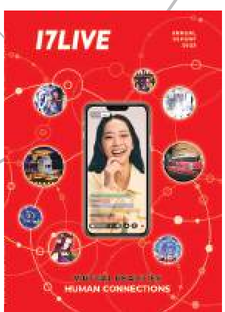
17LIVE

ANNUAL
REPORT
2023

VIRTUAL REALITIES
HUMAN CONNECTIONS



17LIVE is the top pure-play live streaming platform (by revenue) in Japan and Taiwan combined. Its business lines include Liver live streaming, V-Liver live streaming, and other businesses such as in-app games and live commerce. 17LIVE is accessible globally, and its key markets of operations include Japan and Taiwan, with a presence in Hong Kong, Singapore, the United States, the Philippines, India, and Malaysia. It has fostered a diverse live-streaming ecosystem with a loyal and engaged user community, as well as a deep pool of live streamers.

Content


Serina
フォロー
ひまりん やほ〜
りょーま はじめてきたよー！よろしくねー！
ゆっぴー 初見です！
ケンケン☆ わー。もうはじまってた!!
ももぴー 応援してるよ〜
しゅーちゃん 昨日の続き聞きたいな♪
ななっぺ わたしも！
コメント..

EMPOWER HUMAN CONNECTIONS

Life takes place in real time, that is what makes it exciting, unscripted and unpredictable. 17LIVE is committed to building a safe ecosystem for streamers and users to be their most authentic selves.

Corporate Profile

17LIVE Group Limited ("17LIVE" or the "Company" and together with its subsidiaries, "the Group") operates 17LIVE, the top pure-play live streaming platform (by revenue) in Japan and Taiwan combined. The Group's main business lines include Liver live streaming and V-Liver live streaming.

The 17LIVE platform is accessible globally, 17LIVE's key markets of operations include Japan and Taiwan, with a presence in Hong Kong, Singapore, the U.S., the Philippines, India and Malaysia.

17LIVE has fostered a diverse live streaming ecosystem with a loyal and engaged user community, as well as a deep pool of live streamers.

As of February 2024, the Group has launched two unique intellectual property (IP) groups; *BUSHILIVE* and *GanGun Girls* to supplement the growing V-Liver segment which celebrated its fifth anniversary in 2023.

For FY2023, the Average Daily View Duration Per Daily Active User (DAU) was approximately 93 minutes on a monthly average basis.

To drive continued engagement within this ecosystem, the Group strives to localise its products and content, and has introduced innovative business initiatives such as V-Livers, in-app games and live commerce which are highly synergistic with its core live streaming business and act as drivers for sustainable growth.


LOSE

Chairman & CEO Letter

17LIVE's mission is to empower human connections and build a safe environment where users can be their most authentic selves.

Dear Shareholders,

December 2023 marked the beginning of 17LIVE's journey as a listed company. In partnership with Vertex Technology Acquisition Company, we completed the first de-SPAC transaction on the SGX-ST. The proceeds from our listing gave us a US$102.7 million war chest for growth and strategic expansion. We are well capitalised to expand and strengthen our competitiveness in Japan and the rest of Asia, creating additional value for our audiences, content creators, and shareholders.

2023 was a year of normalisation for the live streaming industry, despite uncertainties in regulations and in the macroeconomic environment. The Covid-19 pandemic significantly impacted the video streaming industry and shifted consumer entertainment preferences, causing a surge in viewership demand for online streaming platforms across periods of lockdowns and social distancing measures. This accelerated the shift from traditional television viewing to online streaming, in particular interactive live streaming content.

Factors such as convenience, the availability of a wide range of content, and the ability to watch on demand has compounded this shift. Whilst the Group and the industry experienced headwinds due to the resumption of offline activities, the pandemic had effectively entrenched online digital entertainment in the minds of people globally, resulting in the emergence and growth of the live streaming industry. This bodes well for the Group's growth trajectory for years to come, and we will continue to invest in our business to capture this growth in the live streaming industry.

As the industry normalises, we have noted a sustained demand for virtual live events and performances, allowing artists and entertainers to connect with their audiences all over the world. Increasingly, platforms are emerging and adapting their offerings to capture different niches – from game streams, podcasts to educational content. This diversification ensures consumers have a wide array of genres to choose from and is a key feature of 17LIVE.

17LIVE is one of the leading live streaming players in Japan and Taiwan. We further strengthened our lead in the market by doubling down on live content and services such as live commerce and

1 *Ecommerce: China's retail future lies in live video streaming, Financial Times, 06 October 2023.*

2 *Singapore lags behind in live streaming e-commerce boom owing to a lack of talent, say observers, Channel NewsAsia, 29 November 2023.*

V-Liver. In the past 6 months, we've successfully launched two proprietary V-Liver IPs – *BUSHILIVE* and *GanGun Girls*.

Live commerce and V-Liver content provide excellent growth opportunities for the Group, creating unique and valuable experiences for users, content creators, and e-commerce partners.

17LIVE's mission is to empower human connections and build a safe environment where users can be their most authentic selves.

Live streaming content and our content creators are our core growth drivers. In 2023, we continued to improve our end-to-end talent management system for contracted streamers, to further enable them to create unique content and develop meaningful connections with their fans. Further, we have established licensing agreements with leaders in the video game industry such as Nintendo, which avails our streamers the right to live stream Nintendo's games and monetise by "gifting" via live streaming. This further strengthened our core live streaming business.

Bolstering live commerce

A growing segment is live commerce. The Group's live commerce offering OrderPally, which staged a strong performance last year which saw a doubling of annualised gross merchandise value (GMV), and turned in a solid segmental profit for the Group in FY2023. With its successful growth, plans are well underway to further roll out OrderPally across Southeast Asia.

As live streaming and live commerce transform the retail sector, governments are increasingly wary of the knock-on effects they have on traditional retail businesses, prompting the implementation of regulations to help conventional retail stores[1]. In Singapore, live commerce demand has grown significantly, but challenges lie in securing the right talent to front such live streams[2], highlighting opportunities that can be filled by 17LIVE.

Last year, we introduced 17Shop as a marketplace to 17LIVE, serving as a synergistic platform connecting merchants and live streamers to enhance business collaboration and opportunities. We have a proven track record of monetisation through our highly interactive and engaging entertainment content, enabling us to ride the waves of the global live commerce phenomenon.

We also successfully held the largest live stream festival in Akihabara, Tokyo, a physical event with specialised booths, live streaming programmes, and live commerce. The event attracted celebrity attendance, creating even more buzz for our live commerce business.

Expanding into new markets

Globally, live streaming continues to grow across various segments. Research showed that over 52%[3] of global users would be interested in consuming live branded content. With games and entertainment segments emerging to be the most popular content categories for global users.

Southeast Asia is one of our key new markets in 2024 due to its high growth potential in the live streaming market. The market size for live streaming in Southeast Asia is expected to increase from US$1.07 billion in 2023 to US$2.16 billion in 2027, at a compound annual growth rate (CAGR) of approximately 19.2%[4]. Our expansion plans into the region include exporting Japanese and Taiwanese content and merchandise to Southeast Asia through a combination of live streaming, live commerce channels, and 17Shop.

Furthermore, we are building our base of live streamers and users in Southeast Asia to strengthen our core live streaming business and reach a larger audience base by collaborating or partnering with media and entertainment companies in the region. We have a unique edge in the region due to our strength in Japanese content, especially V-Livers, as the popularity of Japanese cultural content enhances our global product offerings.

Discover the future of entertainment with 17LIVE's V-Livers at Tokyo's Mirai Stage: where tech and performance blend for an immersive experience

Chairman & CEO Letter

We are building our base of live streamers and users in Southeast Asia to strengthen our core live streaming business and reach a larger audience base by collaborating or partnering with media and entertainment companies in the region.

Meet the unstoppable team behind 17LIVE, making magic happen one stream at a time - We Empower Human Connection

These efforts ride on the growing demand for Asian centric content in the West whilst harnessing the growth potential in key markets as well. In particular, Indonesia and developing markets in Latin America offer a highly desirable combination of existing scale and demographics.

Harnessing the power of V-Liver

Besides focusing on live streaming as a core growth driver, we are also harnessing the power of V-Liver to optimise profitability. In 2023, we launched our V-Liver IP groups, *BUSHILIVE* and *GanGun Girls*, capitalising on the strong V-Liver momentum.

In addition, through an acquisition last December, we established the V-Liver management production company NexuStella, adding the *NexuStella Colorful V-Liver* group to our V-Liver offerings. Together, *BUSHILIVE, GanGun Girls* and *NexuStella Colorful* have amassed approximately 70,000 viewers to date.

In Japan, the total addressable market of V-Liver is US$973 million and is forecasted to grow to US$3,865 million in 2027 at a CAGR of 41.2%[5]. The V-Liver community is rapidly growing, with around two thousand average V-Liver monthly active streamers (MAS) in 2023, representing a 6.5x year-on-year increase. Our own V-Liver MAS grew significantly following the integration of Live2D functions in April 2023, which allows users to effortlessly use their smartphones to upload an avatar and conduct virtual streaming.

Our fan community is expanding greatly, with results from Q4 2023 showing an average V-Liver monthly active user (MAU) of more than 100,000, representing a 2.5x year-on-year increase. There is rapid growth of V-Liver engagement as well, with about monthly average V-Liver spenders, signifying a 3.7x year-on-year increase.

We've also recorded a significant 60.4% growth in V-Liver revenue along with 7.1x growth in Japan V-Liver MAS in comparison to the same period in 2022.

Elevate your shopping experience with 17Shop on 17LIVE: where live streams meet exclusive deals. Dive into curated collections and interactive shopping now

Growing our content pillars

V-Livers combine virtual and real interactions to create an immersive experience for users to foster a thriving community. In 2023, we rolled out a series of integrations to enhance this offering for users, thereby significantly lowering the barriers to becoming a V-Liver. Further, we fortified our content pillars through strategic partnerships with Capcom and Nintendo in Japan, where 17LIVE streamers were allowed to leverage the signature IPs of key games such as Street Fighter.

In terms of in-app, we enhanced our offering through the launch of our interactive Go-Kart feature which sets the infrastructure for future in-app game launches. In 2023, the average monthly Game Penetration Rate was 33.0% for Q4 2023, a significant increase from 24% in the same period of 2022. We further solidified our presence in the space through our participation at WirForce 2023 Lan Party, the world's largest e-sports festival.

