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**RAZER INC.**

雷蛇\*

*(Incorporated in the Cayman Islands  
with limited liability)*

**(Stock Code: 1337)**

**OUROBOROS (I) INC.**

*(Incorporated in the Cayman Islands  
with limited liability)*

## **JOINT ANNOUNCEMENT**

**(1) PRE-CONDITIONAL PROPOSAL FOR THE PRIVATISATION OF  
RAZER INC. BY THE OFFEROR  
BY WAY OF A SCHEME OF ARRANGEMENT  
UNDER SECTION 86 OF THE COMPANIES ACT**

**(2) PROPOSED WITHDRAWAL OF LISTING OF RAZER INC.  
AND**

**(3) ESTABLISHMENT OF THE INDEPENDENT BOARD COMMITTEE**

**Financial Adviser to the Offeror**

**CREDIT SUISSE** 

### **INTRODUCTION**

The respective directors of the Offeror and the Company jointly announce that on 1 December 2021, the Offeror requested that the Board put forward the Proposal to the Scheme Shareholders for the privatisation of the Company by way of a scheme of arrangement under section 86 of the Companies Act.

\* For identification purposes only

## **TERMS OF THE PROPOSAL**

If the Proposal is approved and implemented:

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- (f) the listing of the Shares on the Stock Exchange will be withdrawn with effect immediately following the Effective Date in accordance with Rule 6.15(2) of the Listing Rules.

### **Cancellation Price**

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

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

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

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

The Pre-Condition is not waivable. All references to the Scheme in this announcement are references to the possible Scheme which will be implemented if and only if, the Pre-Condition is satisfied.

The Offeror proposes to make the notifications, filings or applications which are necessary with respect to the applicable Antitrust Laws as soon as practicable after the date of this announcement.

The Offeror will issue a further announcement as soon as practicable after (a) the Pre-Condition has been satisfied, or (b) if the Pre-Condition has not been satisfied by the Pre-Condition Long Stop Date and the Proposal will lapse.

The Offeror may request for an extension if the Pre-Condition is not fulfilled by the Pre-Condition Long Stop Date. In determining whether to consent to any request for the extension of the Pre-Condition Long Stop Date, the Company will consider whether it is in the best interests of the Company and the Shareholders.

## **CONDITIONS OF THE PROPOSAL**

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

- (a) the approval of the Scheme at the Court Meeting (by way of a poll) by a majority in number of the Shareholders entitled to vote at the Court Meeting, representing not less than 75% in value of the Shares held by the Shareholders entitled to vote at the Court Meeting, present and voting either in person or by proxy at the Court Meeting (with the Founder Shareholders having provided undertakings to the Grand Court not to attend and vote at the Court Meeting), provided that:
  - (i) the Scheme is approved (by way of a poll) by not less than 75% of the votes attaching to the Disinterested Shares cast by the Disinterested Shareholders, present and voting either in person or by proxy at the Court Meeting; and

- (ii) the number of votes cast (by way of a poll) by the Disinterested Shareholders present and voting either in person or by proxy at the Court Meeting against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all of the Disinterested Shares;
- (b) the passing of:
  - (i) a special resolution by a majority of not less than three-fourths of the votes cast by the Shareholders present and voting in person or by proxy at the General Meeting to approve and give effect to the reduction of the issued share capital of the Company on the Effective Date by cancelling the Scheme Shares; and
  - (ii) an ordinary resolution by a simple majority of the votes cast by the Shareholders present and voting in person or by proxy at the General Meeting immediately thereafter to issue to the Offeror such number of new Shares as is equal to the number of Scheme Shares cancelled (minus one) and apply the reserve created as a result of the aforesaid cancellation of the Scheme Shares to pay up in full at par such new Shares;
- (c) the Grand Court's sanction of the Scheme (with or without modification) under section 86 of the Companies Act and its confirmation of the reduction of the issued share capital of the Company involved in the Scheme, and the delivery to the Registrar of Companies in the Cayman Islands of a copy of the order of, and minute approved by, the Grand Court for registration;
- (d) compliance with the procedural requirements and conditions, if any, under the Companies Act in relation to the reduction of the issued share capital of the Company and the Scheme, respectively;
- (e) all of the Approvals having been obtained, completed and/or made and remaining in full force and effect without modification or variation;
- (f) all Applicable Laws having been complied with and no legal, regulatory or administrative requirement having been imposed by any Authority in any jurisdiction which is not expressly provided for, or is in addition to the legal, regulatory and administrative requirements which are expressly provided for, in the Applicable Laws in connection with the Proposal or the Scheme;

- (g) no Authority in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry (or enacted, made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order), in each case, which would make the Proposal or the Scheme void, unenforceable, illegal or impracticable (or which would impose any material and adverse conditions or obligations in connection with the Proposal or the Scheme);
- (h) since the date of this announcement, there having been no Material Adverse Change; and
- (i) save in connection with the implementation of the Proposal, the listing of the Shares on the Stock Exchange not having been withdrawn, and no indication having been received from the Executive and/or the Stock Exchange to the effect that the listing of the Shares on the Stock Exchange is or is likely to be withdrawn.

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

The Conditions set out in paragraphs (a) to (d) (inclusive) may not be waived. The Offeror reserves the right to waive all or any of the Conditions set out in paragraphs (e) to (i) (inclusive) above in whole or in part.

The Company does not have the right to waive any of the Conditions. All of the Conditions must be fulfilled or (where applicable) waived on or before the Long Stop Date, failing which the Proposal and the Scheme will lapse.

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

### **RSU PROPOSAL**

As at the date of this announcement, 184,156,464 RSUs have been granted, but have not yet vested, under the 2016 Equity Incentive Plan. Upon the satisfaction of all vesting and other conditions as set out in the 2016 Equity Incentive Plan and/or as specified by the Board, and subject to compliance with the rules of the 2016 Equity Incentive Plan, the RSU Holders are entitled to receive an aggregate of 184,156,464 Shares, which will be satisfied by the transfer by the RSU Trustee to the RSU Holders of Shares held by the RSU Trustee (either those already held by the RSU Trustee or new Shares which may be issued by the Company to the RSU Trustee for this purpose).

As at the date of this announcement, among the outstanding 184,156,464 RSUs which have been granted but have not yet vested, the vesting date of 77,626,803 RSUs falls before 23 August 2022 (being the current Long Stop Date), of which 2,725,197 RSUs will vest on 1 January 2022, 73,374,381 RSUs will vest on 1 April 2022 and 1,527,225 RSUs will vest on 1 July 2022 (being the last vesting date before the Long Stop Date), in each case so long as the relevant RSU Holders continue to be employees of the Group and satisfy all vesting and other conditions.

The Offeror will make (or procure to be made on its behalf) an appropriate proposal to the RSU Holders in accordance with Rule 13 of the Takeovers Code. To implement the RSU Proposal, the Offeror has requested the Remuneration Committee to make, and the Remuneration Committee has made, certain determinations in accordance with the terms of the 2016 Equity Incentive Plan, pursuant to which, among other things:

- (a) each unvested RSU will be cancelled on the Effective Date;

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

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

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

### **CONFIRMATION OF FINANCIAL RESOURCES**

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

- (a) if no RSUs vest on or before the Record Date, 3,732,075,484 Scheme Shares in exchange for the Cancellation Price of HK\$2.82 per Scheme Share in cash. The aggregate amount payable in cash would accordingly be HK\$10,524,452,865; or



(b) if all of the RSUs which are outstanding as at the date of this announcement vest, and the Proposed RSUs are granted (and are satisfied by the transfer by the RSU Trustee to the RSU Holders of Shares held by it as at the date of this announcement or new Shares issued by the Company to the RSU Trustee for this purpose to the extent insufficient Shares are held by the RSU Trustee to satisfy the vesting of those RSUs), 3,825,644,603 Scheme Shares in exchange for the Cancellation Price of HK\$2.82 per Scheme Share in cash. The aggregate amount payable in cash would accordingly be HK\$10,788,317,781.

In addition, assuming that no new RSUs (other than the Proposed RSUs) are granted on or before the Record Date and taking into account the fact that the RSUs held by the Founder RSU Holders will be cancelled in consideration for the Founder RSU Proposal Consideration, the maximum aggregate amount payable in cash to implement the RSU Proposal in full will be HK\$263,864,916.

As such, assuming that no new Shares are issued on or before the Record Date (other than to satisfy any vesting of RSUs after the date of this announcement to the extent insufficient Shares are held by the RSU Trustee to satisfy the vesting of those RSUs) and no new RSUs are granted on or before the Record Date (other than the Proposed RSUs), the maximum aggregate amount payable to implement the Proposal and the RSU Proposal in full will be HK\$10,788,317,781.

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

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

Only Disinterested Shareholders as at the Meeting Record Date may attend and vote at the Court Meeting to approve the Scheme. The Founder Shareholders will provide undertakings to the Grand Court not to attend and vote at the Court Meeting.

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



## **FOUNDER IRREVOCABLE UNDERTAKINGS**

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

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

## **INDEPENDENT BOARD COMMITTEE**

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

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

## **INDEPENDENT FINANCIAL ADVISER**

As at the date of this announcement, the Company has not appointed an Independent Financial Adviser in connection with the Proposal and the RSU Proposal. The Independent Financial Adviser will be appointed by the Board, with the approval of the Independent Board Committee, in due course to advise the Independent Board Committee on the Proposal, the Scheme and the RSU Proposal. A further announcement will be made after the appointment of the Independent Financial Adviser.

