share Transfer
“Share Transfer Total Equity Value”	the pre-money total equity value of the Target Disposing Shares under the Share Transfer with reference to the weighted average of the purchase prices of all Target Disposing Shares stipulated in the Share Transfer Agreements, which is HK\$6,892 million
“SK Family Trust”	a trust established on July 21, 2021 by Mr. Song, as the settlor with Cantrust (Far East) Limited acting as the trustee and Mr. Song and Exploring Time Limited (wholly-owned by Mr. Song) being the beneficiaries
“Sole Sponsor” or “Sole-Sponsor Overall Coordinator”	China International Capital Corporation Hong Kong Securities Limited
“Sophisticated PIPE Investors”	the PIPE Investors which satisfy the characteristics as stipulated by the Guidance Letter GL113-22 (January 2022) (Updated in December 2022)

“SPAC Class A Shares”	Class A ordinary shares in the share capital of Vision Deal with a par value of HK\$0.0001 each and, after the De-SPAC Transaction, the Class A ordinary shares of the Successor Company or such other ordinary shares of the Successor Company that the SPAC Class A Shares convert into or are exchanged for
“SPAC Class A Shareholders”	holders of the SPAC Class A Shares
“SPAC Class B Shares”	Class B ordinary shares in the share capital of Vision Deal with a par value of HK\$0.0001 each
“SPAC Class B Shareholders”	holders of the SPAC Class B Shares
“SPAC IPO”	the initial public offering of Vision Deal on June 10, 2022
“SPAC Listed Warrants”	subscription warrants issued pursuant to the SPAC Listed Warrant Instrument and entitling the holder to purchase one SPAC Class A Share per subscription warrant at the warrant exercise price of HK\$11.50 exercisable on a cashless basis. As at the date of this announcement, there are 50,050,000 SPAC Listed Warrants issued and outstanding
“SPAC Listed Warrant Instrument”	the instrument constituting the SPAC Listed Warrants by way of deed poll executed by Vision Deal on June 2, 2022
“SPAC Listing Date”	June 10, 2022, the date on which the SPAC Shares and the SPAC Listed Warrants are first listed and from which dealings in such shares and warrants are permitted to take place on the Main Board of the Stock Exchange
“SPAC Promoter Warrants”	subscription warrants issued to the Promoters pursuant to the SPAC Promoter Warrant Agreement at the issue price of HK\$1.00 per subscription warrant and entitling the holder to purchase one SPAC Class A Share per subscription warrant at the warrant exercise price of HK\$11.50 exercisable on a cashless basis. As at the date of this announcement, there are 35,000,000 SPAC Promoter Warrants issued and outstanding
“SPAC Promoter Warrant Agreement”	the agreement relating to the SPAC Promoter Warrants dated as of June 2, 2022 by and among Vision Deal, the Promoters and other persons named therein
“SPAC Shareholders”	holder(s) of the SPAC Shares
“SPAC Shares”	SPAC Class A Shares and SPAC Class B Shares

“SPAC Warrants	SPAC Listed Warrants and SPAC Promoter Warrants (as applicable)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Successor Board” or “Successor Board of Directors”	the board of Directors of the Successor Company
“Successor Company”	the Target Company upon the Closing which will be listed on the Stock Exchange
“Successor Company Listed Warrants”	subscription warrants issued by the Successor Company in consideration of the cancellation of the SPAC Listed Warrants as detailed under the section headed “ <i>I. The Business Combination Agreement</i> ” and pursuant to the Successor Company Listed Warrant Instrument
“Successor Company Promoter Warrants”	subscription warrants issued by the Successor Company in consideration of the cancellation of the SPAC Promoter Warrants as detailed under the section headed “ <i>I. The Business Combination Agreement</i> ” and pursuant to the Successor Company Promoter Warrant Agreement
“Successor Company Unlisted Warrant”	the unlisted warrant at the subscription price of US\$0.0001 per unlisted warrant to be issued by the Successor Company to Quwan EOR Limited held by the Earn-out Trust before the Closing, which will entitle Quwan EOR Limited to be allotted and issued the Successor Company Shares upon exercise of the unlisted warrants at US\$0.0001 when certain conditions connected with the Share Price Earnout Event and Net Profit Earn-out Event being satisfied
“Successor Company Shares” or “Successor Company Ordinary Shares”	ordinary share(s) in the share capital of the Successor Company with a par value of U.S.\$0.0001 each
“Successor Company Warrants”	Successor Company Listed Warrants and Successor Company Promoter Warrants (as applicable)
“Successor Group”	the Successor Company, its subsidiaries and Consolidated Affiliated Entities as of Closing, including their respective predecessors
“Takeovers Code”	the Code on Takeovers and Mergers
“Target Company” or “Target”	Quwan Holding Limited, an exempted company incorporated under the laws of the Cayman Islands with limited liability on May 29, 2019

