

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



RAZER INC.

雷蛇*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1337)

CONNECTED TRANSACTIONS IN RELATION TO THE DEED OF VARIATION TO THE AGREEMENT FOR LEASE

Reference is made to the announcement of the Company in relation to the Agreement for Lease and the Lease Agreement dated December 21, 2018 (the “**2018 Announcement**”).

As disclosed in the 2018 Announcement, under the Agreement for Lease, the Tenant has the right to request the Landlord to implement Tenant’s Variations. On August 25, 2021, the Tenant entered into a Deed of Variation relating to specific Tenant’s Variations to the building, design and/or other construction works in relation to the Building for a lumpsum payment of S\$2,249,222.88 (collectively, the “**Agreed Tenant’s Variations**”), comprising the Variation Works Costs (which the Company will recognize as Property, Plant and Equipment on its balance sheet in accordance with IAS 16 “Property, Plant and Equipment”) and the Rental Loss Compensation (which the Company will recognize as right-of-use asset on its balance sheet in accordance with IFRS 16 “Leases”).

In addition, the Deed of Variation provides that under the Lease Agreement (which will be entered into between the Tenant and the Landlord on the terms as set out in the 2018 Announcement as amended by the Deed of Variation as described in this announcement) the Tenant may request additional alterations or additions to the Building to be carried out by the Landlord from time to time (the “**Additional Works**”).

As the highest applicable percentage ratios under the Listing Rules in respect of the aggregate value recognized on the Company's balance sheet with respect to the Agreed Tenant's Variations (after aggregation with the value of the right-of-use asset recognized under the Lease Documents) is more than 0.1% but less than 5%, the Agreed Tenant's Variations under the Deed of Variation will constitute a connected transaction that is subject to the announcement requirement, but are exempt from the circular (including independent financial advice) and shareholders' approval requirement under Rule 14A.76(2) of the Listing Rules. As the highest applicable percentage ratios under the Listing Rules in respect of the maximum aggregate amount payable to the Landlord under the Lease Agreement with respect to the Additional Works on an annual basis is expected to be less than 0.1%, the Additional Works will constitute de minimis continuing connected transactions exempt from the reporting, announcement, annual review and independent shareholders' approval requirements under Rule 14A.76(1) of the Listing Rules.

A. INTRODUCTION

Reference is made to the 2018 Announcement. On August 25, 2021, the Tenant (a wholly-owned subsidiary of the Company) and the Landlord entered into the Deed of Variation relating to the Agreed Tenant's Variations to the building, design and/or other construction works in relation to the Building and the Additional Works the Tenant may request under the Lease Agreement (which will be entered into between the Tenant and the Landlord on the terms as set out in the 2018 Announcement as amended by the Deed of Variation as described in this announcement).

B. KEY TERMS OF THE DEED OF VARIATION

Date of Deed of Variation : August 25, 2021

Parties : (1) RAP (a wholly-owned subsidiary of the Company) as the tenant and (2) the Landlord

Key Terms : The Deed of Variation sets out the Agreed Tenant's Variations to the building, design, and/or construction works in relation to the Building, as well as the cost and obligations to be incurred by RAP in relation thereto.

The Agreed Tenant's Variations involve variations such as the installation of signage and media displays to feature the Group, as well as modifications to the Building that benefit RAP and its employees during the Term of the Lease Agreement or that relate to customisations to the design requested by RAP.

In addition, the Deed of Variation provides that under the Lease Agreement the Tenant may request the Additional Works from time to time following the date of the Lease Agreement.

Amounts Payable for the Agreed Tenant's Variations : The total costs payable by RAP for the Agreed Tenant's Variations under the Deed of Variation are S\$2,249,222.88, comprising:

(a) S\$1,695,071.89 of Variation Works Costs; and

(b) S\$554,150.99 of Rental Loss Compensation.

The Variation Works Costs and the Rental Loss Compensation were determined after arm's length negotiations. Please refer to "*C. Reasons for, and Benefits of, the Deed Of Variation*" below for details as to how the total costs were determined.

Amounts Payable for the Additional Works : The specific scope and details of the Additional Works which the Tenant may request from the Landlord from time to time will be determined at the relevant time, and the amounts payable by the Tenant with respect to such Additional Works shall be negotiated on an arm's length basis and on normal commercial terms.