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

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

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

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

## **DESPATCH OF THE SCHEME DOCUMENT**

Subject to and after satisfaction of the Pre-Condition, a Scheme Document including, among other things: (a) further details of the Proposal, the Scheme and the RSU Proposal; (b) an explanatory statement in respect of the Scheme as required under the Companies Act; (c) the expected timetable relating to the Proposal, the Scheme and the RSU Proposal; (d) a letter from the Independent Board Committee containing its recommendations to the Disinterested Shareholders and the RSU Holders in respect of the Proposal, the Scheme and the RSU Proposal; (e) a letter of advice from the Independent Financial Adviser containing its advice to the Independent Board Committee in respect of the Proposal, the Scheme and the RSU Proposal; and (f) notices of the Court Meeting and the General Meeting (including proxy forms relating to such meetings for use by the relevant Shareholders), will be despatched to the Shareholders and the RSU Holders as soon as practicable and in compliance with the requirements of the Takeovers Code and Applicable Laws.

The Scheme Document will contain important information, and the Disinterested Shareholders or Shareholders (as the case may be) are urged to read the Scheme Document carefully before casting any vote at (or providing any proxy in respect of) the Court Meeting or the General Meeting.

#### **WARNING**

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

**This announcement is not intended to, and does not, constitute or form part of any offer to sell or subscribe for or an invitation to purchase or subscribe for any securities or the solicitation of any vote, approval or acceptance in any jurisdiction pursuant to the Proposal, the RSU Proposal or otherwise, nor shall there be any sale, issuance or transfer of securities of the Company in any jurisdiction in contravention of Applicable Laws. The Proposal and the RSU Proposal will be made solely through the Scheme Document (and, in respect of the RSU Proposal, the letter to the RSU Holders which is expected to be despatched at or around the same time as the despatch of the Scheme Document), which will contain the full terms and conditions of the Proposal and the RSU Proposal, including details of how to vote on the Proposal. Any approval or other response to the Proposal or the RSU Proposal should be made only on the basis of information in the Scheme Document (and, in respect of the RSU Proposal, the letter to the RSU Holders which is expected to be despatched at or around the same time as the despatch of the Scheme Document) and the individual circumstances of the Shareholder or the RSU Holders making the decision.**

**The availability of the Proposal and the RSU Proposal to persons who are citizens, residents or nationals of a jurisdiction other than Hong Kong may be affected by the laws of the relevant jurisdiction in which they are located or resident or of which they are citizens. Persons who are citizens, residents or nationals of a jurisdiction other than Hong Kong should inform themselves about, and observe, any applicable legal, regulatory or tax requirements of the relevant jurisdiction in which they are located or resident or of which they are citizens and, where necessary, seek their own legal advice. Further details in relation to overseas holders of the Scheme Shares and overseas RSU Holders will be contained in the Scheme Document (and, in respect of the RSU Proposal, the letter to the RSU Holders which is expected to be despatched at or around the same time as the despatch of the Scheme Document).**

## ***Notice to U.S. investors***

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

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

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

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

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

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

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

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

## **INTRODUCTION**

The respective directors of the Offeror and the Company jointly announce that on 1 December 2021, the Offeror requested that the Board put forward the Proposal to the Scheme Shareholders for the privatisation of the Company by way of a scheme of arrangement under section 86 of the Companies Act.

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

## TERMS OF THE PROPOSAL

If the Proposal is approved and implemented:

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

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



## **Cancellation Price**

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

- (a) a premium of approximately 55.8% over the closing price of HK\$1.81 per Share as quoted on the Stock Exchange on 27 October 2021, being the Undisturbed Date;
- (b) a premium of approximately 58.4% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the five trading days up to and including the Undisturbed Date of HK\$1.78 per Share;
- (c) a premium of approximately 67.9% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the 30 trading days up to and including the Undisturbed Date of HK\$1.68 per Share;
- (d) a premium of approximately 59.3% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the 60 trading days up to and including the Undisturbed Date of HK\$1.77 per Share;
- (e) a premium of approximately 51.6% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the 90 trading days up to and including the Undisturbed Date of HK\$1.86 per Share;
- (f) a premium of approximately 5.6% over the closing price of HK\$2.67 per Share as quoted on the Stock Exchange on 1 December 2021, being the Last Trading Date;
- (g) a premium of approximately 5.2% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the five trading days up to and including the Last Trading Date of HK\$2.68 per Share;
- (h) a premium of approximately 19.0% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Date of HK\$2.37 per Share;
- (i) a premium of approximately 38.9% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the 60 trading days up to and including the Last Trading Date of HK\$2.03 per Share;
- (j) a premium of approximately 42.4% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the 90 trading days up to and including the Last Trading Date of HK\$1.98 per Share;



- (k) a premium of approximately 442.3% over the audited consolidated equity attributable to Shareholders of the Group of approximately HK\$0.52 per Share as at 31 December 2020, which is calculated based on the audited consolidated total equity attributable to Shareholders of the Group of HK\$4,527,345,380 as at 31 December 2020 and 8,759,755,691 Shares in issue as at the date of this announcement; and
- (l) a premium of approximately 464.0% over the unaudited consolidated equity attributable to Shareholders of the Group of approximately HK\$0.50 per Share as at 30 June 2021, which is calculated based on the total equity attributable to Shareholders of the Group of HK\$4,388,534,620 as at 30 June 2021 and 8,759,755,691 Shares in issue as at the date of this announcement.

### **Highest and lowest Share prices**

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

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

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

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

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

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

specified or the context otherwise requires, any reference in this announcement, the Scheme Document or any other announcement in relation to the Scheme to the Cancellation Price will be deemed to be a reference to the Cancellation Price as so reduced.

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

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

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

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

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

The Pre-Condition is not waivable. All references to the Scheme in this announcement are references to the possible Scheme which will be implemented if and only if, the Pre-Condition is satisfied.

The Offeror proposes to make the notifications, filings or applications which are necessary with respect to the applicable Antitrust Laws as soon as practicable after the date of this announcement.

The Offeror will issue a further announcement as soon as practicable after (a) the Pre-Condition has been satisfied or (b) if the Pre-Condition has not been satisfied by the Pre-Condition Long Stop Date and the Proposal will lapse.

The Offeror may request for an extension if the Pre-Condition is not fulfilled by the Pre-Condition Long Stop Date. In determining whether to consent to any request for the extension of the Pre-Condition Long Stop Date, the Company will consider whether it is in the best interests of the Company and the Shareholders.

## **CONDITIONS OF THE PROPOSAL**

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

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

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

The Founder Shareholders and the RSU Trustee will provide undertakings to the Grand Court before the directions hearing for the convening of the Court Meeting before the Grand Court prior to despatch of the Scheme Document to be bound by

the Scheme and to receive (in the case of the Founder Shareholders) the Founder Scheme Shares Cancellation Consideration in consideration for cancellation of the Founder Scheme Shares under the Scheme or (in the case of the RSU Trustee) nil consideration for cancellation of the RSU Trustee Scheme Shares under the Scheme — see the section headed “*Arrangements Material to the Proposal — Founder Irrevocable Undertakings*” in this announcement.

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

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

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

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

## **WARNING**

**Shareholders, RSU Holders and potential investors should be aware that the implementation of the Proposal, the Scheme and the RSU Proposal is subject to the Pre-Condition and the Conditions being fulfilled or (where applicable) waived. Accordingly, the Proposal and the RSU Proposal may or may not be implemented and the Scheme may or may not become effective. Shareholders,**

**RSU Holders and potential investors are advised to exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.**

**This announcement is not intended to, and does not, constitute, or form part of, any offer to sell or subscribe for or an invitation to purchase or subscribe for any securities or the solicitation of any vote, approval or acceptance in any jurisdiction pursuant to the Proposal, the RSU Proposal or otherwise, nor shall there be any sale, issuance or transfer of securities of the Company in any jurisdiction in contravention of Applicable Laws. The Proposal and the RSU Proposal will be made solely through the Scheme Document (and, in respect of the RSU Proposal, the letter to the RSU Holders which is expected to be despatched at or around the same time as the despatch of the Scheme Document), which will contain the full terms and conditions of the Proposal and the RSU Proposal, including details of how to vote on the Proposal. Any approval or other response to the Proposal or the RSU Proposal should be made only on the basis of information in the Scheme Document (and, in respect of the RSU Proposal, the letter to the RSU Holders which is expected to be despatched at or around the same time as the despatch of the Scheme Document) and the individual circumstances of the Shareholder or the RSU Holders making the decision.**

**The availability of the Proposal and the RSU Proposal to persons who are citizens, residents or nationals of a jurisdiction other than Hong Kong may be affected by the laws of the relevant jurisdiction in which they are located or resident or of which they are citizens. Persons who are citizens, residents or nationals of a jurisdiction other than Hong Kong should inform themselves about, and observe, any applicable legal, regulatory or tax requirements of the relevant jurisdiction in which they are located or resident or of which they are citizens and, where necessary, seek their own legal advice. Further details in relation to overseas holders of the Scheme Shares and overseas RSU Holders will be contained in the Scheme Document (and, in respect of the RSU Proposal, the letter to the RSU Holders which is expected to be despatched at or around the same time as the despatch of the Scheme Document).**

## **RSU PROPOSAL**

An RSU is a contingent right of the grantee to receive a Share for no consideration upon the vesting of the RSU. As at the date of this announcement, 184,156,464 RSUs have been granted, but have not yet vested, under the 2016 Equity Incentive Plan. Upon the satisfaction of all vesting and other conditions as set out in the 2016 Equity Incentive Plan and/or as specified by the Board, and subject to compliance with the rules of the 2016 Equity Incentive Plan, the RSU Holders are entitled to receive an

aggregate of 184,156,464 Shares, which will be satisfied by the transfer by the RSU Trustee to the RSU Holders of Shares held by the RSU Trustee (either those already held by the RSU Trustee or new Shares which may be issued by the Company to the RSU Trustee for this purpose).

As at the date of this announcement, 184,156,464 outstanding RSUs have been granted but have not yet vested. The vesting date of 77,626,803 RSUs falls before 23 August 2022 (being the current Long Stop Date), of which 2,725,197 RSUs will vest in January 2022, 73,374,381 RSUs will vest in April 2022 and 1,527,225 RSUs will vest on 1 July 2022 (being the last vesting date before the Long Stop Date), in each case so long as the relevant RSU Holders continue to be employees of the Group and satisfy all vesting and other conditions.