“Target Company Articles”	the seventh amended and restated memorandum and articles of association of the Target Company, as may be amended and/or restated from time to time after the date hereof and in effect immediately prior to the Share Reclassification
“Target Company ESOP”	2020 Global Employee Incentive Plan adopted by the Target Company on December 31, 2020
“Target Company Ordinary Shares”	the ordinary shares of the Target Company, with par value US\$0.0001 per share, and with the rights, preferences and privileges set out in the Target Company Articles
“Target Company Preferred Shares”	collectively, the series angel preferred shares, series A preferred shares, series B preferred shares, series B+ preferred shares and series C preferred shares in the share capital of the Target Company, each with a par value of US\$0.0001 and the respective rights, preferences and privileges set out in the Target Company Articles
“Target Company Shares”	Target Company Ordinary Shares and Target Company Preferred Shares
“Target Company Shares Conversion”	the conversion of Target Company Preferred Shares then issued and outstanding into a number of validly issued and fully paid Target Company Ordinary Shares pursuant to the conversion notice or Target Company Articles
“Target Disposing Shareholders”	Image Frame Investment, Matrix Partners China V, L.P., Matrix Partners China V-A, L.P., Matrix Partners China VI, L.P., Matrix Partners China VI-A, L.P., Skycus China Fund L.P. and Dream League Limited, being the sellers of the Target Disposing Shares pursuant to the Share Transfer Agreements
“Target Disposing Shares”	the shares of the Target that the Target Disposing Shareholders dispose pursuant to the Share Transfer Agreements
“Target Group”	the Target Company, its subsidiaries and Consolidated Affiliated Entities
“Target HK”	Quwan (HK) Limited was incorporated in Hong Kong as a wholly owned subsidiary of the Target Company
“Target Merger Sub”	QW Merger Sub Limited, an exempted company incorporated under the laws of the Cayman Islands with limited liability on October 20, 2023, and a wholly-owned subsidiary of the Target Company for the purpose of effectuating the Merger

“Target Merger Total Equity Value”	the pre-money total equity value of the Target Remaining Shares with reference to the fund-raising history of the pre-listing investments of the Target including the approximate amount raised in each round of the pre-listing investment of the Target, which is HK\$8,215 million
“Target Remaining Shareholders”	the shareholders of the Target who hold the Target Remaining Shares
“Target Remaining Shares”	the remaining shares of the Target after the Share Transfer
“Target Shareholder(s)”	holder(s) of any Target Company Ordinary Shares and Target Company Preferred Shares
“Target VIE”	Guangzhou Quwan and its subsidiaries
“Target WFOE” or “Guangzhou Yongjie”	Guangzhou Yongjie Network Technology Co., Ltd. (廣州永捷網絡科技有限公司), formerly known as Zhuhai Huanquhui Network Co., Ltd. (珠海歡趣匯網絡科技有限公司), a wholly foreign-owned enterprise (“WFOE”) of Target HK
“Track Record Period”	the financial years ended December 31, 2020, 2021 and 2022 and the six months ended June 30, 2023
“ <i>TT Chat</i> platform” or “ <i>TT Chat</i> ”	refers to the Target Company’s integrated platform of mobile applications, currently consisting of its flagship mobile app <i>TT Chat</i> app (TT語音), as well as ancillary mobile apps such as Huanyou app (歡游), Mijing app (謎境) and Mic app (麥可)
“Unconditional Date”	the first Business Day in Hong Kong on or by which all Conditions have been fulfilled or if permissible, waived (other than those conditions that by their nature are to be satisfied at Closing), or such later date as may be agreed in writing by the Target Company and Vision Deal
“U.S.”	the United States of America, its territories and possessions, any state of the United States and the District of Columbia
“US\$”	U.S. dollar(s), the lawful currency of the United States
“Vanker”	Vanker (BVI) Limited, one of the Controlling Shareholders of the Target Company, a limited liability company incorporated in the BVI on September 10, 2019, which is controlled by Mr. Song indirectly

“Vision Deal”	Vision Deal HK Acquisition Corp., an exempted company incorporated under the laws of the Cayman Islands with limited liability on January 20, 2022, whose SPAC Class A Shares and SPAC Listed Warrants are listed on the Main Board of the Stock Exchange on June 10, 2022
“Vision Deal Articles”	the amended and restated memorandum and articles of association of Vision Deal conditionally adopted on May 28, 2022 and which became effective on June 10, 2022, as in effect on the date of the Business Combination Agreement
“Vision Deal Board”	the board of Directors of Vision Deal
“%”	per cent.

Unless otherwise specified, the terms, “SPAC” and “subsidiary” shall have the meanings given to such terms in the Listing Rules.

For the purpose of this announcement, unless the context otherwise requires, conversion of RMB into Hong Kong dollar is based on the approximate exchange rate of RMB0.92 to HK\$1.00. These translations are provided for reference and convenience only, and no representation is made, and no representation should be construed as being made, that any amounts in RMB or HK\$ can be converted at the above rate or any other rates or at all.

For the purpose of this announcement, unless the context otherwise requires, conversion of US\$ into Hong Kong dollar is based on the approximate exchange rate of US\$1.00 to HK\$7.74. These translations are provided for reference and convenience only, and no representation is made, and no representation should be construed as being made, that any amounts in US\$ or HK\$ can be converted at the above rate or any other rates or at all.

By order of the Vision Deal Board
Vision Deal HK Acquisition Corp.
Zhe WEI
Chairman and Executive Director

Hong Kong, December 8, 2023

As at the date of this announcement, the Vision Deal Board comprises Mr. Zhe WEI (chairman), Mr. Lin FENG (chief executive officer) and Mr. Lishu LOU (chief strategy officer) as the executive Directors of Vision Deal, Mr. Juan Christian GRAF THUN-HOHENSTEIN, Mr. Shu Fun Francis Alvin LAI and Mr. Wai Hung CHEUNG as the non-executive Directors of Vision Deal, and Mr. Michael WARD, Mr. Shengwen RONG, Dr. Weiru CHEN and Dr. Shirley Ze YU as the independent non-executive Directors of Vision Deal.