Cost optimisation and operational efficiency

In the two months since my reappointment as CEO, in addition to various growth, acquisition and partnership initiatives, we have launched and executed a strategic plan focused on operational efficiency and cost optimisation. We thoroughly reviewed our operations and cost structures globally with the aim to transition towards a streamlined operating model with a focus on our core businesses and growth initiatives.

This approach comprised both cost optimisation and ensuring our operations were leaner, allowing us to have the ability to quickly adapt to the changing market demands, and the additional profit and flexibility to invest in future growth.

Chairman & CEO Letter

We addressed the inefficiencies in our promotional activities by re-evaluating our contracts to ensure that they align with our strategic goals and reflect a healthier ecosystem for our users and live streamers. Additionally, we have optimised the use of external services to match the current scale of our company, ensuring our operations remain sustainable and cost-effective.

A key part of our strategy involved the reassessment of our workforce, leading to strategic reallocations and a streamlined organisational structure, enhancing agility and decision-making processes. These initiatives have already begun to positively impact our operational efficiency and financial health, marking a promising start towards sustained growth and profitability. We are committed to maintaining this momentum, ensuring our company's resilience and competitive edge in the market.

Supporting our live streaming community

We will continue to support our live streaming community and solidify our foundation for sustainable growth as we progress on expanding our presence globally. Through developing partnerships and collaborations with synergistic partners in the entertainment industry, we will also continue to invest in our core capabilities to deepen our presence across key markets including Southeast Asia, leveraging Singapore as our international gateway and springboard.

We would like to thank the Board for their guidance and management, our business partners and customers for their support, and our investors for believing in our growth potential. With your support, 17LIVE is well positioned to create a vibrant live streaming community and emerge as the undisputed leader of V-Liver live streaming in Asia, and the rest of the world, bringing value to everyone involved in our growth.

Yours sincerely,

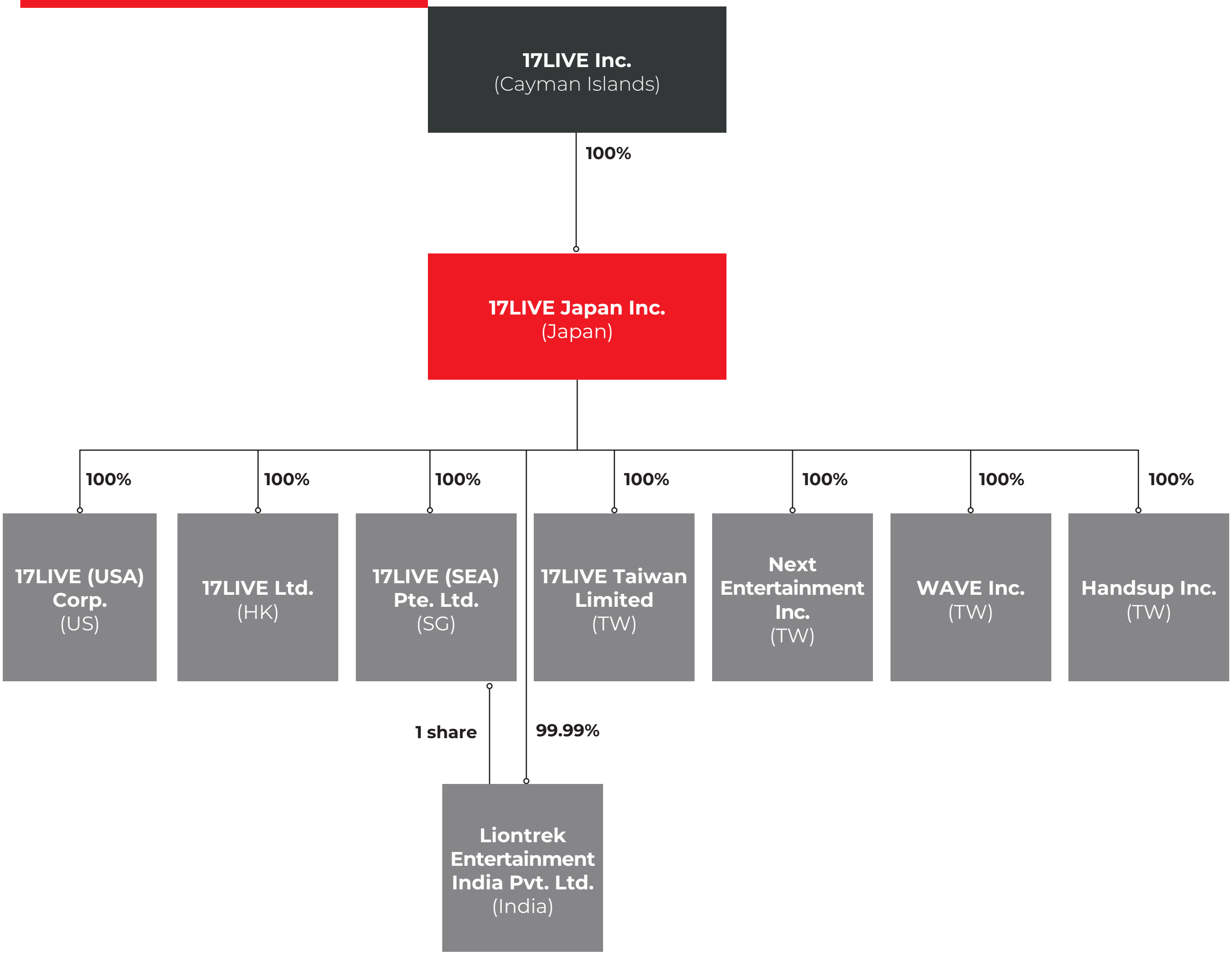
Joseph Phua
Executive Chairman and
Group CEO

3 *Live streaming – Statistics & Facts, Statista 2024*

4 *Based on the report titled "Independent Market Research on the Media and Entertainment Industry with a Focus on the Interactive Video Streaming Platform, V-Liver, and Live Commerce Industries" dated 23 October 2023 prepared by Frost & Sullivan (Singapore) Pte Ltd for 17LIVE*

5 *Based on the report titled "Independent Market Research on the Media and Entertainment Industry with a Focus on the Interactive Video Streaming Platform, V-Liver, and Live Commerce Industries" dated 23 October 2023 prepared by Frost & Sullivan (Singapore) Pte Ltd for 17LIVE*

Group Structure



Note: The group structure represents operating subsidiaries of 17LIVE Group Limited.

Board of Directors

1 **Mr. Phua Jiexian, Joseph**
Executive Chairman and CEO

Year Appointed
2023

Age
40

Role description/Experience:
Mr Phua Jiexian, Joseph (潘杰贤) ("Mr Phua"), is the Co-Founder of 17LIVE Inc. and its subsidiaries and has been the Non-Executive Chairman of the Board of Directors of 17LIVE Inc. since July 2020.

He was redesignated as Executive Chairman and Group CEO of 17LIVE Group Limited on 26 January 2024.

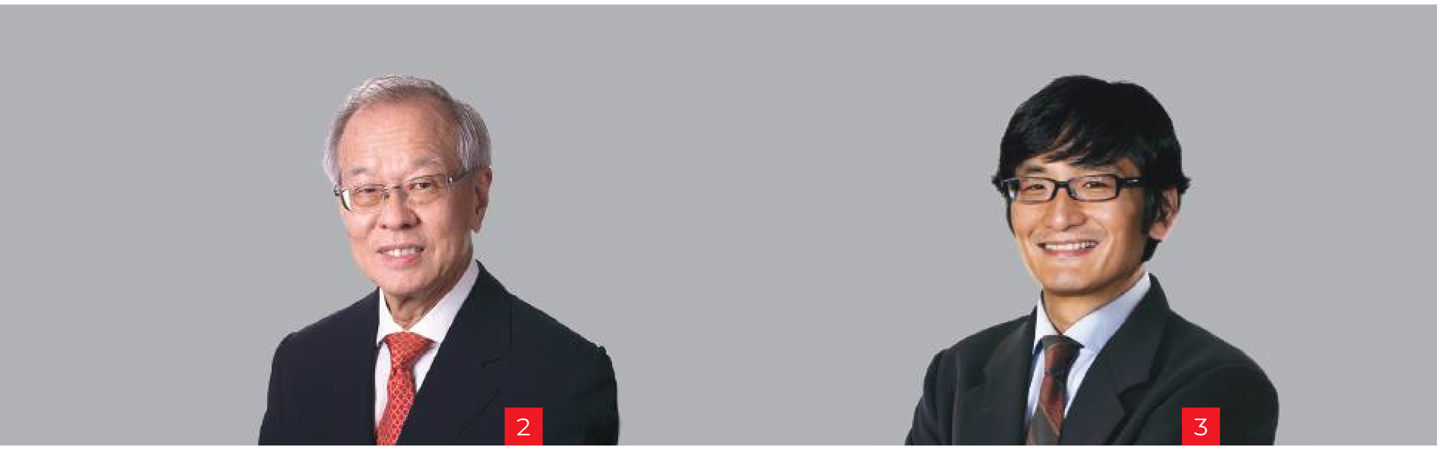
Mr Phua had previously served as 17LIVE Inc.'s CEO from September 2016 to June 2018 where he made major corporate decisions, managed overall operations and set the strategic directions of 17LIVE Inc. With his current reappointment, he is responsible for the formulation of corporate and business strategies of the Company and leads the execution of the strategic growth plans for the Group.

Mr Phua co-founded Paktor Pte. Ltd. in 2013 while completing his Master of Business Administration at the University of Chicago, and served as CEO of Paktor Pte. Ltd. from January 2013 to October 2017, up till Paktor Pte. Ltd. merged with 17LIVE Inc. He previously held positions at McKinsey & Company and Citigroup. He also spent a few years in luxury retail with Da Vinci Asia from May 2008 to April 2011, where he oversaw nationwide operations for the company's fine watch and jewellery businesses. In 2019, Mr Phua was awarded the Generation T List by Tatler to recognise him as one of Asia's 300 most promising young leaders.