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

<b>Date of Vesting</b>	<b>Number of Vesting RSUs</b>
1 January 2022	2,725,197
1 April 2022	73,374,381
1 July 2022	1,527,225
1 October 2022	24,831,375
1 January 2023	1,561,510
1 April 2023	28,986,378
1 July 2023	376,921
1 October 2023	24,591,877
1 January 2024	603,891
1 April 2024	834,031
1 July 2024	376,919
1 October 2024	16,268,470
1 January 2025	99,744
1 April 2025	491,396
1 July 2025	74,849
1 October 2025	<u>7,432,300</u>
<b>Total</b>	<b><u>184,156,464</u></b>

The Company proposes to grant 370,534 new RSUs to employees of the Group during the course of December 2021 and January 2022. The new RSUs are being granted to incentivize new joiners, and reward standout performers, and are being awarded in accordance with the Company's usual practice. Assuming the new RSUs are granted, upon the satisfaction of all vesting and other conditions as set out in the



2016 Equity Incentive Plan and/or as specified by the Board, and subject to compliance with the rules of the 2016 Equity Incentive Plan, the holders of the new RSUs will be entitled to receive an aggregate of 370,534 Shares. Assuming the new RSUs are granted, the holders of new RSUs will be Non-Founder RSU Holders and will be treated as such under the RSU Proposal. The Company has made an application to the Executive for waiver from the requirement for Shareholders' approval under Rule 4 of the Takeovers Code in relation to the proposed grant of new RSUs.

The Offeror will make (or procure to be made on its behalf) an appropriate proposal to the RSU Holders in accordance with Rule 13.1 of the Takeovers Code. To implement the RSU Proposal, the Offeror has requested the Remuneration Committee to make, and the Remuneration Committee has made, certain determinations in accordance with the terms of the 2016 Equity Incentive Plan, pursuant to which, among other things:

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

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

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

To facilitate the administration of the 2016 Equity Incentive Plan, Shares have been issued to the RSU Trustee from time to time. As at the date of this announcement:

- (a) an aggregate of 54,521,199 Shares, representing approximately 0.62% of the issued share capital of the Company, are held in trust by the RSU Trustee, of which (i) 32,422,834 Shares are held for the purpose of future satisfaction of RSUs granted to connected persons (as defined in the Listing Rules) of the Company; and (ii) 22,098,365 Shares are held for the purpose of future satisfaction of RSUs granted to persons other than connected persons of the Company;
- (b) an aggregate of 77,626,803 RSUs will, subject to their terms (including satisfaction of all vesting conditions), vest between the date of this announcement and 1 July 2022 (being the last vesting date before the Long Stop Date), of which (i) 69,808,751 RSUs were granted to connected persons of the Company (including 67,231,740 RSUs granted to the Founder RSU Holders); and (ii) 7,818,052 RSUs were granted to persons other than connected persons of the Company;
- (c) with respect to the RSUs granted to connected persons of the Company, if insufficient Shares are held by the RSU Trustee to satisfy the vesting of those RSUs, it is expected that additional Shares would be issued by the Company to the RSU Trustee (subject to compliance with any applicable Listing Rules requirements), after which these will be transferred to the relevant RSU Holders; and
- (d) with respect to the RSUs granted to persons other than connected persons of the Company, the number of Shares held by the RSU Trustee is sufficient to satisfy the vesting of all RSUs which will, subject to their terms (including satisfaction of all vesting conditions), vest between the date of this announcement and 1 July 2022, and accordingly no new Shares will be required to be issued to satisfy these RSUs.

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

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

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

## **CONFIRMATION OF FINANCIAL RESOURCES**

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

- (a) if no RSUs vest on or before the Record Date, 3,732,075,484 Scheme Shares in exchange for the Cancellation Price of HK\$2.82 per Scheme Share in cash. The aggregate amount payable in cash would accordingly be HK\$10,524,452,865; or
- (b) if all of the RSUs which are outstanding as at the date of this announcement vest, and the Proposed RSUs are granted (and are satisfied by the transfer by the RSU Trustee to the RSU Holders of Shares held by it as at the date of this announcement or new Shares issued by the Company to the RSU Trustee for this purpose to the extent insufficient Shares are held by the RSU Trustee to satisfy the vesting of those RSUs), 3,825,644,603 Scheme Shares in exchange for the Cancellation Price of HK\$2.82 per Scheme Share in cash. The aggregate amount payable in cash would accordingly be HK\$10,788,317,781.

In addition, assuming that no new RSUs (other than the Proposed RSUs) are granted on or before the Record Date and taking into account the fact that the RSUs held by the Founder RSU Holders will be cancelled in consideration for the Founder RSU Proposal Consideration, the maximum aggregate amount payable in cash to implement the RSU Proposal in full will be HK\$263,864,916.

As such, assuming that no new Shares are issued on or before the Record Date (other than to satisfy any vesting of RSUs after the date of this announcement to the extent insufficient Shares are held by the RSU Trustee to satisfy the vesting of those RSUs) and no new RSUs are granted on or before the Record Date (other than the Proposed RSUs), the maximum aggregate amount payable to implement the Proposal and the RSU Proposal in full will be HK\$10,788,317,781.

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

## **SHAREHOLDING STRUCTURE OF THE COMPANY**

As at the date of this announcement:

- (a) save for 8,759,755,691 Shares in issue and 184,156,464 RSUs which have been granted but have not yet vested, the Company does not have any outstanding shares, options, warrants, convertible securities or other relevant securities in issue;
- (b) the Founder Group legally and/or beneficially owns 4,973,159,008 Shares in aggregate, representing approximately 56.77% of the issued share capital of the Company, being the Founder Scheme Shares. For the avoidance of doubt, these Shares form part of the Scheme Shares. In addition, the Founder RSU Holders hold 90,957,879 RSUs in aggregate;
- (c) the Offeror, Topco and Midco do not legally and/or beneficially own, control or have direction over any Shares;
- (d) CVC HoldCo does not legally and/or beneficially own, control or have direction over any Shares;
- (e) the Offeror Concert Parties (other than the Founder Group, members of the Credit Suisse Group and the entities referred to in paragraphs (c) and (d) above):
  - (i) legally and/or beneficially own 39,227,995 Shares in aggregate, representing approximately 0.45% of the issued share capital of the Company; and
  - (ii) hold 2,109,887 RSUs in aggregate;

- (f) the Disinterested Shareholders (including the RSU Trustee) legally and/or beneficially own, control or have direction over 3,747,368,688 Shares in aggregate, representing approximately 42.78% of the issued share capital of the Company;
- (g) the RSU Trustee holds 54,521,199 Shares in aggregate, representing approximately 0.62% of the issued share capital of the Company, on trust in connection with the 2016 Equity Incentive Plan;
- (h) the RSU Holders (other than the Founder RSU Holders and the Offeror Concert Parties referred to in paragraph (e) above) hold 91,088,698 RSUs in aggregate;
- (i) save as set out in this section, neither the Offeror nor any of the Offeror Concert Parties (excluding portfolio companies of the CVC Network but including members of the Credit Suisse Group, except members of the Credit Suisse Group which are exempt principal traders or exempt fund managers as recognised by the Executive for the purpose of the Takeovers Code) legally or beneficially owns, controls or has direction over any Shares or RSUs;
- (j) the Offeror and the Offeror Concert Parties (excluding portfolio companies of the CVC Network) have not entered into any outstanding derivative in respect of the securities of the Company;
- (k) the Offeror and the Offeror Concert Parties (excluding portfolio companies of the CVC Network) have not borrowed or lent any relevant securities of the Company; and
- (l) details of the holdings, dealings, borrowings and lendings in the relevant securities of the Company by portfolio companies of CVC Network (if any) will be obtained as soon as possible after the date of this announcement, and a further announcement will be made if any such holding, dealing, borrowing or lending is significant. If applicable, information about the holdings, dealings, borrowings and lendings in the relevant securities of the Company by portfolio companies of CVC Network will be disclosed in the Scheme Document.

The Founder Scheme Shares and the RSUs held by the Founder RSU Holders will be cancelled in consideration for the Founder Scheme Shares Cancellation Consideration and Founder RSU Proposal Consideration, respectively. The RSU Trustee Scheme Shares held by the RSU Trustee will be cancelled for nil consideration. All other Scheme Shares will be cancelled in consideration for the Cancellation Price to be paid in cash upon the Scheme becoming effective. All other RSUs held by Non-Founder RSU Holders will be cancelled in consideration for the

RSU Proposal Price to be paid in cash which will be paid on a staggered basis in accordance with the vesting schedules applicable to their respective RSU grants and subject to the existing terms of each of the RSUs, including vesting and other conditions, such as their continued employment with the Group.

## Shareholding Structure

The table below sets out the shareholding structure of the Company as at the date of this announcement and immediately following implementation of the Proposal and completion of the transfer of 100,000,000 fully paid TopCo Shares by Chen Family Trust SPV 2 to CVC HoldCo (see the section headed “*Arrangements Material to the Proposal — Consortium Agreement*” in this announcement), assuming that: (a) no further Shares will be issued and no further RSUs will be granted under the 2016 Equity Incentive Plan on or before the Record Date; and (b) there will be no other change in the shareholding of the Company before the Effective Date.