The Vision Deal Directors collectively and individually accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Target Group). The Vision Deal Directors, having made all reasonable inquiries, confirm that to the best of their knowledge and belief the information contained in this announcement (other than that relating to the Target Group) is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters (other than those relating to the Target Group) the omission of which would make any statement in this announcement misleading.

As at the date of this announcement, the board of Directors of the Target Company comprises Mr. Song Ke, Mr. Chen Guangyao and Mr. Lyu Shaoyu.

The Directors of the Target Company collectively and individually accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to Vision Deal). The Directors of the Target Company, having made all reasonable inquiries, confirm that to the best of their knowledge and belief the information contained in this announcement (other than that relating to Vision Deal) is accurate and complete in all material aspects and not misleading or deceptive, and there are no other matters (other than those relating to Vision Deal) the omission of which would make any statement in this announcement misleading.

Appendix

CONTRACTUAL ARRANGEMENTS OF THE TARGET COMPANY BACKGROUND AND REASONS FOR THE CONTRACTUAL ARRANGEMENTS

As advised by the PRC Legal Advisor to the Target Company, foreign investors are prohibited from holding equity interests in an entity conducting internet cultural activities (except for music) and internet audio-visual program services, and are, subject to China's WTO commitments, restricted to hold equity interests in an entity conducting value-added telecommunication services (except for e-commerce, domestic multiparty communication, storage-and-forward and call services) according to the currently effective PRC laws and regulations (the businesses of the Target Company that is subject to foreign investment prohibition and restrictions, the “**Relevant Business**”). In order to comply with the PRC laws and regulations, maintain effective control over the business currently operated by Guangzhou Quwan and its subsidiaries that is subject to the foreign investment restriction and prohibition and receive all of the economic interest of Guangzhou Quwan, Guangzhou Yongjie entered into the Contractual Arrangement with Guangzhou Quwan, the registered shareholders of Guangzhou Quwan and the general partners of the limited partnership Registered Shareholders. The Contractual Arrangements allow the results of operations, assets and liabilities, and cash flows of the Consolidated Affiliated Entities to be consolidated into the Target Company's financial information.

PRC LAWS AND REGULATIONS RELATING TO FOREIGN OWNERSHIP RESTRICTIONS

Foreign Ownership Restrictions

The principal business of Guangzhou Quwan and its subsidiaries, Guangzhou Shabake Network Technology Co., Ltd. (廣州沙巴克網絡科技有限公司) (“**Guangzhou Shabake**”), Guangzhou Huancheng Culture Media Co., Ltd. (廣州歡城文化傳媒有限公司) (“**Guangzhou Huancheng**”), Hainan Yuyue Network Co., Ltd. (海南娛躍網絡科技有限公司) (“**Hainan Yuyue**”), Beijing Quyue Internet Technology Co., Ltd. (北京趣躍網絡科技有限公司), (“**Beijing Quyue**”), Chongqing Qudu Network Technology Co., Ltd (重慶趣都網絡科技有限公司) (“**Chongqing Qudu**”), Guangzhou Quchuang Network Technology Co., Ltd (廣州趣闖網絡科技有限公司) (“**Guangzhou Quchuang**”), Guangzhou Qujing Culture Media Co., Ltd. (廣州趣競文化傳媒有限公司) (“**Guangzhou Qujing**”), Xiamen Saimailei Technology Co., Ltd. (廈門塞邁雷科技有限公司) (“**Xiamen Saimailei**”), Guangzhou Jingwan Culture Media Co., Ltd. (廣州競玩文化傳媒有限公司) (“**Guangzhou Jingwan**”), Zhuhai Huitou Management Consulting Co., Ltd (珠海慧投管理諮詢有限公司) (“**Zhuhai Huitou**”), Shanghai Xiaojianbing Information Technology Co., Ltd. (上海小煎餅信息科技有限公司) (“**Shanghai Xiaojianbing**”), Shanghai Chenlong Information Technology Co., Ltd. (上海辰龍信息科技有限公司) (“**Shanghai Chenlong**”), Chengdu Spherical World Technology Co., Ltd. (成都球形世界科技有限公司) (“**Chengdu Spherical World**”), Guangzhou Quzhu Technology Development Co., Ltd (廣州趣珠科技發展有限公司) (“**Guangzhou Quzhu**”), Guangzhou Xinyan Information Technology Co., Ltd. (廣州新言信息科技有限公司) (“**Guangzhou Xinyan**”) and Beijing Huayu Tianxia Technology Co., Ltd. (北京畫娛天下科技有限公司) (“**Huayu Tianxia**”) involves (i) the provision of online audio content, online music and entertainment and online performance, which falls within the scope of internet cultural activities, and hold the internet cultural business license (“**ICB License**”); (ii) the provision of online audio-visual programs, which falls within the scope of internet audio-visual program services, and hold the AVSP License or are applying for the registration in the National Internet Audio-visual Platform Information Management System; and (iii) the provision of online information services, which falls within the scope of value-added telecommunication services, and hold or intend to

apply for the value-added telecommunications business operating license (the “**ICP License**”). However, foreign investors are prohibited from holding equity interests in an entity conducting internet cultural activities (except for music) and internet audio-visual program services, and are, subject to China’s WTO commitments, restricted to hold equity interests in an entity conducting value-added telecommunication services (except for e-commerce, domestic multiparty communication, storage-and-forward and call center services) according to the currently effective PRC laws and regulations.