Academic and Professional Qualifications
- Bachelor of Science, New York University Stern School of Business
- Master of Business Administration, the University of Chicago Booth School of Business

Present Directorships/Principal Commitments
- Turn Capital Pte. Ltd.
- SoundOn Inc.

Past Directorships or Chairmanship in Listed Companies & Major Appointments held over the preceding 3 years
NIL



2 Mr. Tan Hup Foi
Lead Independent Director

Year Appointed
2022

Age
73

Role description/Experience:
Mr Tan Hup Foi (陈合火) ("Mr Tan"), was appointed as Independent Director of 17LIVE Group Limited on 6 January 2022. He is the Chairman of the Audit Committee and a member of the Nominating and Remuneration Committees.

He has served as the Non-Executive Chairman of Caring Fleet Services Limited as well as Orita Sinclair School of Design and Music Pte. Ltd., a private education institution, since January 2010 and July 2011, respectively.

Mr Tan has over 30 years of experience in the transportation industry and was previously, among others, the CEO of Trans-Island Bus Services Ltd. (now known as SMRT Buses Ltd.) from December 2001 to October 2005 and the Deputy President of SMRT Corporation Ltd. from March 2003 to October 2005. Mr Tan has also served as an Independent Director of CSC Holdings Limited, Credit Bureau Asia Limited and VTAC, since April 2006, November 2020 and January 2022 respectively. Mr Tan was awarded the Public Service Medal (Pingat Bakti Masyarakat) in 1996 and the Public Service Star (Bintang Bakti Masyarakat) in 2008 by the President of the Republic of Singapore. He also served in various capacities such as board member of the Institute of Technical Education Board of Governors, Chairman of the Ngee Ann Polytechnic Council, Chairman of the Industrial and Services Co-operative Society Limited and a member of the NTUC-U Care Fund Board of Trustees.

Mr Tan was also a Colombo Plan scholar. He holds a Master of Science (Industrial Engineering) from the National University of Singapore and a Bachelor of Engineering (Hons) from Monash University.

Academic and Professional Qualifications
- Bachelor of Engineering (Hons), Monash University
- Master of Science (Industrial Engineering), the National University of Singapore

Present Directorships/Principal Commitments
- Caring Fleet Services Limited
- Credit Bureau Asia Limited
- CSC Holdings Limited
- Orita Sinclair School of Design and Music Pte. Ltd.

Past Directorships or Chairmanship in Listed Companies & Major Appointments held over the preceding 3 years
NIL

3 Mr. Akio Tanaka
Non-Executive Non-Independent Director

Year Appointed
2023

Age
54

Role description/Experience:
Mr Akio Tanaka (田中章雄) ("Mr Tanaka"), has served as 17LIVE Inc.'s Director since March 2017.

Mr Tanaka invests and co-founds early-stage ventures in Asia, specialising in internet companies. Mr Tanaka was formerly the Director of Emerging Market Investments and Corporate Development for Adobe Systems Inc. and was responsible for the company's international investment programme with a focus on emerging markets in Asia covering digital media and entertainment sectors.

Mr Tanaka has been the Co-Founder and Managing Partner of Headline Asia (formerly known as Infinity Venture Partners LLP) since 2008.

Academic and Professional Qualifications
- Bachelor of Arts, Urban Geography, The University of British Columbia, Canada
- Master of Arts, Urban Geography, The University of British Columbia, Canada

Present Directorships/Principal

Board of Directors

4

Commitments
- LaunchPadFund 2 K.K.
- IVC II G.P.
- Headline Asia V (GP), Ltd.
- LaunchPadFund K.K.
- INFINITY VENTURES CRYPTO, G.P.
- Yeahka Ltd.
- Infinity Ventures IV (GP), Ltd.
- Infinity e.ventures Asia III (GP), Ltd.
- IVP Fund II B (GP), Ltd.
- IVP Fund II A (GP), Ltd.

Past Directorships or Chairmanship in Listed Companies & Major Appointments held over the preceding 3 years
NIL

4 **Dr. Steve Lai Mun Fook**
Independent Non-Executive Director

Year Appointed
2022

Age
72

Role description/Experience:
Dr Steve Lai Mun Fook (赖文福) ("Dr Lai"), has served as 17LIVE Group Limited's Director since 6 January 2022. He also serves as Chairman of the Nominating and Remuneration Committees and is a member of the Audit Committee.

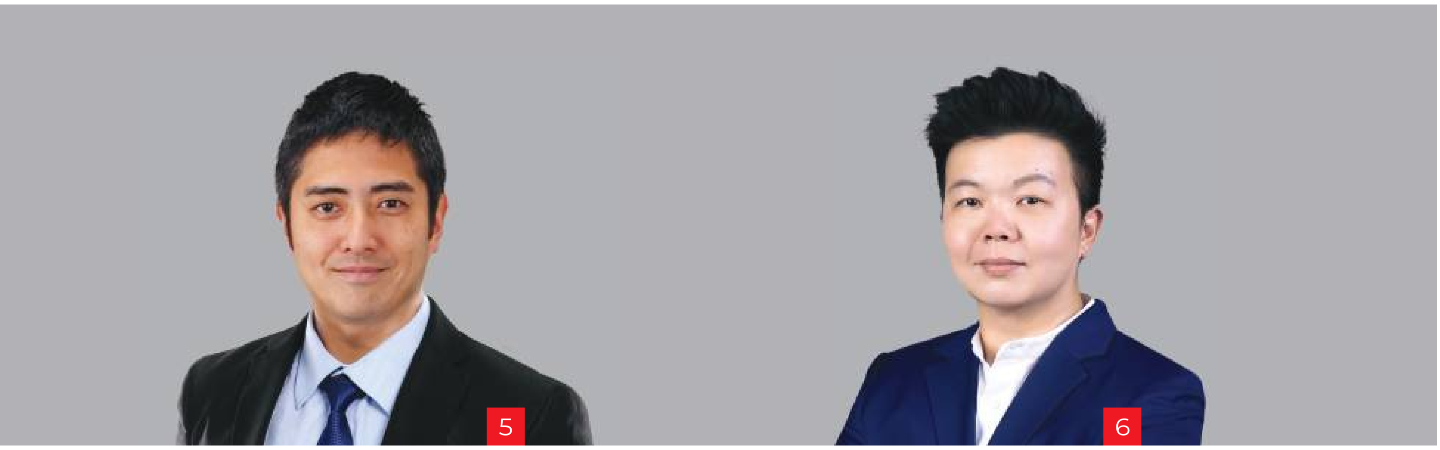
Dr Lai was the Chief Executive Officer of PSB Academy Pte. Ltd. from November 2007 to August 2012, and was previously the Deputy Chief Executive Officer of TUV SUD PSB Corporation and PSB Corporation Pte. Ltd. from April 2006 to March 2007 and from April 2001 to March 2006, respectively. He was also the General Manager (Standards & Technology) of Singapore Productivity & Standards Board from April 1996 to March 1998.

For his contributions to eco-labelling and the environmental movement, Dr Lai was given the Singapore Ministry of the Environment's Green Leaf Award (Individual), and he also received the Silver Public Service Award in 1997.

Academic and Professional Qualifications
- Bachelor of Science (Honours) in Industrial Chemistry, Loughborough University, United Kingdom
- PhD, Loughborough University, United Kingdom

Present Directorships/Principal Commitments
- Intraco Limited
- Yongmao Holdings Limited
- 3dsense Media School Pte. Ltd.
- Singapore Institute of Power & Gas Pte. Ltd.

Past Directorships or Chairmanship in Listed Companies & Major Appointments held over the preceding 3 years
NIL



5 **Mr. Hideto Mizuno**
Independent Non-Executive Director

Year Appointed
2023

Age
50

Role description/Experience:
Mr Hideto Mizuno (水野英人) ("Mr Mizuno"), has served as 17LIVE Group Limited's Director and a member of the Nominating and Remuneration Committees since 2023.

Mr Mizuno has served as an Independent Non-Executive Director of AEON Stores (Hong Kong) Co., Limited, Kowloon Hong Kong since August 2018 and has served as the Vice Chairman of Mizuno Sports Promotion Foundation, a non-profit organisation, since July 2016. He has also served as a Director of Waterfield KK and Well-pedia KK since April 2018 and September 2020, respectively.

Mr Mizuno currently serves as a business consultant at Dr Martens Airwair Japan Ltd. and NAKED, Inc. Prior to that, Mr. Mizuno served as the Highway & Concession Division Zone Director of Compass Group Japan Co., Ltd.

From June 2017 to February 2018, he served as the Wholesale Director of Timberland brand of VF Japan Corporation. From June 2008 to June 2016, he served as the Director of Mizuno Corporation, where he led the U.S. branch's corporate planning, national chain sales, new business and global brand development.

Academic and Professional Qualifications
- Bachelor of Arts in Economics, Keio University
- Bachelor of Arts (Chemistry), Carthage College
- Master of Business Architect and IT Management, Kanazawa Institute of Technology

Present Directorships/Principal Commitments
- AEON Stores (Hong Kong) Co., Limited, Kowloon Hong Kong
- Well-pedia KK

Past Directorships or Chairmanship in Listed Companies & Major Appointments held over the preceding 3 years
NIL

6 **Ms. Chen Xiuling**
Independent Non-Executive Director

Year Appointed
2023

Age
41

Role description/Experience:
Ms Chen Xiuling (陈秀玲) ("Ms Chen"), has served as 17LIVE Group Limited's Director and a member of the Nominating and Audit Committees since 2023.

Ms Chen is serving as the nominee director of nine companies. She has served as the CFO of DW Capital Holdings Pte. Ltd. since July 2021, where she leads and manages 13X Single Family Office. Ms Chen was the Head of Internal Audit at Neil Professional Services Pte. Ltd. from September 2019 to June 2021. From July 2013 to April 2017, Ms Chen served as Audit Manager at PricewaterhouseCoopers LLP, Singapore.

Academic and Professional Qualifications
- Bachelor of Science in Accounting and Finance, the University of London in association with The London School of Economics and Political Science, conducted through the Singapore Institute of Management
- Member of the Institute of Internal Auditors Singapore since October 2019
- Member of the Institute of Singapore Chartered Accountants since October 2015
- ASEAN Chartered Professional Accountants Coordinating Committee (ACPACC) ASEAN Chartered Professional Accountant since May 2018

Present Directorships/Principal Commitments
- DW Capital Holdings Pte. Ltd.
- Neil Professional Services Pte. Ltd.