	As at the date of this announcement			Immediately following implementation of the Proposal and completion of the transfer of 100,000,000 fully paid TopCo Shares from Chen Family Trust SPV 2 to CVC HoldCo <sup>(7)</sup>	
	Number of Shares	Number of Shares as a percentage of total number of Shares in issue (%)	Number of RSUs which have been granted but have not yet vested	Number of Shares	%
<b>(A1) Founder Group</b>					
Mr. Tan <sup>(1)</sup>	80,837,849	0.92	90,514,708	—	—
Chen Family Trust HoldCo <sup>(1)</sup>	2,837,935,801	32.40	—	—	—
Chen Family Trust SPV 1 <sup>(1)</sup>	—	—	—	—	—
Chen Family Trust SPV 2 <sup>(1)</sup>	—	—	—	—	—
Mr. Lim <sup>(2)</sup>	1,211,273	0.01	443,171	—	—
Voyager Equity <sup>(2)</sup>	1,342,446,474	15.33	—	—	—
Primerose Ventures <sup>(2)</sup>	330,643,967	3.77	—	—	—
Lim Teck Lee Land <sup>(2)</sup>	307,424,615	3.51	—	—	—
Archview Capital Ltd <sup>(2)</sup>	18,358,843	0.21	—	—	—
Sandalwood Associates <sup>(2)</sup>	54,300,186	0.62	—	—	—
<b>(A2)CVC HoldCo</b>	—	—	—	—	—
<b>(A3)Offeror</b>	—	—	—	8,759,755,691	100

	As at the date of this announcement			Immediately following implementation of the Proposal and completion of the transfer of 100,000,000 fully paid TopCo Shares from Chen Family Trust SPV 2 to CVC HoldCo <sup>(7)</sup>	
	Number of Shares	Percentage of total number of Shares in issue (%)	Number of RSUs which have been granted but have not yet vested	Number of Shares	%
<b>(A) Sub-total = (A1) + (A2) + (A3)</b>	4,973,159,008	56.77	90,957,879	8,759,755,691	100
<b>(B) Offeror Concert Parties other than the Founder Group, the CVC Funds and CVC Holdco<sup>(3)</sup></b>					
Mr. Tan's close relatives <sup>(4)</sup>	37,026,412	0.42	—	—	—
Mr. Tan Chong Neng <sup>(5)</sup>	2,201,583	0.03	2,109,887	—	—
<b>(B) Sub-total</b>	39,227,995	0.45	2,109,887	—	—
<b>(C) Disinterested Shareholders<sup>(6)</sup></b>					
RSU Trustee	54,521,199	0.62	—	—	—
Mr. Chau Kwok Fun Kevin	1,070,868	0.01	812,484	—	—
Nottingham Holdings Limited	600,000	0.01	—	—	—
Mr. Lee Yong Sun	778,816	0.01	590,894	—	—
Mr. Gideon Yu	4,827,778	0.06	590,894	—	—
Others	3,685,570,027	42.07	89,094,426	—	—
<b>(C) Sub-total</b>	<u>3,747,368,688</u>	<u>42.78</u>	<u>91,088,698</u>	<u>—</u>	<u>—</u>
<b>Total (A) + (B) + (C)</b>	<u>8,759,755,691</u>	<u>100</u>	<u>184,156,464</u>	<u>8,759,755,691</u>	<u>100</u>

*Notes:*

1. Mr. Tan is the Chairman of the Board, an executive Director and the chief executive officer of the Company. Mr. Tan is deemed to be interested in 3,009,288,358 Shares in aggregate, representing approximately 34.35% of the issued share capital of the Company as at the date of this announcement, which consist of: (i) 2,837,935,801 Shares held by Chen Family Trust HoldCo, which is wholly owned by Chen Family (Global) Holdings which in turn is wholly owned by JBTC, the trustee of the Chen Family Trust of which Mr. Tan is the settlor; (ii)

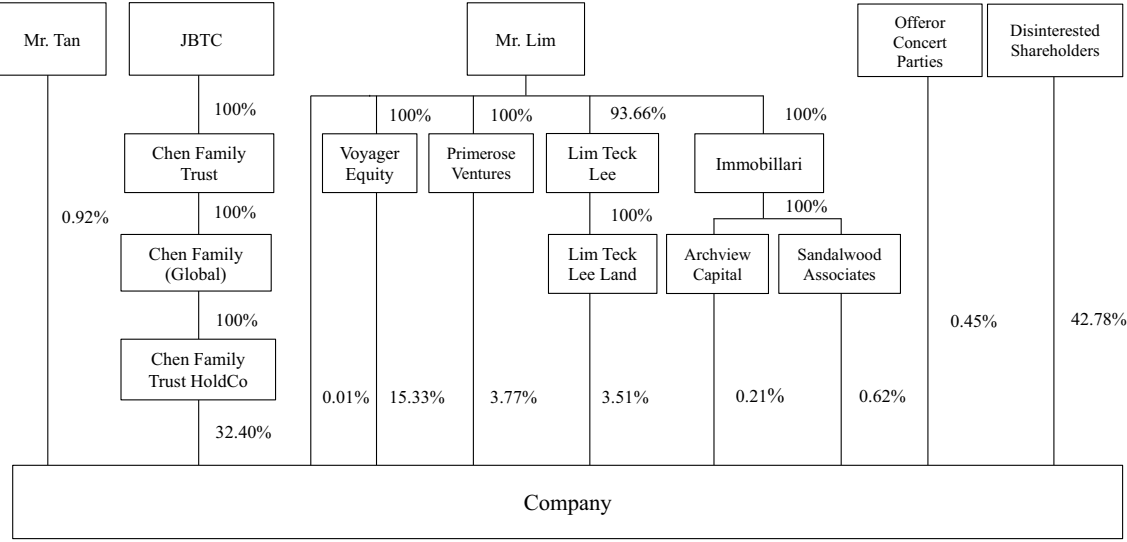


80,837,849 Shares directly held by Mr. Tan; and (iii) 90,514,708 Shares underlying 90,514,708 RSUs which have been granted to Mr. Tan but have not yet vested as at the date of this announcement. Chen Family Trust SPV 1 and Chen Family Trust SPV 2 are companies incorporated in the British Virgin Islands with limited liability and set up for the implementation of the Proposal, each of which is wholly owned by Chen Family Trust HoldCo.

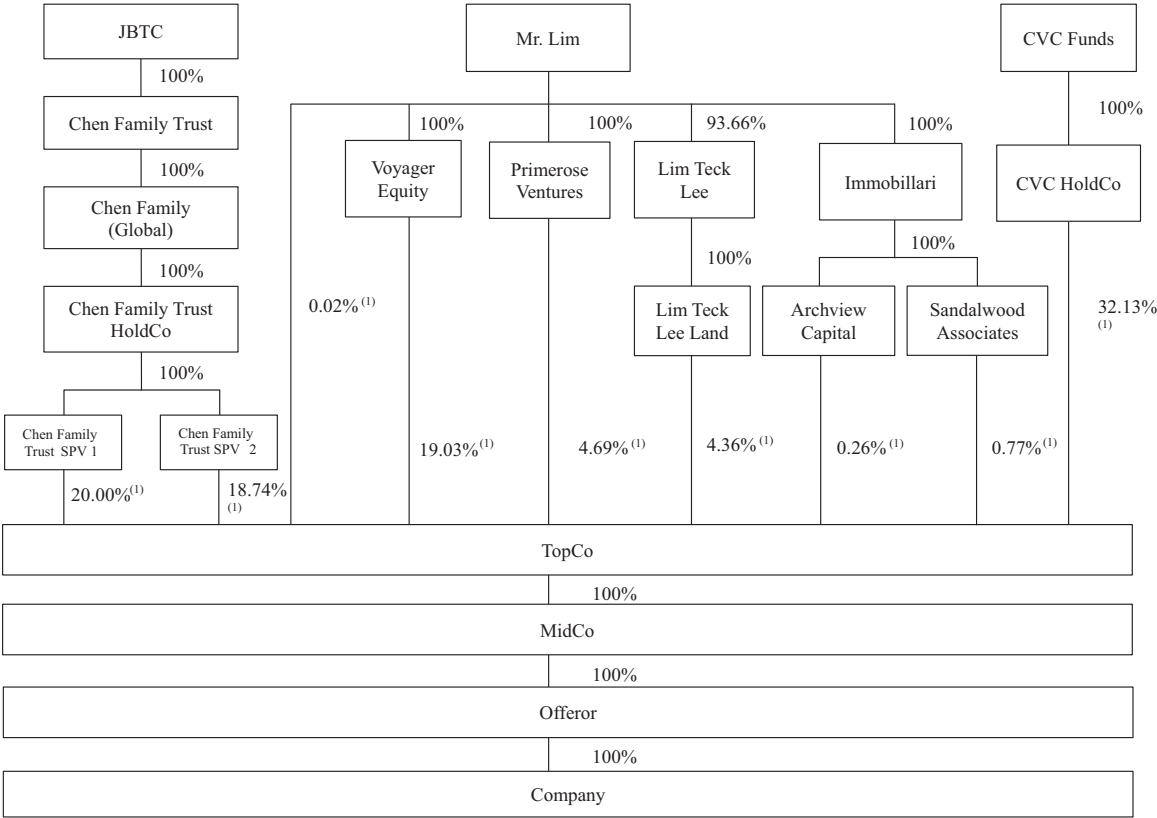
2. *Mr. Lim is a non-executive Director. Mr. Lim is deemed to be interested in 2,054,828,529 Shares in aggregate, representing approximately 23.46% of the issued share capital of the Company as at the date of this announcement, which consist of: (i) 1,342,446,474 Shares held by Voyager Equity, which is directly wholly owned by Mr. Lim; (ii) 330,643,967 Shares held by Primerose Ventures, which is directly wholly owned by Mr. Lim; (iii) 307,424,615 Shares held by Lim Teck Lee Land, which is wholly owned by Lim Teck Lee which is in turn 93.66% owned by Mr. Lim; (iv) 18,358,843 Shares held by Archview Capital, which is wholly owned by Immoillari which is in turn wholly owned by Mr. Lim; (v) 54,300,186 Shares held by Sandalwood Associates, which is wholly owned by Immoillari which is in turn wholly owned by Mr. Lim; (vi) 1,211,273 Shares directly held by Mr. Lim; and (vii) 443,171 Shares underlying 443,171 RSUs which have been granted to Mr. Lim but have not yet vested as at the date of this announcement.*
3. *Credit Suisse is the financial adviser to the Offeror in connection with the Proposal and the RSU Proposal. Accordingly, members of the Credit Suisse Group are presumed to be acting in concert with the Offeror in relation to the Company by virtue of class (5) of the definition of “acting in concert” under the Takeovers Code (except members of the Credit Suisse Group which are exempt principal traders or exempt fund managers as recognised by the Executive for the purpose of the Takeovers Code). Exempt principal traders which are connected for the sole reason that they are under the same control as Credit Suisse are not presumed to be acting in concert with the Offeror. However, Shares held by members of the Credit Suisse Group acting in the capacity of exempt principal traders will not be voted at the Court Meeting unless the Executive allows such Shares to be so voted. Shares held by such exempt principal traders may, subject to the consent of the Executive, be allowed to be voted at the Court Meeting if: (a) the relevant connected exempt principal trader holds the relevant Shares as a simple custodian for and on behalf of a non-discretionary client; (b) there are contractual arrangements in place between the relevant connected exempt principal trader and such non-discretionary client that strictly prohibit the relevant connected exempt principal trader from exercising any voting discretion over the relevant Shares; (c) all voting instructions originate from such non-discretionary client only (if no instructions are given, then no votes shall be cast for the relevant Shares held by the relevant connected exempt principal trader); and (d) such non-discretionary client is not an Offeror Concert Party.*
4. *37,026,412 Shares are directly held by Mr. Tan’s close relatives (as defined in the Takeovers Code), comprising Mr. Tan Kim Lee (being Mr. Tan’s father) and Dr. Tan E-Ching, Ms. Tan E-Fang and Dr. Tan Min-Han (being Mr. Tan’s siblings).*
5. *2,201,583 Shares are directly held by Mr. Tan Chong Neng, an executive Director, who is also deemed to be interested in 2,109,887 Shares underlying 2,109,887 RSUs which have been granted to him but have not yet vested as at the date of this announcement.*