Other Consolidated Entities

Zhuhai Huitou does not hold specific foreign restricted/prohibited license and it has not yet commenced substantive business operations. It holds the equity interest in Shanghai Chenlong, Shanghai Xiaojianbing, Chengdu Spherical World, and Guangzhou Quzhu which hold ICB and/or ICP Licenses, and did not generate any revenue during the Track Record Period.

It is intended that Zhuhai Huitou will remain under the Contractual Arrangements upon the completion of the De-SPAC Transaction for the following reasons: (i) as it is not expected to commence any substantive business operations by the time of the completion of the De-SPAC Transaction, the Target Company is of the view that the Contractual Arrangements are narrowly tailored; and (ii) as the principal business of the Target Group is subject to foreign investment restriction/prohibition, it is anticipated that Zhuhai Huitou will most likely engage in restricted/prohibited conduct if it were to commence business operation in future. Therefore, it is more cost effective to keep such entity under the Contractual Arrangements. If the Target Company were to transfer such entity out of the Contractual Arrangements before the completion of the De-SPAC Transaction, the Target Company will incur additional restructuring costs which is not in the best interest of the Target Company or its shareholders. The Successor Company will undertake to procure such entity not to conduct any businesses that are not subject to foreign investment restrictions or prohibitions, and to the extent that any of these entities does, the Successor Company will transfer such entity outside of the Contractual Arrangements prior to engaging in any unrestricted businesses.

Based on the above and considering that Zhuhai Huitou did not generate revenues during the Track Record Period, the Target Company controls Zhuhai Huitou through the Contractual Arrangements.

Minority Investments held by Guangzhou Quwan, Zhuhai Huitou and Guangzhou Qujing

In the ordinary course of business, the Target Company makes minority investments in a number of companies (the “**Relevant Entities**” and each a “**Relevant Entity**”) through Guangzhou Quwan, Zhuhai Huitou and Guangzhou Qujing. These investments generally operate businesses related to the Target Company’s business and provide products, services and/or resources that the Target Company believes are synergistic with it. All the Relevant Entities made through Guangzhou Quwan, Zhuhai Huitou and Guangzhou Qujing are passive, non-controlling interests that are each classified as an investment in an associate and are neither consolidated in the financial statements the Target Group nor form part of the Consolidated Affiliated Entities or subsidiaries. None of the investments are material to the Target Group. By way of illustration, for the latest financial year ended December 31, 2022, none of the assets or revenue contribution of any Relevant Entities individually exceeded 0.7% of the total assets and revenue of the Target Group. For the years ended December 31, 2020, 2021 and 2022 and the six months ended June 30, 2023, the assets, revenue or profit contribution of all Relevant Entities in aggregate did not exceed 1.68% of the total assets, revenue or profit of the Target Group.

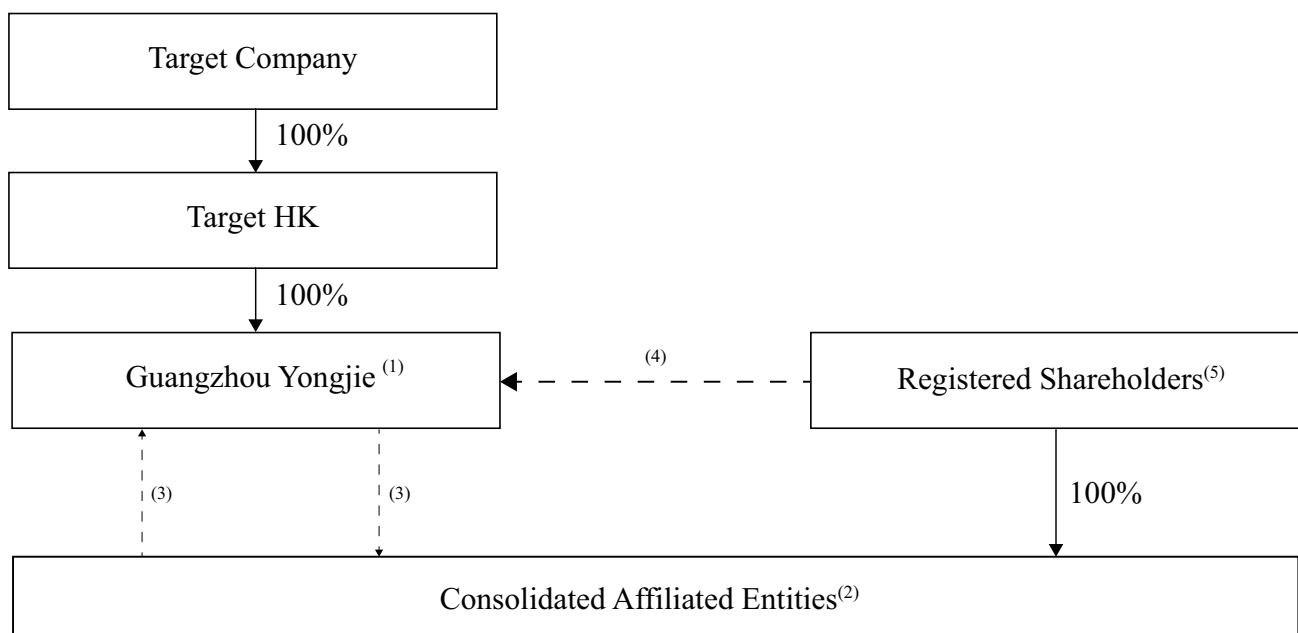
The Target Company is unable to transfer its interests in the Relevant Entities held through Guangzhou Quwan, Zhuhai Huitou and Guangzhou Qijing to another entity without the consents from other shareholders of the Relevant Entities. Pursuant to the Company Law of the PRC (《中華人民共和國公司法》), any shareholder proposes transferring its equity interests in the Relevant Entities to any entity other than the existing shareholders, such proposal shall be subject to the consent of a majority of the other shareholders. Furthermore, given that Guangzhou Quwan, Zhuhai Huitou and Guangzhou Qijing are merely minority shareholders of the Relevant Entities, the influence that they could exert on the Relevant Entities or on lobbying and obtaining the consent and approvals of other shareholders for implementing the transfer of their investment interests to another entity outside the Contractual Arrangements is limited. The Target Group has engaged in preliminary communication with the other shareholders of each of the Relevant Entities in respect of its proposal to transfer such investment interests held by Guangzhou Quwan, Zhuhai Huitou and Guangzhou Qijing to a wholly foreign owned enterprise controlled by the Target Group, i.e. Guangzhou Yongjie. However, as of the date of this announcement, such requests had been rejected or not been provided by the relevant parties. Such communication process and its results were out of the Target Company's control.

