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RAZER INC.

雷蛇*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1337)

INSIDE INFORMATION PROFIT ALERT

This announcement is issued pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong). We also refer to our announcement of November 9, 2020.

The board of directors (the “Board”) of Razer Inc. (the “Company”, together with its subsidiaries, the “Group”) wish to announce that, **based on the unaudited management accounts of the Group for the financial year ended December 31, 2020, the Group expects to record a breakeven profit or loss on a GAAP basis** for the financial year ended December 31, 2020 as compared to a loss of US\$83.5 million for the financial year ended December 31, 2019.

The expected improvement in profitability for the year of the Group is mainly due to:

- the higher than expected revenue growth which is expected to be at least 40% year-on-year for the financial year ended December 31, 2020, with broad-based growth across the Razer ecosystem of hardware, software and services:
 - o Hardware
 - Our Peripherals and Systems products have seen phenomenal sales reception for our new products;
 - Our Peripherals business maintained our market leading position for gaming peripherals across US, Europe, Asia-Pacific and China while taking significant market share from the competition¹; and
 - Our Systems business maintained our market leading position in the premium gaming laptop segment in the US while growing market share in new markets outside of the US¹.

¹ *Internal sources and external market research*

- o Software and Services
 - Total Payment Volume of Razer Gold and Razer Fintech recorded strong growth on a year-on-year basis respectively.
- the continued improvements of gross profit margin, driven by improving margins in the Peripherals segment and increased contribution of relatively higher margin Services business to the Group.
- the continued improvements in operating expenses management, driven by continuing efforts to control discretionary spending and improvement in productivity.

The information contained in this announcement represents a preliminary assessment based on the management accounts of the Group which have not been audited or reviewed by the Group's auditor, and operational data based on the Group's records and third-party sources which have not been and will not be audited or reviewed by the Group's auditor. While such third party sources are believed to be reliable, the Group does not guarantee the accuracy of the operational data provided by them, and such data may be incomplete, condensed, or subject to error. The operational data does not constitute, represent or indicate the full picture of the Group's revenue or financial performance.

The actual results of the Group for the financial year ended December 31, 2020 are subject to the adjustments upon completion of the audit, including but not limited to the effect of any impairment charges of our non-current assets. Shareholders and potential investors are advised to read carefully the consolidated financial information of the Group for the financial year ended December 31, 2020 in the annual results announcement of the Group which will be published in March 2021.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the Company's securities.

By order of the Board
Razer Inc.
Min-Liang TAN
Chairman

Singapore, January 20, 2021

As at the date of this announcement, the board of directors of the Company comprises Mr. Min-Liang Tan as Chairman and Executive Director, Ms. Liu Siew Lan Patricia and Mr. Tan Chong Neng as Executive Directors, Mr. Lim Kaling as Non-executive Director, and Mr. Chau Kwok Fun Kevin, Mr. Lee Yong Sun and Mr. Gideon Yu as Independent Non-executive Directors.

* *For identification purposes only*