Past Directorships or Chairmanship in Listed Companies & Major Appointments held over the preceding 3 years
NIL

Management Team

1

2

3

1 Mr. Phua Jiexian, Joseph
Executive Chairman and CEO

Please see biography under board of directors.

2 Mr. Ng Jing Shen
Chief Technology Officer

Year Appointed
2023

Age
39

Role description/Experience
Mr Ng Jing Shen (吴劲燊) ("Mr Ng"), is the Co-Founder of 17LIVE Inc. and its subsidiaries and has served as CTO since August 2022.

He was previously 17LIVE Inc.'s Chief Operating Officer from August 2019 to August 2022.

Mr Ng co-founded Paktor Pte. Ltd. ("Paktor"), a dating and social networking platform which merged with 17 Media to form 17LIVE Inc. (known as M17 Entertainment Limited) in 2017 and was subsequently sold by 17LIVE Inc. in 2020. He served as Paktor's CEO from November 2017 to August 2019 and CTO from August 2013 to August 2019. Prior to that, Mr Ng founded Restless, a platform for users to browse, search and book activities online in Singapore in February 2012. From October 2009 to December 2011, Mr Ng was a software engineer at Amazon.com Inc., where he was part of the team that re-architected the backbone of Amazon's first cloud computing service.

Academic and Professional Qualifications
- Bachelor of Science in Engineering (Computer Science), University of Michigan

3 Mr. Kenta Masuda
Chief Financial Officer

Year Appointed
2023

Age
37

Role description/Experience
Mr Kenta Masuda (桝田健太) ("Mr Masuda"), joined 17LIVE in September 2021 and has served as 17LIVE Inc.'s CFO since March 2023.

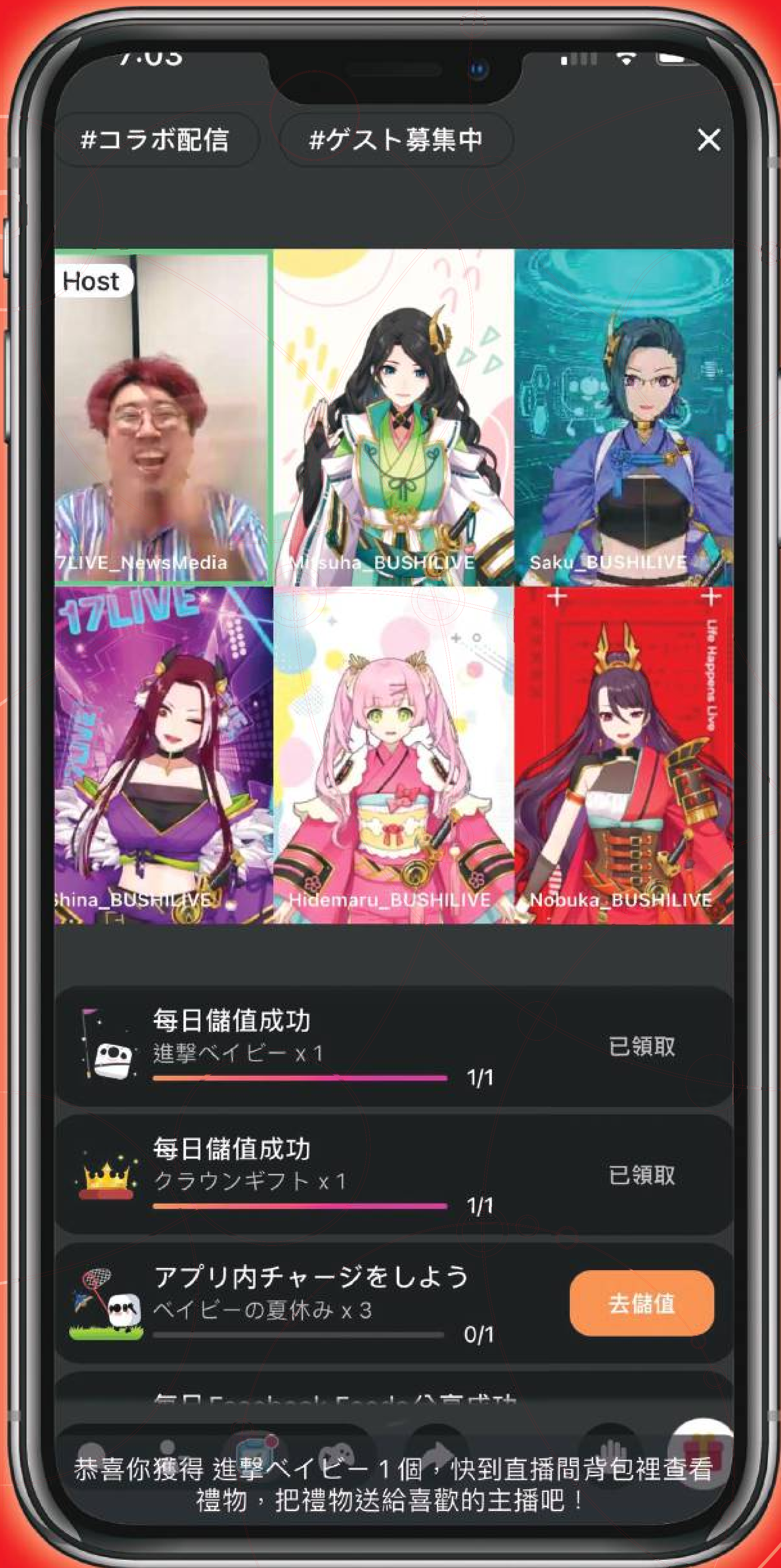
Prior to joining 17LIVE, he served as the Director of Financial Reporting and Consolidation, Controller, of Walmart, a U.S. multinational retail corporation, and subsequently served as its Senior Director of Financial Planning and Analysis (FP&A) and Treasury from 2017 to 2021.

Mr Masuda is a certified public accountant in Japan.

Academic and Professional Qualifications
- Bachelor of Economics, Doshisha University

ENHANCING CORE CAPABILITIES

Leveraging our core live streaming business to drive growth across V-Liver, live commerce and in-app games


#コラボ配信
#ゲスト募集中
Host
Saku_BUSHILIVE
17LIVE
Hidemaru_BUSHILIVE
Nobuka_BUSHILIVE
每日儲值成功
進撃ベイビー x 1
1/1
已領取
每日儲值成功
クラウンギフト x 1
1/1
已領取
アプリ内チャージをしよう
ベイビーの夏休み x 3
0/1
去儲值
恭喜你獲得 進擊ベイビー 1 個，快到直播間背包裡查看
禮物，把禮物送給喜歡的主播吧！

Operations Review

In 2023, 17LIVE pivoted its strategy to focus on higher margin revenue for profitable organic growth and growth via acquisitions which culminated in a listing on the Singapore Exchange. Underpinned by an industry-wide normalisation of the entertainment industry off the back of pandemic recovery, this focus was essential to optimise 17LIVE's operations and growth trajectory for the years ahead.

2023 was in a sense, a new era for consumer behaviours. Habits moulded by the pandemic has reshaped how target audiences consume entertainment. Namely, entertainment and online social interactions have shifted to be largely mobile driven and remains to be highly personalised. Online communities, fandoms and idol culture have flourished and will remain prevalent for years to come. In addition, the creator economy has matured significantly, driving recognition of monetisation models and shaping the rise of alternative virtual idols as well.

Widespread digitisation across Asia has boosted the infrastructure for live streaming and played a significant role in priming Southeast Asia as a region for growth in live stream entertainment and live commerce. This positions 17LIVE favourably to execute on the growth drivers of V-Liver, Live Commerce and Games.

Already the top live streaming platform in Taiwan and Japan, 17LIVE aims to be the leading pure-play live streaming platform in Asia by empowering human connections. This is driven by the belief that life takes place in real time and the commitment to building a safe ecosystem where users can be their most authentic selves whilst striving to achieve their dreams.

Since outlining its growth drivers, the Group has made considerable progress on the execution of its business strategies.

2023 saw the large-scale resumption of the Group's flagship offline events in Japan. These offline events are key to 17LIVE's mission of fostering communities whilst empowering human connections. The events are a culmination of the streamers' efforts for the Group's competition series and is the pinnacle finale event where

streamers compete for top prizes and global ranking.
Throughout the year, the Group has delivered on a variety of event formats across numerous geographies, from music festivals in Roppongi, Tokyo to themed parties in Okinawa and the inaugural offline event in Singapore.

To fortify its infrastructure and optimise the Group's tech stack for enhanced user experience and cost optimisation, 17LIVE rolled out integrations such as folding Live2D functions into the broadcasting functionality which has resulted in a significant rise in organic traffic for V-Liver. In addition, integrated VRM3D and hand gesture recognition functions to further enhance broadcasting functions for creating an immersive experience for users with V-Livers was rolled out to enhance the platform's capabilities for a more immersive user experience.

Paving the way for 17LIVE's in-app game strategy, the Group launched 17 GoKart as the platform's first interactive in-stream game feature. In addition, 2023 also saw strategic partnerships with gaming giants Nintendo and Capcom which allowed for the monetisation of selected IP.

Capitalising on the potential of V-Livers across Asia, the Group saw the successful launch of two proprietary IP groups – *BUSHILIVE* and *GanGun Girls*. To support the V-Liver business and growth strategy, 17LIVE established NexuStellar, a V-Liver management production company to further provide end-to-end management for this growing portion of the business.

2023 was a year of adjustments for 17LIVE, the company laid the foundations for their growth drivers, postering the company to be agile and dynamic to capture market share across Southeast Asia in the years ahead.

Significant Events

January

17LIVE ranked amongst the top 10 in global consumer spending in the social media category according to Data.ai's 2023 Mobile Market Report[1].

February

Global Charity Concert for Turkey & Syria

17LIVE organised a global charity concert and public awareness campaign to fundraise for Turkey and Syria. Funds raised were donated through the World Vision to assist in the reconstruction efforts in the disaster-stricken areas.