6. *The Disinterested Shareholders include (among others): (i) the RSU Trustee, which holds 54,521,199 Shares; (ii) Mr. Chau Kwok Fun Kevin, an independent non-executive Director who holds 1,070,868 Shares and is also deemed to be interested in 812,484 Shares underlying 812,484 RSUs which have been granted to him but have not yet vested as at the date of this announcement; (iii) Nottinghill Holdings Limited, a discretionary irrevocable trust of which Mr. Chau Kwok Fun Kevin is the settlor, which holds 600,000 Shares; (iv) Mr. Lee Yong Sun, an independent non-executive Director, who holds 778,816 Shares and is also deemed to be interested in 590,894 Shares underlying 590,894 RSUs which have been granted to him but have not yet vested as at the date of this announcement; and (v) Mr. Gideon Yu, an independent non-executive Director, who holds 4,827,778 Shares and is also deemed to be interested in 590,894 Shares underlying 590,894 RSUs which have been granted to him but have not yet vested as at the date of this announcement.*
7. *On the Effective Date: (a) the Founder Scheme Shares will be cancelled in consideration for the Founder Scheme Shares Cancellation Consideration; (b) the RSU Trustee Scheme Shares will be cancelled for nil consideration; and (c) the Scheme Shares held by Offeror Concert Parties and Disinterested Shareholders (other than the Founder Group and the RSU Trustee) will be cancelled in consideration for the Cancellation Price per Scheme Share.*

The chart below sets out the illustrative shareholding structure of the Company as at the date of this announcement:



The chart below sets out the illustrative shareholding structure of the Company immediately upon the Scheme becoming effective and completion of the transfer of 100,000,000 fully paid TopCo Shares by Chen Family Trust SPV 2 to CVC HoldCo:



Note:

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

**VOTING AT THE COURT MEETING AND THE GENERAL MEETING**

Only Disinterested Shareholders as at the Meeting Record Date may attend and vote at the Court Meeting to approve the Scheme. The Founder Shareholders will provide undertakings to the Grand Court not to attend and vote at the Court Meeting.

Each of the Founder Shareholders and the RSU Trustee will provide undertakings to the Grand Court before the directions hearing for the convening of the Court Meeting before the Grand Court prior to despatch of the Scheme Document to be bound by the Scheme and to receive (in the case of the Founder Shareholders) the Founder Scheme Shares Cancellation Consideration in consideration for cancellation of the Founder Scheme Shares under the Scheme or (in the case of the RSU Trustee) nil consideration for cancellation of the RSU Trustee Scheme Shares. The Offeror will also undertake to the Grand Court to be bound by the Scheme.

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

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

## **ARRANGEMENTS MATERIAL TO THE PROPOSAL**

### **Founder Irrevocable Undertakings**

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

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

As set out in the section headed “*Voting at the Court Meeting and the General Meeting*” in this announcement, none of the Founder Shareholders will attend or vote at the Court Meeting to approve the Scheme.

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

### **Implementation Agreement**

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

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

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

- (vii) transferring or assigning to any third party any intellectual property which it owns or has the right of use as at the date of the Implementation Agreement as well as any other intellectual property which it subsequently acquires or obtains the right of use of.

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

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

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

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

### **Consortium Agreement**

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

Under the Consortium Agreement:

- (a) CVC HoldCo shall fund, or procure the funding, by way of equity investment in cash to TopCo at such time required to enable the Offeror to satisfy its obligations in respect of the cash consideration payable under the Scheme and the RSU Proposal in accordance with the Takeovers Code;

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



- (d) each of Mr. Tan, Mr. Lim and CVC HoldCo has agreed that for the purpose of effecting the steps pursuant to paragraphs (c)(i) to (c)(iii) above, CVC HoldCo shall pay or procure the payment of such equity investment amount to the Offeror directly; and
- (e) conditional upon the Scheme becoming effective and simultaneously with the payment by CVC HoldCo to the Offeror of its equity investment amount pursuant to paragraphs (c) and (d) above,
  - (i) Mr. Tan shall procure the transfer of 39,105 unencumbered fully paid ordinary shares and 99,960,895 unencumbered fully paid preference shares in TopCo by Chen Family Trust SPV 2 to CVC HoldCo (the “**Share Transfer**”); and
  - (ii) in consideration for the Share Transfer, CVC HoldCo shall pay or procure the payment of an amount of US\$100,000,000 (the “**Share Transfer Consideration**”) in cash to Chen Family Trust SPV 2, or as otherwise directed by Chen Family Trust SPV 2.

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

The Consortium Agreement will be terminated if the Scheme lapses or is withdrawn.

### **Shareholders’ Agreement**

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

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

- (a) **Board composition:** The board of directors of TopCo shall consist of six members. Mr. Tan and Mr. Lim shall each be a director on the board. Mr. Tan and Mr. Lim shall jointly have the right to appoint four directors (which shall include Mr. Tan and Mr. Lim). CVC HoldCo shall have the right to appoint two directors, subject to a downward adjustment based on the shareholding of CVC HoldCo in TopCo.

- (b) **Voting rights:** Only ordinary shares in TopCo will be voting and each ordinary share will carry one vote. Preference shares will be non-voting.
- (c) **Quorum of shareholders' meetings:** The quorum for a shareholders' meeting of TopCo shall be two shareholders including at least Mr. Tan and CVC HoldCo.
- (d) **Dividend rights:** Each preference share will bear fixed cumulative yearly preferential dividend at the rate of 8% per annum.
- (e) **Reserved matters:** The board of directors of TopCo will be responsible for overall direction, supervision and management of TopCo and the Offeror Group. CVC HoldCo shall have a veto right over a number of minority protection reserved matters including, among other things, amendment of constitutional documents, increase of share capital, liquidation and winding up of any member of the Offeror Group, appointment of auditors of the Offeror Group, change to the general nature of business scope, any material borrowings, mergers, investments, acquisitions, disposals and granting any material guarantees, commencing or settling any material dispute, and entering into any material related party transactions.
- (f) **Exit:** Shareholders of TopCo agree that they will work together to facilitate an eventual exit by CVC HoldCo from its investment in TopCo within five years after the Effective Date. Depending on market conditions at the time of exit, CVC HoldCo, Mr. Tan, Mr. Lim and TopCo will explore the best options for a potential liquidity event, including a qualified initial public offering or a trade sale of some or all of the TopCo Shares held by CVC HoldCo.
- (g) **Pre-emption rights:** Each shareholder shall have pre-emption rights to participate in any future issuance of new securities by TopCo, subject to customary exceptions.
- (h) **Management incentive plan and employee incentive plan:** On a date after the Effective Date, TopCo may implement a management incentive plan and an employee incentive plan on terms (including in respect of the quantum and participants of such plans) to be further agreed among the parties to the Shareholders' Agreement. The parties to the Shareholders' Agreement will comply with the applicable Takeovers Code requirements as and when required if any such incentive plan is agreed upon.
- (i) **Non-compete and non-solicit:** During the term of the Shareholders' Agreement and until two years after a qualified initial public offering or other exit events, each of the parties to the Shareholders' Agreement shall not carry on any business which may compete with the businesses of the Offeror Group or solicit the employment of certain senior officers of the Offeror Group, subject to customary exceptions.

- (j) **Default:** If CVC HoldCo commits any material breach of certain obligations under the Shareholders' Agreement, Mr. Tan and Mr. Lim may purchase all TopCo Shares held by CVC HoldCo. If Mr. Tan or Mr. Lim commits any material breach of certain obligations under the Shareholders' Agreement, CVC HoldCo may sell all TopCo Shares held by it to Mr. Tan and Mr. Lim.
- (k) **Termination:** The Shareholders' Agreement shall (a) terminate (i) by the parties' written agreement or (ii) upon all TopCo Shares being held by one person and (b) terminate with respect to any party if such party ceases to hold any TopCo Shares.