In addition, some Relevant Entities are engaging or planning to engage in businesses which are subject to foreign investment restriction/prohibition under the Special Administrative Measures (Negative List) for the Access of Foreign Investments (2021) (《外商投資准入特別管理措施(負面清單)(2021年版)》). Such Relevant Entities are therefore holding, applying for or planning to apply for licenses or permits for such restricted/prohibited businesses. The transfer of the Target Company's interest in these Relevant Entities held through Guangzhou Quwan or Zhuhai Huitou or Guangzhou Qijing to Guangzhou Yongjie would either impair the validity of the relevant licenses or permits for the restricted/prohibited businesses obtained by such Relevant Entities or frustrate their plan to obtain such licenses or permits, because Guangzhou Yongjie will be deemed as a foreign investors under the applicable PRC laws and regulations.

Given the immateriality of the Relevant Entities and the fact that the Target Group does not consolidate or control them and are unable to transfer the Target Company's interests in the Relevant Entities to another entity outside the Contractual Arrangements, the Target Company's Directors consider that the Contractual Arrangements are narrowly tailored. To the extent that the Successor Company acquires control over any Relevant Entity in the future, and depending on the future nature of the business conducted by the Relevant Entity, the Successor Company will consider restructuring the ownership of the Relevant Entity to a direct or indirect subsidiary of the Successor Company if legally permissible under the PRC laws.

DETAILS OF THE CONTRACTUAL ARRANGEMENTS

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



“—————” Denotes legal and beneficial ownership in the equity interest

“-----” Denotes the Contractual Arrangements

Notes:

- (1) As of the date of this announcement, Guangzhou Yongjie is wholly owned by Target HK, which is in turn wholly owned by the Target Company.
- (2) As of the date of this announcement, the Consolidated Affiliated Entities include Guangzhou Quwan and its subsidiaries, Guangzhou Shabake, Guangzhou Huancheng, Hainan Yuyue, Beijing Quyue, Chongqing Qudu, Guangzhou Quchuang, Guangzhou Qujing, Xiamen Saimailei, Guangzhou Jingwan, Zhuhai Huitou, Shanghai Xiaojianbing, Shanghai Chenlong, Chengdu Spherical World, Guangzhou Quzhu, Guangzhou Xinyan, Huayu Shiji, Yitian Lianxun and Huayu Tianxia. As of this announcement, Guangzhou Jingwan is in the process of deregistration as it is not engaged in any business operation.
 - (i) Guangzhou Shabake, Guangzhou Huancheng, Hainan Yuyue, Beijing Quyue, Chongqing Qudu, Guangzhou Quchuang, Guangzhou Qujing, Zhuhai Huitou and Huayu Shiji are directly wholly owned by Guangzhou Quwan.
 - (ii) Shanghai Xiaojianbing, Shanghai Chenlong and Chengdu Spherical World are wholly owned by Zhuhai Huitou; Guangzhou Xinyan is held as to 60% by Zhuhai Huitou; Guangzhou Quzhu is wholly owned by Shanghai Xiaojianbing.
 - (iii) Xiamen Saimailei and Guangzhou Jingwan are wholly owned by Guangzhou Qujing.
 - (iv) Yitian Lianxun is wholly owned by Huayu Shiji; Huayu Tianxia is wholly owned by Yitian Lianxun.