March

Return of Flagship Offline Events

Offline grand finale of a series of **Sengoku-themed gamified contests** in Tokyo, which was attended by more than 60 live streamers and the top ten spenders. This series attracted approximately 20,000 spenders.

Global Sakura Party in Tokyo: a global event which saw streamers from all over the world compete against each other to determine who would be the top streamer in the world.

Management Update

Alex Lien was appointed Group Chief Executive Officer.

Kenta Masuda was appointed Group Chief Financial Officer.

1 Global/Asia-Pacific/Middle East regions: secured the 10th position globally, the third position in the Hong Kong region, the fourth position in Japan and Taiwan, and the third position in Turkey.

April

Tech Integrations and Launches

Integration of Live2D functions into the broadcasting functionality, which allows users to use their smartphones to upload an avatar and conduct virtual streaming. Since the integration, 17LIVE's organic traffic of V-Liver monthly active streamers (MAS) has grown significantly.

Launching Interactive In-stream Game 17GoKart

Integration of MeMe Live into 17LIVE to achieve greater synergy between the two live streaming businesses.

Launched 17LIVE's first interactive in-stream game feature named "17 GoKart", paving the way for 17LIVE's in-app game strategy.

May

Licensing Agreement with CAPCOM

Entered into a strategic partnership via a comprehensive licensing agreement with CAPCOM regarding its copyrighted works effective 22 May 2023. 17LIVE can now distribute and monetise on Capcom's works on the 17LIVE platform.

Q2 Offline Streamer Events

Launch of the inaugural "LIVER FESTIVAL 2023" in Roppongi Hills Arena. The festival style offline event played host to 20 Japanese Liver performers from the Music, Dance, MC and Creator categories. The event attracted 1,000 spenders.

Launch of "PREMIUM GLOBAL PARTY IN OKINAWA Resort" at the Ryukyu Hotel & Resort Meijo Beach in Naha City, Okinawa. This event was the first offline event organised in Okinawa, it played host to over 64 global livers.

June

Mirai Stage Event in Ikebukuro

This event was an offline V-Liver concert in Ikebukuro, Tokyo which showcased a fusion performance of virtual and real (human) Liver. This special collaboration stage was made possible through the use of the latest streaming technology.

Significant Events

LIVER EXPO in Taiwan

17LIVE launched a two-day 17LIVER Expo, an event in Taiwan featuring offline performances by live streamers, V-Livers and local pop stars across the region.

17LIVE collaborated with local brands, such as Taihu Brewing, and invited local politicians such as former mayor of Taipei, Ko Wen-Je (柯文哲), to participate in the 17LIVER Expo. The 17LIVER Expo attracted approximately 37,500 participants and generated publicity for 17LIVE, further solidifying 17LIVE as a leader in the Taiwanese market.

IVS 2023 Kyoto and the First Virtual IP “BUSHILIVE”

17LIVE exhibited for the first time at “IVS2023 KYOTO,” one of the largest startup conferences in Japan to promote 17LIVE’s V-Livers as a growth driver for the business.

17LIVE launched its first V-Liver proprietary IPs under the name *BUSHILIVE*.

July

17Shop Launch

Launched 17Shop which enables 17LIVE to operate its live commerce business as a marketplace. Both live streamers and V-Livers can sell their branded goods on 17Shop, providing synergy to both the live commerce and V-Liver businesses.

Gain Top Publisher Awards 2023 by Data.ai

17LIVE ranked as Taiwan's most prestigious social media platform according to "Top Publisher Awards 2023" by Data.ai. In addition, in terms of rankings for user spending in Taiwan, 17LIVE secured the fourth position, the sole social media platform within the top ten.

August

Tech Integrations

Integrated VRM3D and hand gesture recognition functions on the platform to further enhance broadcasting functions to create an immersive experience for users with V-Livers.

AI-Virtual Streamer Launch

17LIVE unveiled the first AI virtual Streamer, 琪琪, at the Google Cloud Summit in Taiwan. 琪琪 is designed to function as an astrological fortune teller, offering varied emotional responses based on user engagement levels and inquiries within the live broadcast space.

Nintendo Licensing Agreement

Entered into a comprehensive licensing agreement with Nintendo, enabling streamers to live-stream and monetise Nintendo's games via live streaming on the platform.

September

Tokyo Game Show

17LIVE exhibited for the first time at Tokyo Game Show 2023.

TGS 2023 is one of the largest video game events in the world and has been held since 1996. The event also marked the 5th anniversary of 17LIVE's V-Livers.

Significant Events

October

Inazuma Rock 2023

17LIVE exclusively distributed "Inazuma Rock Fest 2023 Backstage Interview" at Inazuma Rock Fest 2023, hosted by artist Takanori Nishikawa from 7-9 October 2023. Over 30 popular artists took part in the event.

HandsUp Cross-border E-commerce

HandsUp collaborated with Branshes, a Japanese children's clothing brand, with over 90 stores in Japan for a week-long cross-border online live streaming sales event. The Gross Merchandise Volume (GMV) generated was equivalent to the daily revenue of all of Branshes' physical stores combined.

November

Inaugural Offline Event in Singapore

17LIVE hosted the inaugural Singapore offline event at the Ritz Carlton. The event was attended by 50 Livers from Japan, Taiwan, Hong Kong and South Asia. Attendees were shortlisted from a qualifying round which saw over 4000 entries. The Livers competed for SG$100,000 worth of prizes at a finale event in Singapore.

Asia Lan Party in Taiwan

Participated in Asia's largest esports festival, WirForce 2023 Lan Party in Taiwan.

December

Liver Expo in Tokyo

17LIVE held the largest live stream festival in Akihabara, Tokyo on 2 December 2023. The agenda consisted of performances from 20 streamers, specialised booths, 17LIVE special live streaming programmes, a gaming stage showcasing Street Fighter 6 and live commerce. The event saw celebrity attendees such as Yuya Tegoshi, Real Akiba Boyz, and several major voice actors.

Established NexuStella

Completed the integration of GIKUTASLiver/G-Starter following the acquisition of the V-Liver business from Searchfield Corporation to establish the V-Liver management production company "NexuStella".

Comic Market 103

17LIVE exhibited for the first time at Comic Market 103 held at Tokyo Big Sight.

Public Listing of 17LIVE

17LIVE listed on the SGX-ST through a successful de-SPAC with VTAC. 17LIVE commenced trading under "17LIVE Group Limited" on the SGX-ST.

January 2024

Launch of Second V-Liver IP

17LIVE launched its second proprietary V-Liver IP Group "*GanGun Girls*"

Management Update

Co-Founder, Joseph Phua returns as Executive Chairman and Group CEO of 17LIVE. Alex Lien appointed as Senior Advisor, transitioning away as Group CEO.

March 2024

mm2 MoU

17LIVE signed a memorandum of understanding with mm2 Asia, a leading entertainment production company in Singapore to collaborate on the expansion of entertainment offerings across Southeast Asia.

Financial Highlights

Key takeaways from FY2023

The table below presents the Group's adjusted financials excluding non-operating expenses primarily associated with de-SPAC and losses due to non-cash revaluation for the periods indicated:

(in US$'000)	FY2023 Actual	Share-based payment	De-SPAC	Revaluation	FY2023 Adjusted	FY2022 Actual	FY2022 Adjusted	Variance	%Variance
Operating revenue	278,927	–	–	–	**278,927**	363,718	**363,718**	(84,791)	-23.3%
Operating income	13,750	1,609	–	–	**15,359**	10,124	**10,964**	**4,395**	**41.3%**
EBITDA	18,369	1,609	–	–	**19,978**	15,016	**15,856**	**4,122**	**25.8%**
Net income	(247,915)	1,609	11,609	245,681	**10,984**	(51,017)	**5,683**	**5,301**	**93.0%**

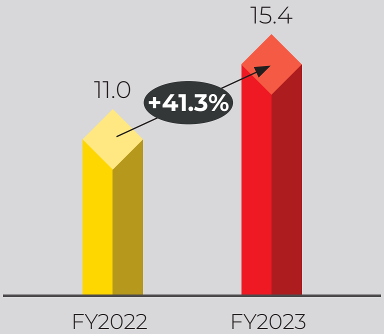
36.6% increase in operating income of US$13.7 million as compared to US$10.1 million in FY2022
- Attributable to effective cost discipline and economies of scale
- Heightened focus on returns on investment

26% increase in adjusted EBITDA to US$20.0 million
- Impacted by increased operating income

Cash and Cash equivalents at US$102.7 million with no outstanding borrowings
- Healthy balance sheet
- Improved liquidity to execute on growth drivers

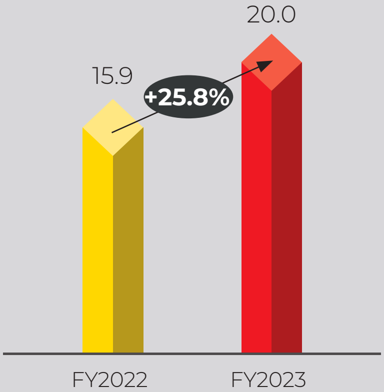
Achieved higher adjusted operating income, EBITDA, and net income with enhanced profitability.