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

Building on its successful hardware business, the Company has in recent years sought to build an ecosystem and expanded into other business segments such as software and services (including fintech). At present, the hardware business contributes to most of the Company's revenue, while the other businesses are at a relatively early stage of development. As a listed company in Hong Kong, however, the Company is restrained from pursuing opportunities in the software and services segments which tend to be riskier and may have an adverse impact on the Company's near-term profitability and share price. As the Company increases its focus on expanding in these emerging segments, the Offeror believes that the successful implementation of the Proposal will provide more flexibility to the Group as a privately-operated business to implement its business strategies or to pursue other business opportunities that it may not be practicable to pursue as a listed company, without being subject to regulatory restrictions and compliance obligations arising from being listed on the Stock Exchange and without focusing on the short-term market reaction.

Relatively low institutional investor participation in the Shares compounded by prolonged low trading liquidity has had a negative impact on the Company's share price. The average daily trading volume of the Shares for the 12 months up to and including the Undisturbed Date was approximately 29,844,018 Shares per day, which is approximately 0.34% of the issued Shares as at date of this announcement. Even after the Company's announcement of its strong financial performance for the six months ended 30 June 2021, trading in the Shares continued to be muted and price performance remained relatively weak. As a result, the Company has been unable to fulfil the initial objectives of its public listing, including to attract funds for future growth. Given the Offeror believes it is unlikely to see any significant improvement in trading liquidity and performance in the near term, the Proposal would allow the Company to reduce the administrative costs and management resources associated with maintaining its listing and to enable the Company to focus on developing its business as a private company.

The Cancellation Price of HK\$2.82 for each Scheme Share represents a premium of approximately 55.8% over the closing price of HK\$1.81 per Share as quoted on the Stock Exchange on the Undisturbed Date, and a premium of approximately 67.9% and 51.6% over the average closing price of approximately HK\$1.68 and HK\$1.86 per Share for 30 and 90 trading days up to and including the Undisturbed Date, respectively. The Offeror is mindful of the weak performance and thin liquidity of the Shares, which makes it difficult for the Shareholders to monetise their investments in the open market. The Proposal provides the Scheme Shareholders and the RSU Holders with an opportunity to fully crystallise the value of their investment and interests in the Company at a premium over the market price of the Shares.

## **INTENTION OF THE OFFEROR IN RESPECT OF THE GROUP**

As at the date of this announcement, it is the intention of the Offeror for the Group to continue to carry on its existing business and the Offeror does not have any plan to make any material change to: (a) the business of the Group (including any redeployment of any fixed asset of the Group); or (b) the continued employment of the employees of the Group (other than in the ordinary course of business).

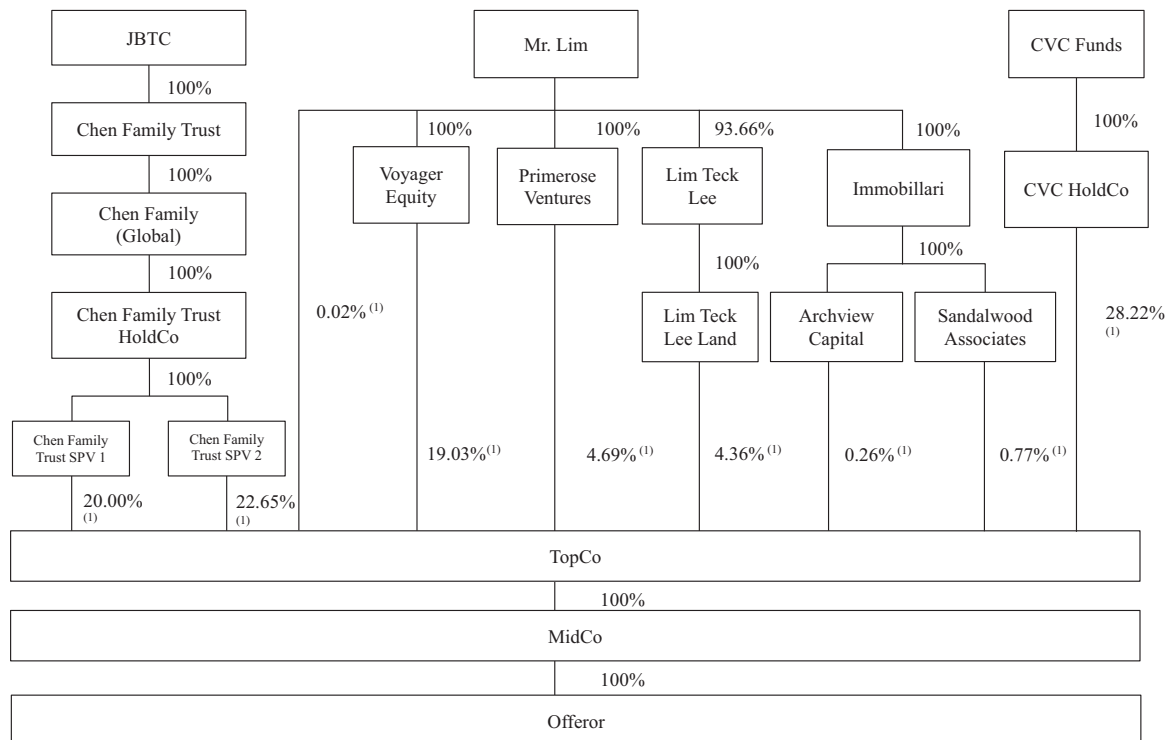
## **INFORMATION ON THE OFFEROR GROUP**

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

- (a) TopCo is an exempted company incorporated in the Cayman Islands with limited liability and set up for the implementation of the Proposal. As at the date of this announcement, TopCo has 1,000,000 ordinary shares and 2,556,252,880 preference shares in issue, among which:
  - (i) Chen Family Trust SPV 1 holds 200,000 ordinary shares and 511,250,576 preference shares on an unpaid basis;
  - (ii) Chen Family Trust SPV 2 holds 226,540 ordinary shares and 579,093,214 preference shares on an unpaid basis;
  - (iii) Mr. Lim holds 234 ordinary shares and 599,449 preference shares on an unpaid basis;
  - (iv) Voyager Equity holds 190,280 ordinary shares and 486,403,429 preference shares on an unpaid basis;
  - (v) Primerose Ventures holds 46,866 ordinary shares and 119,800,947 preference shares on an unpaid basis;

- (vi) Lim Teck Lee Land holds 43,575 ordinary shares and 111,387,969 preference shares on an unpaid basis;
  - (vii) Archview Capital holds 2,602 ordinary shares and 6,651,889 preference shares on an unpaid basis;
  - (viii) Sandalwood Associates holds 7,697 ordinary shares and 19,674,376 preference shares on an unpaid basis; and
  - (ix) CVC HoldCo holds 282,206 ordinary shares and 721,391,031 preference shares on an unpaid basis.
- (b) Each of MidCo and the Offeror is an exempted company incorporated in the Cayman Islands with limited liability and set up for the implementation of the Proposal. As at the date of this announcement, the Offeror is wholly owned by MidCo, which in turn is wholly owned by TopCo.
- (c) As at the date of this announcement, the board of each of the Offeror, MidCo and TopCo comprises Mr. Tan, Mr. Lim, Mr. Paul Robert Anderson, Mr. Jacobus Christiaan Van Der Spuy, Mr. Michal Stanislaw Pawlica, and Mr. Edward Michael Fletcher.

The chart below sets out the shareholding structure of the Offeror Group, the Founder Group and the CVC Network as at the date of this announcement:



*Note:*

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

## **INFORMATION ON THE FOUNDER GROUP**

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

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

## **INFORMATION ON THE CVC NETWORK**

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

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

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

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

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

## **INFORMATION ON THE GROUP**

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

## **INDEPENDENT BOARD COMMITTEE**

The Independent Board Committee, comprising Mr. Gideon Yu, Mr. Chau Kwok Fun Kevin and Mr. Lee Yong Sun (being all of the independent non-executive Directors), has been established by the Board in accordance with Rule 2.1 of the Takeovers Code to make recommendations to the Disinterested Shareholders and the RSU Holders as



to: (i) whether the terms of the Proposal, the Scheme and the RSU Proposal are, or are not, fair and reasonable; and (ii) whether to vote in favour of the Scheme at the Court Meeting and the resolutions in connection with the implementation of the Proposal at the General Meeting.

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

### **INDEPENDENT FINANCIAL ADVISER**

As at the date of this announcement, the Company has not appointed an Independent Financial Adviser in connection with the Proposal and the RSU Proposal. The Independent Financial Adviser will be appointed by the Board, with the approval of the Independent Board Committee, in due course to advise the Independent Board Committee on the Proposal, the Scheme and the RSU Proposal. A further announcement will be made after the appointment of the Independent Financial Adviser.

The Scheme Document will contain the view of the Independent Board Committee (after considering the advice of the Independent Financial Adviser) on whether the Proposal, the Scheme and the RSU Proposal are fair and reasonable and in the interests of the Shareholders as a whole.

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

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

The Shareholders will be notified by way of an announcement of the exact dates of the last day for dealing in the Shares on the Stock Exchange and the day on which the Scheme and the withdrawal of the listing of the Shares on the Stock Exchange will become effective. A detailed timetable of the implementation of the Proposal and the RSU Proposal will be included in the Scheme Document, which will also contain, among other things, further details of the Scheme and the RSU Proposal.

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

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

If the Scheme is not approved or the Proposal otherwise lapses, there are restrictions under the Takeovers Code on making subsequent offers, to the effect that neither the Offeror nor any person who acted in concert with it in the course of the Proposal (nor any person who is subsequently acting in concert with any of them) may, within 12 months from the date on which the Scheme is not approved or the Proposal otherwise lapses, announce an offer or possible offer for the Company, except with the consent of the Executive.

If either the Independent Board Committee or the Independent Financial Adviser does not recommend the Proposal, the Scheme and/or the RSU Proposal, and the Scheme is not approved, all costs and expenses incurred by the Company in connection with the Proposal, the Scheme and the RSU Proposal shall be borne by the Offeror in accordance with Rule 2.3 of the Takeovers Code.