- (3) Guangzhou Yongjie provides consultancy, technology and other services in exchange for service fees from Guangzhou Quwan. The Registered Shareholders of Guangzhou Quwan and the general partners of the Partnership Shareholders executed the Exclusive Call Option Agreement (as defined below) in favor of Guangzhou Yongjie for the acquisition of 100% equity interests and/or assets in Guangzhou Quwan.
- (4) The Registered Shareholders of Guangzhou Quwan pledged all of their respective equity interests in Guangzhou Quwan to Guangzhou Yongjie as security for their respective performance and the performance of Guangzhou Quwan under the Exclusive Technical Service Agreement, the Exclusive Call Option Agreement, the Equity Pledge Agreements and the Shareholder Voting Rights Proxy Agreement, as applicable. The Registered Shareholders of Guangzhou Quwan executed the Powers of Attorney in favor of Guangzhou Yongjie in respect of their respective rights as shareholders of Guangzhou Quwan.
- (5) Guangzhou Quwan is in turn owned by the Registered Shareholders of Guangzhou Quwan, namely as to: (i) 35.40% by Mr. Song, the founder, chairman of Successor Board and chief executive officer of the Successor Company; (ii) 22.87% by Huai'An Shouqu, a limited partnership organized in the PRC and an affiliate of Galaxy Nebula Limited, which is a holder of the Successor Company Shares, and the general partner of which is Mr. Song; (iii) 15.62% by Xiamen Quji, a limited partnership organized in the PRC, the general partner of which is Mr. Song; (iv) 9.82% by Wenzhou Huanqu, a limited partnership organized in the PRC majority owned by Mr. Song, the general partner of which is Mr. Song; (v) 5.00% by Guangzhou Quyi, a limited partnership organized in the PRC and an affiliate of Dream League Limited, which is a holder of the Series Angel Preferred Shares of the Target Company, and the general partner of which is Mr. Song Guowen, who is the brother of Mr. Song; (vi) 4.01% by Zhangshu Weiqu, a limited partnership organized in the PRC majority owned by Mr. Song and in which he is the general partner; (vii) 3.97% by Mr. Qiu Zhizhao; and (viii) 3.31% by Mr. Chen Guangyao, the executive Director of the Successor Company. (The limited partnership Registered Shareholders as referred in aforementioned items (ii) to (vi), collectively as “**Partnership Shareholders**”).
- (6) According to the Partnership Law of the PRC (《中華人民共和國合夥企業法》), in accordance with the partnership agreement or upon the decision of all the partners, one or more partners may be entrusted to represent the partnership externally and act on behalf of the partnership while all other partners no longer act on behalf of the partnership.

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

A description of each of the specific agreements that comprise the Contractual Arrangements is set out below. Further details of the terms of the Contractual Arrangements and the associated risks of the Contractual Arrangements will be set out in the Circular.

As of the date of this announcement, the Target Company had not encountered any interference or encumbrance from any PRC governing bodies in operating its businesses through the Consolidated Affiliated Entities under the Contractual Arrangements.

(a) Exclusive Technical Service Agreement

Guangzhou Yongjie and Guangzhou Quwan entered into the exclusive technical service agreement on November 3, 2020 and an amended and restated exclusive technical service agreement on October 11, 2021 (the “**Exclusive Technical Service Agreement**”), pursuant to which Guangzhou Quwan agreed to engage Guangzhou Yongjie as its exclusive provider of consulting, technical support and other related services.

Pursuant to the Exclusive Technical Service Agreement, Guangzhou Quwan shall pay Guangzhou Yongjie at Guangzhou Yongjie's discretion an annual service fee which shall be in the amount equivalent to the audited profit before tax of Guangzhou Quwan (net of costs and expenses) in accordance with the Chinese Accounting Standards.

(b) Shareholder Voting Rights Proxy Agreement and Powers of Attorney

On November 3, 2020, Guangzhou Yongjie entered into the shareholder voting rights proxy agreement with the Registered Shareholders and Guangzhou Quwan, and the powers of attorney were executed by each of the Registered Shareholders in favor of Guangzhou Yongjie. On October 11, 2021, Guangzhou Yongjie entered into an amended and restated shareholder voting rights proxy agreement (the "**Shareholder Voting Rights Proxy Agreement**") with Guangzhou Quwan, the Registered Shareholders and the general partners of the Partnership Shareholders, and each of the Registered Shareholders executed an amended and restated power of attorney (the "**Powers of Attorney**"), pursuant to which the Registered Shareholders irrevocably entrust Guangzhou Yongjie or its designated person (including but not limited to the directors of Guangzhou Yongjie and/or its the offshore parent company of Guangzhou Yongjie and liquidators and other successors replacing such directors) to exercise all rights of the holders of equity interest of Guangzhou Quwan according to the then valid articles of association of Guangzhou Quwan.

(c) Exclusive Call Option Agreement

Guangzhou Yongjie, Guangzhou Quwan and the Registered Shareholders entered into an exclusive call option agreement on November 3, 2020. On October 11, 2021, Guangzhou Yongjie entered into an amended and restated exclusive call option agreement (the "**Exclusive Call Option Agreement**") with Guangzhou Quwan, Registered Shareholders and the general partners of the Partnership Shareholders, pursuant to which subject to the extent permitted under PRC laws, (i) each of the Registered Shareholders irrevocably grants an exclusive option to Guangzhou Yongjie which entitles Guangzhou Yongjie to request all or any of the Registered Shareholders to transfer their equity interests in Guangzhou Quwan to Guangzhou Yongjie or its designated person under Guangzhou Yongjie's instruction and (ii) Guangzhou Quwan irrevocably grants an exclusive option to Guangzhou Yongjie which entitles Guangzhou Yongjie to elect to purchase from Guangzhou Quwan all or part of the assets of Guangzhou Quwan itself or through its designated person(s).

The purchase price payable by Guangzhou Yongjie or its designated person(s) in respect of the transfer equity interest or assets shall be at nominal consideration or the lowest price permitted by applicable PRC laws and regulations. Guangzhou Quwan and the Registered Shareholders shall, subject to the relevant PRC laws and regulations, return to Guangzhou Yongjie or its designated person(s) the purchase price in full in the event that Guangzhou Yongjie exercises the exclusive options to acquire the equity interest and/or assets of Guangzhou Quwan.