Adjusted operating Income[*1]
(in USD million, % of revenue)



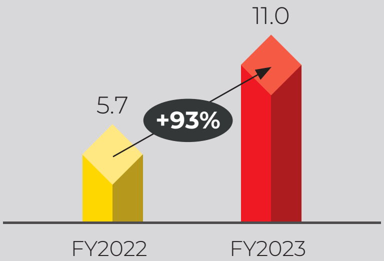
Margin%: 3.0% ▶ **5.5%**

Adjusted EBITDA[*2]
(in USD million, % of revenue)



Margin%: 4.4% ▶ **7.2%**

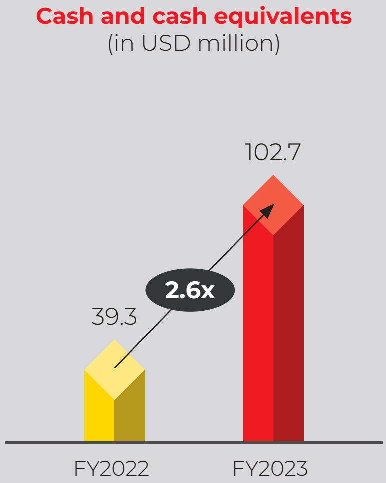
Adjusted net Income[*3]
(in USD million, % of revenue)

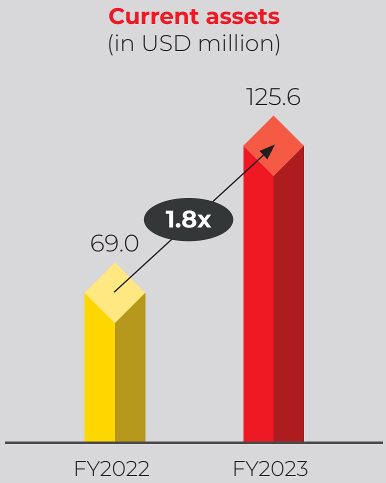


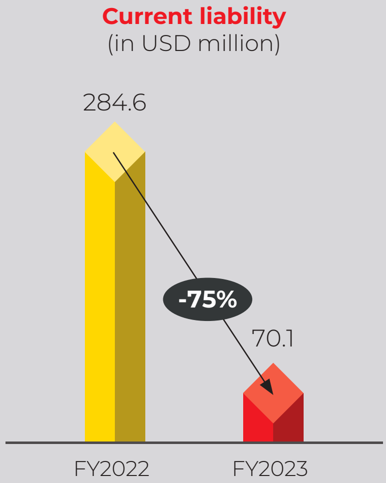
Margin%: 1.6% ▶ **3.9%**

*(*1) Adjusted operating income = Operating income + Share-based payment*
*(*2) Adjusted EBITDA = Operating income + Depreciation & Amortisation + Share-based payment*
*(*3) Adjusted net income = Profit/loss for the year + Share-based payment + De-SPAC related expense ± Revaluation gain/loss on financial liabilities*

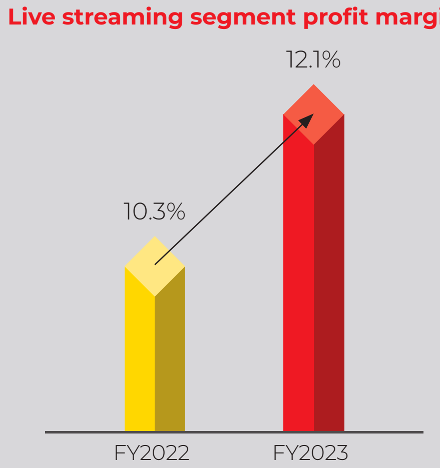
SGX listing significantly enhanced balance sheet health. Our improved liquidity position allows critical navigation in a rapidly evolving market.

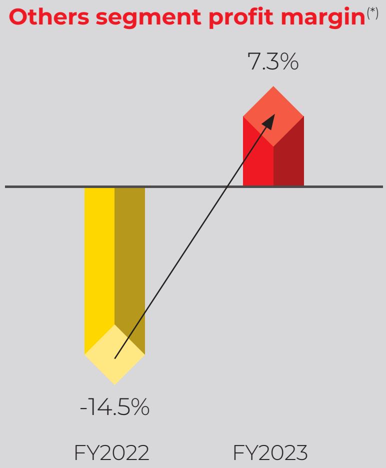






Improving margins across all segments, driven by new businesses such as OrderPally, 17LIVE's live commerce service.





* *Others include live commerce (OrderPally, HandsUp), Wave.*

Financial Review

Financial Performance

The Group reported operating revenue of US$278.9 million for the twelve months ended 31 December 2023 (FY2023) compared to US$363.7 million in the twelve months ended 31 December 2022 (FY2022) as the Group transitioned towards a new phase of growth, with a greater focus on higher margin revenues and returns on investment.

FY2023 gross profit was US$114.9 million and gross profit margins improved to 41.2% from 34.7% in FY2022 as the Group continued its strategic shift to focus on profitability by targeting higher margin revenues. FY2023 gross margin expansion was also largely driven by the increasing contribution from the Group's high-margin in-app game revenue.

Group operating income increased by 36.6% to US$13.8 million from US$10.1 million in FY2022, attributable to effective cost discipline and economies of scale, as well as the Group's heightened focus on returns on investment notwithstanding lower FY2023 revenue.

Net loss was US$247.9 million, weighed down by non-operating expenses of US$258.7 million due mainly to non-cash revaluation loss on the financial liabilities at fair value through profit or loss (comprising preference shares and warrants) and one-off de-SPAC related expenses.

Excluding the net effects of one-offs, FY2023 adjusted operating income increased by 41.3% year-on-year (yoy) to US$15.4 million, FY2023 adjusted EBITDA[1] increased 25.8% yoy to US$20.0 million and adjusted net profit increased 93.0% yoy to US$11.0 million.

Segmental Income Streams

FY2023 revenue from Real Liver live streaming and V-Liver live streaming was US$265.8 million and US$5.0 million respectively whilst revenue from others, which included live commerce and other new businesses, was US$8.1 million, an increase of 34.7% from the US$6.0 million a year ago, reflecting the success of the Group's new revenue streams in live commerce and voice only live streaming.

1 *The Group defines adjusted EBITDA as EBITDA net of share-based payment. EBITDA is defined by the Group as operating income before depreciation and amortisation. The Group defines adjusted net profit/(loss) as profit/(loss) for the year, excluding the share-based payment, the de-SPAC related expenses, and the revaluation (loss)/gain on financial liabilities as they are not expected to recur after FY2023. The changes in the valuation of the Group's financial liabilities in its financial statements were primarily attributable to changes in valuation of its preference shares, which was calculated using the market approach. Presentation of adjusted net income/loss, EBITDA and adjusted EBITDA may not be comparable to similarly titled measures presented by other companies.*

The Group's e-commerce offering OrderPally showed strong performance last year with almost a doubling of annualised gross merchandise value (GMV), turning in a solid segmental profit for the Group in FY2023.

Segmental profits from live streaming and others were US$32.8 million and US$0.6 million, respectively, reflecting corresponding healthy margins of 12.1% and 7.3% for FY2023.

Earnings Per Share

The Group's earnings per share was a negative US$6.14 in FY2023.

Expenditure

Operating expenses declined 12.8% to US$101.2 million from US$116.0 million in FY2022, reflecting the Group's continued focus on cost containment and enhancing operating efficiencies through economies of scale.

Including the expenses related to the Group's initial public offering ("IPO" or "de-SPAC") amounting to US$11.6 million as well as its non-cash revaluation loss on financial liabilities amounting to US$245.7 million, the Group recorded non-operating expenses of US$258.7 million compared to US$53.0 million in FY2022.

IPO related expenses and the revaluation loss on the financial liabilities at fair value through profit or loss (comprising preference shares and warrants) have been largely accounted for in FY2023 and all future recurrences are not expected to be significant going forward.

Financial Position

As at 31 December 2023, the Group's balance sheet remains strong with no borrowings and cash and cash equivalents of US$102.7 million, positioning the Group to pursue both organic and inorganic growth through acquisitions.

Total assets increased by US$60.7 million to US$164.1 million. Non-current assets increased by US$4.2 million to US$38.6 million mainly due to an increase in right-of-use assets.

Current assets of the Group increased by US$56.6 million to US$125.6 million largely due to the increase in cash and cash equivalents from the de-SPAC IPO proceeds.

The Group continues to demonstrate strengthened capability in net cash flows from operating activities as demonstrated by a positive cash flow from operations of US$12.6 million in FY2023. Net cash flows from operating activities was a positive US$3.3 million compared to the US$10.5 million used in operating activities in FY2022.

Net cash flows used in investing activities was US$2.5 million, US$1.7 million higher than the last corresponding period mainly due to office relocations in Japan and Taiwan.

Net cash flows from financing activities was a positive US$61.9 million, compared to US$4.2 million used in financing activities in the previous year due principally to the proceeds received from the de-SPAC IPO business combination, net of issuance cost.

Free cash flow for the year was an inflow of US$2.0 million compared to the outflow of US$11.4 million in FY2022.

Equity attributable to owners of the Company was US$90.6 million, an increase of US$273.8 million from FY2022, mainly because of an increase in share capital and share premium as a result of the conversion of preference shares.


SCORE
300
Best 999,999
17LIVE
SEED Solutions

EXTENDING OUR GLOBAL PRESENCE

Armed with a healthy war chest, 17LIVE is well positioned to execute on its growth strategy for global expansion through building on the Group's core live streaming offering and expanding live commerce and V-Liver capabilities.

Corporate Information

BOARD OF DIRECTORS
Phua Jiexian, Joseph
Executive Chairman and Group CEO

Tan Hup Foi
Lead Independent Director

Akio Tanaka
Non-Executive Non-Independent Director

Steve Lai Mun Fook
Independent Non-Executive Director

Hideto Mizuno
Independent Non-Executive Director

Chen Xiuling
Independent Non-Executive Director

AUDIT COMMITTEE
Tan Hup Foi *(Chairman)*
Steve Lai Mun Fook
Chen Xiuling

NOMINATING COMMITTEE
Steve Lai Mun Fook *(Chairman)*
Tan Hup Foi
Hideto Mizuno
Chen Xiuling

REMUNERATION COMMITTEE
Steve Lai Mun Fook *(Chairman)*
Tan Hup Foi
Hideto Mizuno

COMPANY SECRETARY
Eunice Hooi Lai Fann

REGISTERED OFFICE
P.O. Box 309 Ugland House
Grand Cayman KY1-1104
Cayman Islands

SHARE REGISTRAR
Boardroom Corporate & Advisory Services Ptd. Ltd.
1 Harbourfront Avenue
#14-07
Keppel Bay Tower
Singapore 098632

AUDITOR
Ernst & Young LLP
One Raffles Quay
Level 18 North Tower
Singapore 048583

Partner-in-charge: Sharon Peh
(Appointed since financial year ended 31 December 2023)

INVESTOR RELATIONS
E Space Tower
12th Floor
3-6 Maruyamacho, Shibuya City,
Tokyo 150-0044, Japan

CONTACT POINTS
Japan
17LIVE Headquarters
E Space Tower
12th Floor
3-6 Maruyamacho,
Shibuya City, Tokyo
150-0044, Japan

Taiwan
No. 168, Section 3,
Nanjing E Road
Zhongshan District, Taipei City,
Taiwan 10491

Hong Kong
28, 909 Cheung Sha Wan Road,
Cheung Sha Wan, Hong Kong

USA
9854 National Blvd #1262
Los Angeles CA 90034
USA

Corporate Governance

Vertex Technology Acquisition Corporation Ltd ("**VTAC**") was a special purpose acquisition company ("**SPAC**") incorporated to consummate an initial acquisition of an operating business or assets under Rule 210(11)(m)(iii) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST Listing Manual**") for the purpose of effecting an initial business combination. The Company was listed on the Main Board of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 7 March 2022.