Term for requesting Additional Works : The Tenant may request Additional Works for a term of three years commencing on the date of the Lease Agreement.

C. REASONS FOR, AND BENEFITS OF, THE DEED OF VARIATION

The Directors consider that entering into the Deed of Variation with the Landlord is beneficial to the Group and the Company's shareholders as a whole as it would allow for the Building to be further customised to meet Razer's specifications and preferences.

The costs and additional obligations to be undertaken by RAP as a result of the variations have been negotiated with the Landlord with the assistance of an independent third party advisor to ensure that the charges are fair and reasonable. In particular, the Variation Works Costs and the Rental Loss Compensation were determined after arm's-length negotiations, based on the following principles:

- (a) where the variations involve work to be carried out by the main contractor, the costs to be paid by RAP to the Landlord are based on the costs charged by the main contractor, and negotiated with the assistance of an independent third party advisor engaged by RAP;
- (b) in relation to the Variation Works Costs, where the variations involve procurement from third parties, to the extent it was possible to do so, RAP would source for multiple quotes; and
- (c) where Rental Loss Compensation is payable, the quantum to be charged is based on a preferential rental rate, after taking into consideration the prevailing market price for comparable premises in the vicinity.

D. LISTING RULES IMPLICATIONS

Mr. Min-Liang Tan (“**Mr. Tan**”), the Chief Executive Officer, Executive Director and substantial shareholder of the Company, holds (i) approximately 25.75% of the partnership interest in the Landlord (which is a limited liability partnership) through his wholly-owned subsidiary, Snakepit Holdings, and (ii) 50% of the management and voting rights of a company (in which Mr. Tan also indirectly holds approximately 4.84% interest through Snakepit Holdings) which holds approximately 48.5% of the partnership interest in the Landlord. As Mr. Tan can exercise or control the exercise of 30% or more of the voting power of the Landlord, the Landlord is a connected person of the Company under Rule 14A.12 of the Listing Rules.

In accordance with IFRS 16 “Leases”, the Company will recognize a right-of-use asset on its balance sheet in connection with the Rental Loss Compensation, in addition to the lease of the Premises under the Lease Documents. In accordance with IAS 16 “Property, Plant and Equipment”, the Company will capitalize the Variation Works Costs. The Company will account for any Additional Works performed in accordance to International Financial Reporting Standards depending on the nature of the work performed.

Accordingly, the Agreed Tenant’s Variations under the Deed of Variation by the Tenant will be regarded as an acquisition of a capital asset and a one-off connected transaction of the Company for the purposes of the Listing Rules, while the Additional Works under the Lease Agreement will be regarded as continuing connected transactions of the Company for the purposes of the Listing Rules.

As the highest applicable percentage ratios under the Listing Rules in respect of the aggregate value recognized on the Company’s balance sheet with respect to the Agreed Tenant’s Variations (after aggregation with the value of the right-of-use asset recognized under the Lease Documents) is more than 0.1% but less than 5%, the Agreed Tenant’s Variations under the Deed of Variation will constitute a connected transaction that is subject to the announcement requirement, but are exempt from the circular (including independent financial advice) and shareholders’ approval requirements under Rule 14A.76(2) of the Listing Rules. As the highest applicable percentage ratios under the Listing Rules in respect of the maximum aggregate amount to be payable to the Landlord under the Lease Agreement with respect to the Additional Works on an annual basis is expected to be less than 0.1%, the Additional Works under the Lease Agreement will constitute de minimis continuing connected transactions exempt from the reporting, announcement, annual review and independent shareholders’ approval requirements under Rule 14A.76(1) of the Listing Rules.

E. DIRECTORS’ CONFIRMATIONS

Based on the reasons for and benefits of the Deed of Variation as set out above, the Directors (including the independent non-executive Directors) are of the opinion that (1) the Deed of Variation and the transactions contemplated thereunder are on normal commercial terms and in the ordinary and usual course of business of the Company; and (2) that the terms of the Deed of Variation are fair and reasonable and in the interests of the Company and its shareholders as a whole.