If the Proposal, the Scheme and the RSU Proposal are recommended by the Independent Board Committee and the Independent Financial Adviser, the Company and the Offeror have agreed that: (a) all costs, fees, charges and expenses of any professional adviser engaged or to be engaged by the Offeror (including Credit Suisse) will be borne by the Offeror; (b) all costs, fees, charges and expenses of any professional adviser engaged or to be engaged by the Company (including the Independent Financial Adviser) will be borne by the Company; and (c) all other costs, fees, charges and expenses in relation to the Proposal, the Scheme and RSU Proposal will be shared between the Company and the Offeror in equal shares.

## **GENERAL MATTERS RELATING TO THE PROPOSAL**

### **Overseas holders of the Scheme Shares and overseas RSU Holders**

The availability of the Proposal and the RSU Proposal to persons who are citizens, residents or nationals of a jurisdiction other than Hong Kong may be affected by the laws of the relevant jurisdiction in which they are located or resident or of which they are citizens. Persons who are citizens, residents or nationals of a jurisdiction other than Hong Kong should inform themselves about, and observe, any applicable legal, regulatory or tax requirements of the relevant jurisdiction in which they are located or resident or of which they are citizens and, where necessary, seek their own

legal advice. Further details in relation to overseas holders of the Scheme Shares and overseas RSU Holders will be contained in the Scheme Document (and, in respect of the RSU Proposal, the letter to the RSU Holders which is expected to be despatched at or around the same time as the despatch of the Scheme Document).

It is the responsibility of the persons who are citizens, residents or nationals of a jurisdiction other than Hong Kong and who wish to take any action in relation to the Proposal, the Scheme and/or the RSU Proposal to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdiction in connection with any such action (including the obtaining of any governmental, exchange control or other consent which may be required, the compliance with any other necessary formality and the payment of any issue, transfer or other tax in any relevant jurisdiction). Any acceptance by such persons will be deemed to constitute a representation and warranty from such persons to the Offeror, the Company and their respective advisers, including Credit Suisse, the financial adviser to the Offeror, that such laws and regulations have been complied with. If you are in doubt as to your position, you should consult your professional advisers.

In the event that the despatch of the Scheme Document to the holders of the Scheme Shares and the RSU Holders who are citizens, residents or nationals of a jurisdiction other than Hong Kong is prohibited by any relevant law or regulation or may only be effected after compliance with conditions or requirements that the Directors regard as unduly onerous or burdensome (or otherwise not in the best interests of the Company or the Shareholders), the Scheme Document may not be despatched to such holders of the Scheme Shares and such RSU Holders. For that purpose, the Company will apply for such waivers as may be required by the Executive pursuant to Note 3 to Rule 8 of the Takeovers Code at such time. Any such waiver will only be granted if the Executive is satisfied that it would be unduly burdensome to despatch the Scheme Document to such holders of the Scheme Shares or RSU Holders. In granting any such waiver, the Executive will be concerned to see that all material information in the Scheme Document is made available to such holders of the Scheme Shares or RSU Holders. If any such waiver is granted by the Executive, the Offeror and the Company reserve the right to make arrangements in respect of the holders of the Scheme Shares or the RSU Holders who are citizens, residents or nationals of a jurisdiction other than Hong Kong in relation to the Proposal and/or the RSU Proposal. Such arrangements may include notifying any matter in connection with the Scheme, the Proposal or the RSU Proposal to the holders of the Scheme Shares or the RSU Holders having a registered overseas address by announcement or by advertisement in a newspaper which may or may not be circulated in the jurisdictions within which such holders of the Scheme Shares or RSU Holders are residents. The notice will be deemed to have been sufficiently given despite any failure by such holders of the Scheme Shares or RSU Holders to receive or see such notice.

## **Taxation advice**

Scheme Shareholders and RSU Holders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of the Proposal, the Scheme or the RSU Proposal. It is emphasised that none of the Offeror, the Offeror Concert Parties, the Company, Credit Suisse, their respective ultimate beneficial owners, directors, officers, employees, agents and associates and any other person involved in the Proposal, the Scheme or the RSU Proposal accepts any responsibility for any taxation effects on, or liabilities of, any person as a result of the Proposal, the Scheme or the RSU Proposal.

## **Despatch of the Scheme Document**

Subject to and after satisfaction of the Pre-Condition, a Scheme Document including, among other things: (a) further details of the Proposal, the Scheme and the RSU Proposal; (b) an explanatory statement in respect of the Scheme as required under the Companies Act; (c) the expected timetable relating to the Proposal, the Scheme and the RSU Proposal; (d) a letter from the Independent Board Committee containing its recommendations to the Disinterested Shareholders and the RSU Holders in respect of the Proposal, the Scheme and the RSU Proposal; (e) a letter of advice from the Independent Financial Adviser containing its advice to the Independent Board Committee in respect of the Proposal, the Scheme and the RSU Proposal; and (f) notices of the Court Meeting and the General Meeting (including proxy forms relating to such meetings for use by the relevant Shareholders) will be despatched to the Shareholders and the RSU Holders as soon as practicable and in compliance with the requirements of the Takeovers Code and Applicable Laws.

The Scheme Document will contain important information, and the Disinterested Shareholders or Shareholders (as the case may be) are urged to read the Scheme Document carefully before casting any vote at (or providing any proxy in respect of) the Court Meeting or the General Meeting.

## **Other arrangements**

As at the date of this announcement:

- (a) save for the Proposal, the Scheme, the RSU Proposal, the Shareholders' Agreement and the Consortium Agreement (including the Founder Irrevocable Undertakings given therein), there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the Shares or the shares of the Offeror or of TopCo which might be material to the Proposal, the Scheme or the RSU Proposal;

- (b) there is no agreement or arrangement to which the Offeror or any of the Offeror Concert Parties is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a Condition to the Proposal, the Scheme or the RSU Proposal;
- (c) save for the Founder Irrevocable Undertakings, neither the Offeror nor any of the Offeror Concert Parties has received any irrevocable commitment to vote for or against the Proposal or the Scheme;
- (d) save for the Founder Irrevocable Undertakings and the arrangements disclosed in the section headed “*Arrangements Material to the Proposal*” in this announcement, there is no understanding, arrangement or agreement which constitutes a “special deal” (under Rule 25 of the Takeovers Code) between: (i) any Shareholder; and (ii) either (A) the Offeror or any Offeror Concert Party; or (B) the Company or any of the subsidiaries or associated companies (each as defined in the Takeovers Code) of the Company; and
- (e) save for the Founder Scheme Shares Cancellation Consideration, the Cancellation Price, the Founder RSU Proposal Consideration and the RSU Proposal Price, there is no other consideration, compensation or benefit in whatever form paid or to be paid by the Offeror or any of the Offeror Concert Parties to the Scheme Shareholders or RSU Holders in connection with the Proposal, the Scheme or the RSU Proposal.

## **DISCLOSURE OF DEALINGS**

In accordance with Rule 3.8 of the Takeovers Code, the respective associates (as defined in the Takeovers Code) of the Offeror and the Company, including any person who owns or controls 5% or more of any class of the relevant securities of the Offeror or the Company, are hereby reminded to disclose their dealings in any relevant securities of the Company under Rule 22 of the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below.

*“Responsibilities of stockbrokers, banks and other intermediaries*

*Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.*

*This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.*

*Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”*

## **DEFINITIONS**

Unless the context requires otherwise, the following expressions shall have the meanings set out below in this announcement:

“2016 Equity Incentive Plan”	the 2016 Equity Incentive Plan approved by the Board on 25 July 2016 and by the shareholders of the Company on 23 August 2016 (as subsequently amended on 25 October 2017 and 8 March 2019) for the grant of, among others, RSUs to eligible participants;
“acting in concert”	has the meaning given to it in the Takeovers Code;
“Antitrust Laws”	all applicable statutes, rules, regulations, orders, decrees, administrative and judicial doctrines and other laws in Bulgaria, the PRC, Cyprus, Denmark, Germany, Poland, Romania and the United States that are designed or intended to prohibit, restrict or regulate actions having the purpose or effect of monopolisation or restraint of trade or lessening of competition through merger or acquisition;
“Applicable Laws”	any and all laws, rules, regulations, judgments, decisions, decrees, orders, injunctions, treaties, directives, guidelines, standards, notices and/or other legal, regulatory and/or administrative requirements of any Authority;

“Approval”	any approval, authorisation, ruling, permission, waiver, consent, licence, permit, clearance, registration or filing which is required or desirable under any Applicable Law, or any licence, permit or contractual obligation of any member of the Group, for or in connection with the Proposal or the implementation of the Proposal in accordance with its terms and conditions (including the withdrawal of the listing of the Shares on the Stock Exchange), in each case excluding any filing or notification to any Authority which does not require such Authority’s approval, acknowledgement, permission, consent or clearance;
“Archview Capital”	Archview Capital Ltd, a company incorporated in the British Virgin Islands with limited liability which is wholly owned by ImmoBillari which is in turn wholly owned by Mr. Lim;
“Authority”	any supranational, national, federal, state, regional, provincial, municipal, local or other government, governmental, quasi-governmental, legal, regulatory or administrative authority, department, branch, agency, commission, bureau or body (including any securities or stock exchange) or any court, tribunal, or judicial or arbitral body;
“Board”	the board of Directors;
“Cancellation Price”	the cancellation price of HK\$2.82 for each Scheme Share (other than the Founder Scheme Shares and the RSU Trustee Scheme Shares);
“Chen Family (Global)”	Chen Family (Global) Holdings Limited, a company incorporated in the British Virgin Islands with limited liability which is wholly owned by JBTC as trustee of the Chen Family Trust;
“Chen Family Trust”	a discretionary trust established by Mr. Tan as the settlor pursuant to a trust arrangement dated 29 April 2015 for the benefit of Mr. Tan and his family members, the sole trustee of which is JBTC which wholly owns Chen Family (Global) which in turn wholly owns Chen Family Trust HoldCo;