(d) Equity Pledge Agreements

Guangzhou Yongjie entered into an equity pledge agreement with Guangzhou Quwan and, each of the Registered Shareholders on November 3, 2020. On October 11, 2021, Guangzhou Yongjie entered into amended and restated equity pledge agreements (the “**Equity Pledge Agreements**”) with Guangzhou Quwan, each of the Registered Shareholders and the general partners of the Partnership Shareholders, pursuant to which each of the Registered Shareholders agreed to pledge their respective equity interest in Guangzhou Quwan to Guangzhou Yongjie to secure performance of (i) the contractual obligations of Guangzhou Quwan under the Exclusive Technical Service Agreement, the Exclusive Call Option Agreement and the Shareholder Voting Rights Proxy Agreement, (ii) the contractual obligations of the relevant Registered Shareholders under the Exclusive Call Option Agreement, the Shareholder Voting Rights Proxy Agreement and the Equity Pledge Agreements and (iii) payment obligations arising out of or in relation to the Exclusive Technical Service Agreement, the Exclusive Call Option Agreement, the Shareholder Voting Rights Proxy Agreement and the Equity Pledge Agreements.

(e) Spousal Consent Letter(s)

Each of the spouses of Mr. Song, Mr. Qiu Zhizhao, Mr. Chen Guangyao and general partners of Partnership Shareholders has signed a spousal consent (collectively, the “**Spousal Consent Letters**”). Under each of the Spousal Consent Letters, each spouse agreed that the disposition of the equity interest in Guangzhou Quwan which is held by their respective spouse shall be made pursuant to the abovementioned Exclusive Call Option Agreement, Shareholder Voting Rights Proxy Agreement, Powers of Attorney, Equity Pledge Agreements and other supplemental agreements, as executed from time to time.

The signing spouses also agree that: (i) any equity interests held by their respective spouse in Guangzhou Quwan do not fall within the scope of their communal properties; (ii) each of them will not take any measures that are in conflict with the Contractual Arrangements, including any claims on the interests through legal proceedings; and (iii) each of them will take any necessary measures to procure that the Contractual Arrangements are properly performed.

COMMON TERMS OF THE CONTRACTUAL ARRANGEMENTS

(a) Dispute Resolution

Each of the agreements under the Contractual Arrangements contains a dispute resolution provision. Pursuant to such provision, in the event of any dispute arising from the performance of or relating to the Contractual Arrangements, any party has the right to submit the relevant dispute to the Guangzhou Arbitration Commission (廣州仲裁委員會) for arbitration, in accordance with the then effective arbitration rules.

(b) Succession

The provisions set out in the Contractual Arrangements are also binding on the successors of the Registered Shareholders. Under the succession laws of the PRC, for individual Registered Shareholders, the statutory successors include the spouse, children, parents, brothers, sisters, paternal grandparents and the maternal grandparents and any breach by the successors would be deemed to be a breach of the Contractual Arrangements. For corporate Registered Shareholders, the successors include any subsequent entities or liquidators (as applicable) taking control of the relevant company. In case of a breach, Guangzhou Yongjie can enforce its rights against the successors. Pursuant to the Contractual Arrangements, any inheritor of the Registered Shareholders shall inherit any and all rights and obligations of the Registered Shareholders under the Contractual Arrangements as a result of their death, loss of capacity, marriage, divorce, bankruptcy or under other circumstances which would affect their exercise of equity interest in Guangzhou Quwan as if the inheritor was a signing party to such Contractual Arrangements.

(c) Conflicts of Interests

Each of the Registered Shareholders has given its/his irrevocable undertakings in the Shareholder Voting Rights Proxy Agreement which address potential conflicts of interests that may arise in connection with the Contractual Arrangements.

(d) Loss Sharing

None of the agreements constituting the Contractual Arrangements nor the PRC laws provide or require that the Target Company or Guangzhou Yongjie, is obligated to share the losses of the Consolidated Affiliated Entities or provide financial support to the Consolidated Affiliated Entities. Further, the Consolidated Affiliated Entities are companies with limited liabilities and shall be solely liable for their own debts and losses with assets and properties owned by them.

Despite the foregoing, given that the Target Group conducts the Relevant Business in the PRC through the Consolidated Affiliated Entities which hold the requisite PRC licenses and approvals, and that their financial position and results of operations are consolidated into the Target Group's financial information under the applicable accounting principles, the Target Company's business, financial condition and results of operations would be adversely affected if the Consolidated Affiliated Entities suffer losses. Therefore, the provisions in the Contractual Arrangements are tailored so as to limit, to the greatest extent possible, the potential adverse effect on Guangzhou Yongjie and the Successor Company resulting from any loss suffered by the Consolidated Affiliated Entities.

(e) Insurance

The Target Company does not maintain any insurance policy to cover the risks relating to the Contractual Arrangements.