Due to Mr. Tan’s interests in the Landlord, Mr. Tan has abstained from voting on the relevant resolutions of the Board in respect of the Deed of Variation. Save as disclosed above, none of the Directors has a material interest in the Deed of Variation, the transactions contemplated thereunder or the Landlord, and therefore no other Director has abstained from voting on the relevant resolutions of the Board in respect of the Deed of Variation.

F. INFORMATION ON THE GROUP AND THE LANDLORD

Razer is the leading global lifestyle brand for gamers that offers an integrated portfolio of gaming hardware, software and services. The Razer ecosystem delivers gamers a competitive edge, immersive gaming experiences and access to a comprehensive catalogue of digital entertainment. The Razer ecosystem is one of the largest integrated ecosystems in the world for gamers, which consists of hardware, software and services designed and developed to integrate seamlessly and enhance personalised user experiences across different entertainment genres.

The Landlord is a limited liability partnership in Singapore and each of Snakepit Holdings and Boustead Projects Limited holds 50% of the voting power of the Landlord. Each of Snakepit Holdings and Boustead Projects Limited also directly and indirectly owns approximately 28.1% of the beneficial interests in the Landlord with the remaining beneficial interests in the Landlord being held by third party investors. The principal activities of the Landlord are that of property development for long-term lease. Boustead Projects Limited, a company listed on the Singapore Stock Exchange, is a leading industrial real estate solutions provider in Singapore, with core engineering expertise in the design-and-build and development of industrial facilities for multinational corporations and local enterprises.

G. DEFINITIONS

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

“2018 Announcement”	the announcement of the Company in relation to the Agreement for Lease and the Lease Agreement dated December 21, 2018
“Additional Works”	additional alterations or additions to the Building as requested by the Tenant and to be carried out by the Landlord from time to time
“Agreed Tenant’s Variations”	the specific Tenant’s Variations as set out in the Deed of Variation
“Agreement for Lease”	the agreement for Lease dated December 21, 2018 between RAP and the Landlord
“Board”	the board of directors of the Company
“Building”	the building to be erected on the Property in accordance with the building specifications in the Agreement for Lease
“Company” or “Razer”	Razer Inc., an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1337)
“connected person”	has the meaning ascribed to it in the Listing Rules
“Deed of Variation”	the deed of variation dated August 25, 2021 between RAP and the Landlord

“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Handover Date”	the date on which the Landlord delivers vacant possession of the Premises to the Tenant
“Landlord”	Snakepit-BP LLP, a limited liability partnership registered in the Republic of Singapore
“Lease Agreement”	the lease agreement to be entered into, between RAP and the Landlord for the lease of the Premises
“Lease Documents”	the Agreement for Lease and Lease Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Tan”	Mr. Min-Liang Tan, the Chief Executive Officer, Executive Director and substantial shareholder of the Company
“Premises”	an area comprising a minimum of 50% (for the first 5 years of the Term) and 70% (for the remainder of the Term) of the net lettable area of the Building
“Property”	means the land known as Private Lot A3007300 at PID 8201802021 at one-north comprising Government Survey Lot No. 05438L of Mukim 03 having an estimated land area of 6,427 square metres
“RAP” or “Tenant”	Razer (Asia-Pacific) Pte. Ltd., a wholly-owned subsidiary of the Company
“Rental Loss Compensation”	compensation payable by the Tenant to the Landlord in respect of a reduction in the total net lettable area of the Building arising from Agreed Tenant’s Variations
“Snakepit Holdings”	Snakepit Holdings Pte. Ltd., a company indirectly wholly-owned by Mr. Tan
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

- “Tenant’s Variations”** any variation to the works required to complete the development of the Building as requested by the Tenant and implemented by the Landlord
- “Term”** 15 years commencing on the Handover Date
- “Variation Works Cost”** additional costs incurred by the Landlord as a result of the Agreed Tenant’s Variations

For and on behalf of the Board
Razer Inc.
Min-Liang TAN
Chairman

Singapore, August 25, 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, Mr. Tan Chong Neng as Executive Director, Mr. Lim Kaling as Non-executive Director, and Mr. Gideon Yu, Mr. Chau Kwok Fun Kevin and Mr. Lee Yong Sun as Independent Non-executive Directors.