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

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

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

“Founder RSU Proposal Consideration”	the consideration to be received by the Founder RSU Holders for the cancellation of the RSUs held by them on the Effective Date, being the crediting of the relevant portion of the unpaid TopCo Shares held by the Founder RSU Holders as being fully paid in an amount equivalent to the aggregate amount of the RSU Proposal Price per RSU with respect to all of the RSUs held by the Founder RSU Holders;
“Founder Scheme Shares”	the Scheme Shares held by the Founder Shareholders, being 4,973,159,008 Shares in aggregate as at the date of this announcement representing approximately 56.77% of the issued share capital of the Company;
“Founder Scheme Shares Cancellation Consideration”	the consideration to be received by the Founder Shareholders for the cancellation of their Founder Scheme Shares under the Scheme, being the crediting of the relevant portion of the unpaid TopCo Shares held by the TML HoldCos, Mr. Lim and the LKL HoldCos as being fully paid in an amount equivalent to the aggregate amount of the Cancellation Price per Scheme Share with respect to all of the Founder Scheme Shares;
“Founder Shareholders”	each of (a) Mr. Tan; (b) Chen Family Trust HoldCo; (c) Mr. Lim; and (d) the LKL HoldCos;
“General Meeting”	an extraordinary general meeting of the Company to be held promptly after the conclusion or adjournment of the Court Meeting for the purpose of approving, among other things, the reduction of the share capital of the Company and the implementation of the Scheme;
“Grand Court”	the Grand Court of the Cayman Islands;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;

“Immobillari”	Immobillari Limited, a company incorporated in the British Virgin Islands with limited liability which is wholly owned by Mr. Lim;
“Implementation Agreement”	the implementation agreement dated 1 December 2021 entered into between the Offeror and the Company, the key terms of which are described in the section headed “ <i>Arrangements Material to the Proposal — Implementation Agreement</i> ” in this announcement;
“Independent Board Committee”	the independent committee of the Board, comprising Mr. Gideon Yu, Mr. Chau Kwok Fun Kevin and Mr. Lee Yong Sun (being all of the independent non-executive Directors);
“Independent Financial Adviser”	the independent financial adviser which will be appointed by the Company, with the approval of the Independent Board Committee pursuant to Rule 2.1 of the Takeovers Code, to advise the Independent Board Committee as to: (a) whether the terms of the Proposal, the Scheme and the RSU Proposal are, or are not, fair and reasonable; and (b) voting by the Disinterested Shareholders at the Court Meeting and the General Meeting;
“JBTC”	Julius Baer Trust Company (Channel Islands) Limited, a professional corporate trustee regulated by the Guernsey Financial Services Commission for the provision of fiduciary services, acting in a capacity as trustee;
“Last Trading Date”	1 December 2021, being the last day on which the Shares were traded on the Stock Exchange before publication of this announcement;
“LKL HoldCos”	(a) Voyager Equity; (b) Primerose Ventures; (c) Lim Teck Lee Land; (d) Archview Capital; and (e) Sandalwood Associates;
“Lim Teck Lee”	Lim Teck Lee (Pte.) Ltd, a company incorporated in Singapore which is 93.66% owned by Mr. Lim;

“Lim Teck Lee Land”	Lim Teck Lee Land Pte Ltd, a company incorporated in Singapore which is wholly owned by Lim Teck Lee which is in turn 93.66% owned by Mr. Lim;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Long Stop Date”	23 August 2022 (or such later date as may be agreed between the Offeror and the Company or, to the extent applicable, as the Executive may consent and/or the Grand Court may direct);
“Material Adverse Change”	<p>an adverse change in the business, operations, assets, liabilities, prospects, condition (financial or otherwise) or results of the Group to an extent which is material in the context of the Group taken as a whole or in the context of the Proposal or its implementation in accordance with its terms, provided that a “Material Adverse Change” shall not include any change which:</p> <p>(a) arises out of or results from (i) changes in financial markets, industry conditions, Applicable Laws or accounting standards; (ii) a pandemic and/or an epidemic; and/or (iii) earthquakes, tsunamis, typhoons, outbreaks of war, or the occurrence of any military or terrorist attack, and</p> <p>(b) does not have a disproportionately material adverse effect on the Group as compared to other companies operating in the same industry as the Group;</p>
“Meeting Record Date”	the date set for the purpose of voting at the Court Meeting;
“MidCo”	Ouroboros (II) Inc., an exempted company incorporated in the Cayman Islands with limited liability, which is directly wholly owned by TopCo;
“MidCo Shares”	ordinary shares in the capital of MidCo;
“Mr. Lim”	Mr. Lim Kaling, a non-executive Director;

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



“Primerose Ventures”	Primerose Ventures Inc, a company incorporated in the British Virgin Islands with limited liability which is wholly owned by Mr. Lim;
“Proposal”	the proposal for the privatisation of the Company by the Offeror by way of the Scheme and the withdrawal of the listing of the Shares on the Stock Exchange, on the terms and subject to the conditions set out in this announcement;
“Proposed RSUs”	up to 370,534 new RSUs proposed to be granted during the course of December 2021 and January 2022, such that the holders of such new RSUs will be entitled to receive an aggregate of 370,534 Shares upon vesting;
“Record Date”	the record date to be announced for determining the entitlements of the Scheme Shareholders under the Scheme;
“relevant securities”	has the meaning given to it in Note 4 to Rule 22 of the Takeovers Code;
“Remuneration Committee”	the remuneration committee of the Board;
“RSU(s)”	restricted stock unit(s) (vested or unvested) granted by the Company pursuant to the 2016 Equity Incentive Plan;
“RSU Holder(s)”	holder(s) of RSU(s) granted under the 2016 Equity Incentive Plan;
“RSU Proposal”	a proposal to be made by or on behalf of the Offeror to the RSU Holders;
“RSU Proposal Price”	the proposal price of HK\$2.82 for each RSU;
“RSU Trustee”	Computershare Hong Kong Trustees Limited, the trustee appointed to hold Shares pending the vesting of RSUs granted pursuant to the 2016 Equity Incentive Plan;
“RSU Trustee Scheme Shares”	the Scheme Shares held by the RSU Trustee, being 54,521,199 Shares in aggregate as at the date of this announcement representing approximately 0.62% of the issued share capital of the Company;

“Sandalwood Associates”	Sandalwood Associates Limited, a company incorporated in the British Virgin Islands with limited liability which is wholly owned by Immobiliari which is in turn wholly owned by Mr. Lim;
“Scheme”	the scheme of arrangement to be proposed under section 86 of the Companies Act for the implementation of the Proposal;
“Scheme Document”	the composite scheme document of the Offeror and the Company containing, among other things, further details of the Proposal and the RSU Proposal together with the additional information set out in the section headed “ <i>General Matters Relating to the Proposal — Despatch of the Scheme Document</i> ” in this announcement;
“Scheme Share(s)”	the Share(s) in issue on the Record Date (including any Shares issued or transferred to RSU Holders upon vesting of the RSUs held by them on or before the Record Date);
“Scheme Shareholder(s)”	the registered holder(s) of the Scheme Share(s) as at the Record Date;
“SFC”	the Securities and Futures Commission of Hong Kong;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	ordinary share(s) with a par value of US\$0.01 each in the issued share capital of the Company;
“Shareholder(s)”	the registered holder(s) of Share(s);
“Shareholders’ Agreement”	the shareholders’ agreement dated 1 December 2021 entered into between Mr. Tan, Mr. Lim, CVC HoldCo and TopCo, the key terms of which are described in the section headed “ <i>Arrangements Material to the Proposal — Shareholders’ Agreement</i> ” in this announcement;

“Shareholding Proportion”	with respect to a shareholder of TopCo, the ratio of (a) the total number of ordinary shares held by that shareholder from time to time, to (b) the total number of ordinary shares in issue from time to time;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers;
“TML HoldCos”	(a) Chen Family Trust SPV 1; and (b) Chen Family Trust SPV 2;
“TopCo”	Ouroboros (III) Inc., an exempted company incorporated in the Cayman Islands which is owned as to (a) 20.00% by Chen Family Trust SPV 1; (b) 22.65% by Chen Family Trust SPV 2; (c) 0.02% by Mr. Lim; (d) 19.03% by Voyager Equity; (e) 4.69% by Primerose Ventures; (f) 4.36% by Lim Teck Lee Land; (g) 0.26% by Archview Capital; (h) 0.77% by Sandalwood Associates; and (i) 28.22% by CVC HoldCo;
“TopCo Shares”	ordinary shares and preference shares in the capital of TopCo;
“Undisturbed Date”	27 October 2021, being the last trading day prior to which there were irregular trading volumes and price movements in the Shares;
“U.S.” or “United States”	the United States of America;
“US\$”	United States dollars, the lawful currency of the United States;
“Voyager Equity”	Voyager Equity Limited, a company incorporated in the British Virgin Islands with limited liability which is wholly owned by Mr. Lim; and
“%”	per cent.

By order of the board of directors of  
**OUROBOROS (I) INC.**  
**Min-Liang TAN**  
*Director*

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

Hong Kong, 1 December 2021

*As at the date of this announcement, the Board consists of Mr. Min-Liang Tan as Chairman and executive Director, Mr. Tan Chong Neng as executive Director, Mr. Lim Kaling as non-executive Director, and Mr. Gideon Yu, Mr. Chau Kwok Fun Kevin and Mr. Lee Yong Sun as independent non-executive Directors.*

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

*As at the date of this announcement, the directors of each of the Offeror, MidCo and TopCo are Mr. Min-Liang Tan, Mr. Kaling Lim, Mr. Paul Robert Anderson, Mr. Jacobus Christiaan Van Der Spuy, Mr. Michal Stanislaw Pawlica, and Mr. Edward Michael Fletcher.*

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

*As at the date of this announcement, the sole director of each of Chen Family Trust SPV 1 and Chen Family Trust SPV 2 is Mr. Min-Liang Tan.*

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

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

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

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