On 23 October 2023, VTAC announced that it has entered into a Sale and Purchase Agreement with 17Live Holding Limited and certain other parties set forth in the Circular to Shareholders dated 9 November 2023 in relation to a proposed business combination between VTAC and 17LIVE Inc. by way of acquisition by VTAC of the entire issued and paid-up share capital of 17LIVE Inc. (the "**Business Combination**").

VTAC had on 1 December 2023 received shareholders' approval for the Business Combination with 17LIVE Inc. that resulted in 17LIVE Group Limited being listed on the SGX-ST with effect from 8 December 2023. VTAC, Singapore's first SPAC, successfully completed the Proposed Business Combination and was renamed 17LIVE Group Limited (the "**Company**" or "**17LIVE**") on 7 December 2023, after trading hours (the "**Completion Date of the Business Combination**").

The Company is committed to maintaining high standards of corporate governance through transparency and effective disclosures.

This report sets out the Company's corporate governance practices for the financial year ended 31 December 2023, with specific reference to the Code of Corporate Governance 2018 issued by the Monetary Authority of Singapore on 6 August 2018 (the "**CG Code**"). The Board is pleased to inform that the Company is substantially in compliance with the principles and provisions of the CG and reasons for any deviation are explained below.

BOARD MATTERS

Principle 1: The Board's Conduct of Affairs

Prior to the Completion Date of the Business Combination, the Board of VTAC was primarily responsible to find the appropriate initial business combination to occur with one or more target businesses at the forefront of technology transformation and together have an aggregate fair market value of at least 80% of the value of assets held in the Company's Escrow Account defined in the Company's prospectus dated 13 January 2022 (the "**Prospectus**") (the "**Escrow Account**") (excluding the deferred underwriting commissions and taxes payable on the interest earned on the Escrow Account) upon signing a definite agreement in connection with the initial business combination.

With effect from the Completion Date of the Business Combination, the Board of 17LIVE sets the strategic direction of the Company and its subsidiaries (the "**Group**") and is primarily responsible for the protection and enhancement of long-term shareholder value and returns. The Board also sets the tone for the Group in respect of ethics, values and organisational culture. The Board, supported by Management, establishes and maintains a sound risk management framework to effectively monitor and manage key risks and ensures necessary resources are in place to meet the Group's strategic objectives. It also oversees Management to ensure transparency and accountability to key stakeholder groups.

Board Approval

In addition to its statutory responsibilities, matters which specifically require the Board's approval are:

(a) appointments/re-appointments of the Board of Directors, taking into consideration succession planning;

(b) corporate strategies and business plans;

(c) annual budgets, major funding proposal and investment or divestment plans;

(d) material acquisition and disposal of assets;

(e) the Group's financial results announcements

(f) adequacy of internal controls, risk management, financial reporting and compliance;

(g) the assumption of corporate governance responsibilities;

(h) shares issuances, dividends and any other returns to shareholders; and

(i) matters involving a conflict of interest or the Directors and substantial shareholders.

Corporate Governance

Board and Board Committees

The Board has delegated to Management the authority to approve transactions in the ordinary course of business within a set of approval matrix. Transactions falling outside this set of approval matrix would then be approved by the Board.

The Board discharges its responsibilities either directly or indirectly through various committees comprising members of the Board. Following the Business Combination, the Board has established three committees: (i) Audit Committee ("**AC**"); (ii) Nominating Committee ("**NC**"); and (iii) Remuneration Committee ("**RC**"), each of which operates under delegated authority from the Board, to assist the Board in discharging its oversight function. The duties, authorities and accountabilities of each Board Committee are set out in their respective terms of reference. The various Board Committees report their activities regularly to the Board. The effectiveness of each Board Committee is also constantly monitored to ensure their continued relevance. Further information on the roles and responsibilities as well as a summary of the activities of each of the AC, NC and RC are set out in this Corporate Governance Report.

As at the date of this report, the Board and the various Board Committees comprise the following members:

Name	Date of Appointment	Board	Audit Committee	Nominating Committee	Remuneration Committee
Phua Jiexian, Joseph	7 December 2023	Executive Chairman*	–	–	–
Akio Tanaka	7 December 2023	Non-Executive Non-Independent Director	–	–	–
Tan Hup Foi	6 January 2022	Lead Independent Director	Chairman	Member	Member
Steve Lai Mun Fook	6 January 2022	Independent Director	Member	Chairman	Chairman
Hideo Mizuno	7 December 2023	Independent Director	–	Member	Member
Chen Xiuling	7 December 2023	Independent Director	Member	Member	–

Note:

* Redesignated from Non-Executive Chairman to Executive Chairman with effect from 26 January 2024.

Board Meetings

The Company is not required to release unaudited financial statements on a quarterly basis pursuant to SGX-ST Listing Rule 705(2). Notwithstanding this, prior to the Completion Date of the Business Combination, the Board still met on a quarterly basis to review and approve the release of the quarterly update of cash utilisation and milestones in securing an initial business combination. The Board would continue to conduct regular scheduled meetings on a quarterly basis to review and approve the information to be released, as well as receive other updates on the business activities of the Group. In addition to the quarterly scheduled meetings, ad-hoc meetings may also be convened as and when warranted by matters requiring the Board's attention. If necessary, Board meetings may be conducted by way of telephone or video conferencing as permitted under the Company's Memorandum and Articles of Association ("**M&AA**").

Before Business Combination:

The Directors' attendance at Board, Board Committees and general meetings during the financial year ended 31 December 2023 is set out in the following table.

	Board Meeting		AC Meeting		NC Meeting		RC Meeting		General Meeting	
	Number of Meetings prior to Business Combination									
Name	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**
Chua Kee Lock[1]	4	4	5	4*	–	–	–	–	2	2
Jiang Honghui[1]	4	4	5	5*	–	–	–	–	2	2
Tan Hup Foi	4	4	5	5	1	1	1	1	2	2
Low Seow Juan[2]	4	4	5	5	1	1	1	1	2	2
Steve Lai Mun Fook	4	4	5	4	1	1	–	–	2	2
Anupama Sawhney[3]	4	4	5	5*	1	1	1	1	2	2

Notes:

* Attended via invitation.

(1) Resigned as a Director with effect from 7 December 2023.

(2) Resigned as a Director and relinquished his positions as Chairman of the RC, member of the AC and NC with effect from 7 December 2023.

(3) Resigned as a Director and relinquished her positions as member of the NC and RC with effect from 7 December 2023.

After Business Combination:

Subsequent to the financial year ended 31 December 2023, the new Board of 17LIVE convened the following meetings and the attendance record up to the date of this report is as follows:

	Board Meeting		AC Meeting		NC Meeting		RC Meeting	
	Number of Meetings							
Name	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**
Phua Jiexian, Joseph[1]	3	3	3	1*	–	–	–	–
Lien Chien-Lin[2]	3	3	3	1*	–	–	–	–
Akio Tanaka[3]	3	3	3	1*	–	–	–	–
Tan Hup Foi[4]	3	3	3	2	–	–	3	3
Steve Lai Mun Fook[5]	3	3	3	2	1	1	3	3
Hideto Mizuno[6]	3	3	3	1*	1	1	3	3
Chen Xiuling[7]	3	3	3	2	1	1	–	–

Notes:

* Attended via invitation.

(1) Appointed as Non-Executive Director and Chairman with effect from 7 December 2023. Mr. Phua was redesignated as Executive Chairman with effect from 26 January 2024.

(2) Appointed as an Executive Director and Chief Executive Officer with effect from 7 December 2023. Mr. Lien resigned as Executive Director and Chief Executive Officer with effect from 26 January 2024.

(3) Appointed as a Non-Executive Non-Independent Director with effect from 7 December 2023.

(4) Relinquished his position as member of the NC with effect from 7 December 2023. Mr. Tan was appointed as (i) the Lead Independent director subsequent to financial year end, i.e. on 26 January 2024; and (ii) a member of the NC subsequent to financial year end, i.e. on 28 February 2024.

(5) Redesignated as Chairman of the RC with effect from 7 December 2023.

(6) Appointed as an Independent Director and member of the NC and RC with effect from 7 December 2023.

(7) Appointed as an Independent Director and member of the AC and NC with effect from 7 December 2023.

Corporate Governance

Directors' Induction, Training and Development

A formal letter of appointment, which sets out the Director's duties and obligations under the relevant laws and regulations governing the Company, is provided to each Director upon appointment. The Company also has in place an orientation programme to brief new Directors on the Company's strategic directions, risk management policies and governance practices.

For newly appointed Directors who do not have prior experience as a director of a public listed company in Singapore, they will attend the mandatory training courses organised by the Singapore Institute of Directors ("**SID**") as prescribed by SGX-ST by the end of the first year of the Completion Date of the Business Combination. Ms. Chen Xiuling has attended the mandatory training courses which included the mandatory one-time sustainability training required for first time directors subsequent to financial year end. The following Directors, namely, Mr. Phua Jiexian, Joseph, Mr. Akio Tanaka and Mr. Mizuno Hideto have yet to complete the mandatory training courses as prescribed by SGX-ST and would do so before the end of the first year of the Completion Date of the Business Combination. The remaining Directors, namely, Mr. Tan Hup Foi and Dr. Steve Lai Mun Fook had attended the mandatory one-time sustainability training in 2022.

To ensure that Directors have the opportunities to develop their skills and knowledge and to continually improve performance of the Board, all Directors are encouraged by the Company to undergo continual professional development at the Company's expense, during the term of their appointment. Our Directors are also encouraged to be members of the SID and to receive updates and training from SID in order to stay abreast of relevant developments in financial, legal and regulatory requirements.