LEGALITY OF THE CONTRACTUAL ARRANGEMENTS

Based on the above, the PRC Legal Advisor to the Target Company is of the view that:

- (i) the Contractual Arrangements as a whole are not in violation of applicable laws and regulations and each of the agreements comprising the Contractual Arrangements are legal, valid and binding on the parties thereto except in relation to the dispute resolution clause: the Contractual Arrangements provide that any dispute shall be submitted to the Guangzhou Arbitration Commission for arbitration, in accordance with the then effective arbitration rules. The arbitration shall be conducted in Guangzhou. They also provide that the arbitrator may award interim remedies over the shares or assets of Guangzhou Quwan or injunctive relief (e.g. for the conduct of business or to compel the transfer of assets) or order the winding up of the Consolidated Affiliated Entities; and the courts of Hong Kong, the Cayman Islands (being the place of incorporation of the Target Company) and the PRC (being the place of major assets of the Target Company) also have jurisdiction for the grant and/or enforcement of the arbitral award and the interim remedies against the shares or properties of Guangzhou Quwan. However, the PRC Legal Advisor to the Target Company has advised that tribunal normally would not grant such injunctive relief or order the winding-up of Guangzhou Quwan pursuant to current PRC laws. In addition, the interim remedies or enforcement order granted by overseas courts such as those of Hong Kong and the Cayman Islands may not be recognizable or enforceable in the PRC;
- (ii) the execution and performance of the Contractual Arrangements would not be deemed as ‘malicious collusion to damage the legitimate rights and interests of others’ under the Civil Code of the People’s Republic of China 《中華人民共和國民法典》;
- (iii) the execution and performance of the Contractual Arrangements do not violate the provisions of the articles of association of Guangzhou Yongjie and Guangzhou Quwan;
- (iv) the execution of the Contractual Arrangements currently does not require any approvals or authorizations from PRC governmental authorities according to the currently effective laws and regulations, except that:
 - (a) the pledge of any equity interest in Guangzhou Quwan in favor of Guangzhou Yongjie is subject to registration requirements with the relevant administration for market regulation;
 - (b) the exercise by Guangzhou Yongjie of its option rights under the Exclusive Call Option Agreements to acquire all or part of the equity interests in Guangzhou Quwan is subject to the approval of, consent of, filing with and/or registration with PRC governmental authorities;
 - (c) the transfer of the equity interest in Guangzhou Quwan contemplated under the Contractual Arrangements is subject to applicable approval and/or registration requirements under the then applicable PRC laws; and
 - (d) any arbitral awards or foreign rulings and/or judgments in relation to the performance of the Contractual Arrangements are subject to applications to competent PRC courts for recognition and enforcement.

Based on the foregoing, the Target Company believes that the Contractual Arrangements are narrowly tailored because the Contractual Arrangements are only used to enable the Target Company to control its Consolidated Affiliated Entities that engage in the operation of its principal business where the PRC laws and regulations impose foreign ownership restrictions.

ACCOUNTING ASPECTS OF THE CONTRACTUAL ARRANGEMENTS

As a result of the Contractual Arrangements, the Target Company has obtained control of the Consolidated Affiliated Entities through Guangzhou Yongjie and, at the Target Company's sole discretion, and can receive substantially all of the economic interest returns generated by its Consolidated Affiliated Entities. Accordingly, the Consolidated Affiliated Entities' results of operations, assets and liabilities, and cash flows are consolidated into the Target Company's financial information.

In this regard, the Directors of the Target Company consider that the Target Company can consolidate the financial results of the Consolidated Affiliated Entities into the Target Group's financial information as if it was the Target Company's subsidiary.

The basis of consolidating the results of the Consolidated Affiliated Entities will be disclosed in the accountants' report of the Target Group to be set out in the Circular.

COMPLIANCE WITH THE CONTRACTUAL ARRANGEMENTS

The Successor Group has adopted the following measures to ensure the effective operation of the Successor Group with the implementation of the Contractual Arrangements and its compliance with the Contractual Arrangements:

- (i) as part of the internal control measures, major issues arising from the implementation of and compliance with the Contractual Arrangements or any regulatory enquiries from government authorities will be submitted to the Successor Board, if necessary, for review and discussion on an continuous basis;
- (ii) the Successor Board, particularly its independent non-executive Directors, will review the overall performance of and compliance with the Contractual Arrangements at least once a year, and the Successor Company will disclose in its annual report the confirmation of Successor Company's independent non-executive Directors;
- (iii) the Successor Company will disclose the overall performance and compliance with the Contractual Arrangements in its annual reports and interim reports to update the Shareholders and potential investors;
- (iv) the Successor Company and its Directors undertake to provide periodic updates in its annual and interim reports regarding (a) the status of compliance with the PRC Foreign Investment Law ("FIL"), and (b) the latest regulatory development in relation with the FIL;
- (v) the Successor Company will engage external legal advisors or other professional advisors, if necessary, to assist the Successor Board to review the implementation of the Contractual Arrangements and both legal and compliance issues in relation to Guangzhou Yongjie and the Consolidated Affiliated Entities in order to deal with specific issues or matters arising from the Contractual Arrangements;

- (vi) because the Contractual Arrangements will constitute continuing connected transactions of the Successor Group following the completion of the De-SPAC Transaction, the Target Company will apply to the Stock Exchange, details of which will be set out in the Circular. The Successor Company will comply with the conditions prescribed by the Stock Exchange under the waiver to be given; and
- (vii) the Successor Group will adjust or unwind (as the case may be) the Contractual Arrangements as soon as practicable in respect of the operation of the Relevant Business to the extent permissible and it will directly hold the maximum percentage of ownership interests permissible under relevant PRC laws and regulations which allow the Relevant Businesses to be conducted and operated by the Successor Company's subsidiaries without such arrangements in place.