Our Directors are regularly updated on the Group's businesses and the regulatory and industry-specific environments in which the entities of the Group operate. Updates on relevant legal, regulatory and technical developments and good corporate governance may be in writing or disseminated by way of briefings, presentations and/or handouts.

Access to Information

Management has an on-going obligation to provide the Board with complete, adequate information in a timely manner. The Board is informed of all material events and transactions as and when they occur. The information that is provided by Management to the Board includes background or explanatory information relating to matters such as budgets, forecasts and financial statements to be brought before the Board. In respect of budgets, any material variances between the projections and actual results are also disclosed and explained. In addition, the Board has separate and independent access to the Company's Management at all times. Requests for information from the Board are dealt with promptly by Management.

As a general rule, Board papers are sent to Board members at least five working days before the Board meeting to afford the Directors sufficient time to review the Board papers prior to the meetings. For matters which require the Board's decision outside such meetings, Board papers will be circulated for the Board's consideration, with discussions and clarifications taking place between members of the Board and Management directly, before approval is granted.

Directors have separate and independent access to the senior management, Company Secretary and external advisors (where necessary) at the Company's expenses. The Company Secretary (or her authorised nominee) attends all Board and Board Committee meetings and is responsible for ensuring that established procedures and all relevant statutes and regulations that are applicable to the Company are complied with. The Company Secretary assists the Chairman of the Board and the Chairman of each of the Board Committees and Management in the development of agendas for the various Board and Board Committee meetings. The appointment and removal of the Company Secretary are subject to the Board's approval.

Should Directors, whether as a group or individually, need independent professional advice to fulfil their duties, such advice may be obtained from external advisers and the cost of which will be borne by the Company.

Principle 2: **Board Composition and Guidance**

As at the date of this report, the Board comprises six Directors of whom four are Independent Directors, one Non-Executive Non-Independent Director and one Executive Director. The Board has an appropriate level of independence and diversity of thought which is appropriate for the nature and scope of the Group's current operations. The Board is already made up of majority non-executive independent Directors, which serves to reinforce management accountability. Matters requiring the Board's approval are discussed robustly with participation from each member of the Board and decisions are made collectively without any individual or select group of individuals dominating the decision-making process. Directors are required to take the necessary actions to resolve any conflict of interest they might have, including recusing themselves from meetings or discussions or abstaining from voting on matters in which they are interested or conflicted. There were no alternate Directors appointed during the year.

As at the date of this report, the members of the 17LIVE Board are as follows:

Executive Director:

Mr. Phua Jiexian, Joseph – Chairman of the Board and Chief Executive Officer

Non-Executive Non-Independent Director:

Mr. Akio Tanaka

Independent Directors

Mr. Tan Hup Foi
Dr. Steve Lai Mun Fook
Mr. Hideto Mizuno
Ms. Chen Xiuling

Board Independence

The NC has assessed the independence of the Board members and took into consideration the relevant provisions of the CG Code and SGX-ST Listing Rule 210(5)(d)(i) (ii) and (iv) and the individual Directors' declaration. Currently, there are no directors who had served for a continuous period of nine years since the listing of VTAC.

The Board, through the NC, has assessed the independence of each of the Directors for the financial year under review. Based on the declarations of independence provided by each of the Independent Directors and taking into account the guidance under Provision 2.1 of the CG Code, Mr. Akio Tanaka was determined as non-independent as he has served as 17LIVE Inc.'s director since March 2017.

Mr. Phua Jiexian, Joseph was initially appointed as the Non-Executive Chairman following the Completion of the Business Combination. Following the cessation of Mr Lien Chien-Lin as the Chief Executive Officer (the "**CEO**") on 26 January 2024, Mr. Phua Jiexian, Joseph assumed executive responsibility for the management of the Company and was redesignated as the Executive Chairman and CEO with effect from 26 January 2024. Mr Phua Jiexian, Joseph was determined as non-independent by virtue of his executive responsibility as well as his substantial shareholdings in the Company.

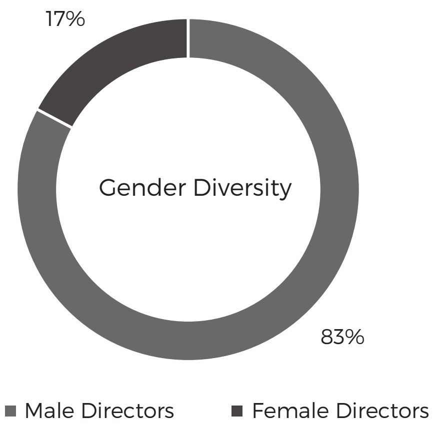
The NC has assessed the independence of Mr. Tan Hup Foi, Dr. Steve Lai Mun Fook, Mr. Hideto Mizuno and Ms. Chen Xiuling and is of the view that they do not have any relationships and are not faced with any of the circumstances identified in the CG Code and SGX-ST Listing Rule 210(5)(d)(i), (ii) and (iv) which may affect their independent judgement and accordingly, they are deemed independent. Each member of the NC and the Board has recused himself or herself from the NC's and the Board's deliberations respectively on his or her own independence.

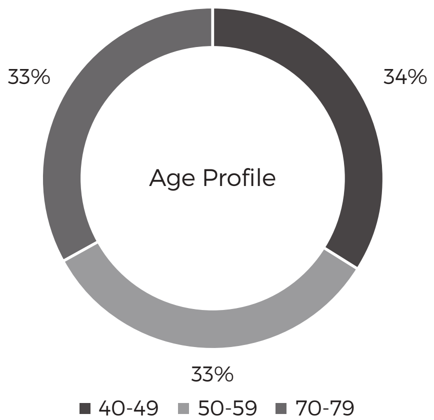
Corporate Governance

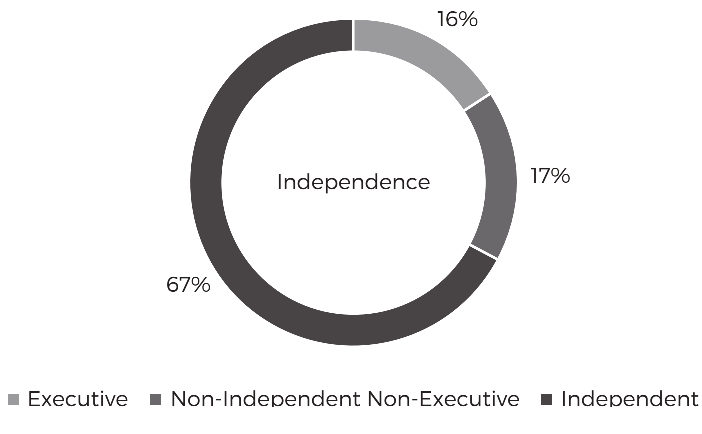
In accordance with Provision 2.2 of the CG Code, the Independent Directors make up a majority of the Board as the Chairman of the Board is not independent. In addition, Mr. Tan Hup Foi was appointed as the Lead Independent Director of the Company with effect from 28 February 2024.

Board Diversity

The Board of 17LIVE has put in place a Board Diversity Policy which sets out the approach in determining the optimal composition of the Board to avoid groupthink and foster constructive debate. The Board Diversity Policy recognises that a diverse Board would be beneficial to the Company as it would allow for the harnessing of a variety of skills, industry and business experiences, gender, independence and other distinguishing qualities of members of the Board. The Company is committed to implementing the Board Diversity Policy for any future board composition changes and the Board is of the view that any new appointments would provide further diversity to core competencies and skill sets of the Board.







In terms of gender diversity, the current Board comprises one female director, a 17% representation. The NC has noted the recommendation of the Council for Board Diversity ("**CBD**") for listed companies to have 25% female representation on their boards by 2025 and 30% by 2030 and will aim to achieve the target. In this regard, the NC aims to ensure that:

(a) The Board would have a minimum 25% female representation by 2025 and 30% female representation by 2030;

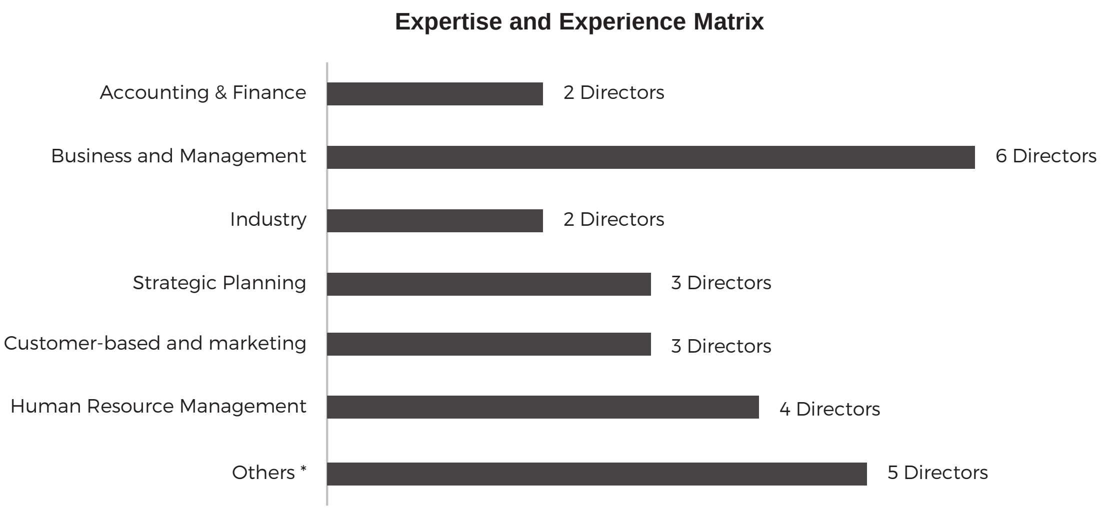
(b) If an existing female Board member resigns or retires, the replacement Board member must also be a female unless the female representation ratio exceeds the thresholds set out in (a) above;

(c) Any search firm engaged to assist the Board or the NC in identifying candidates for appointment to the Board will be specifically directed to include female candidates;

(d) When seeking to identify a new Director for appointment to the Board, the NC will request female candidates to be fielded for consideration;

(e) Female representation on the Board be continually increased over time in line with CBD's recommendation.

A core competency matrix is used to help identify the gaps to be filled for the Board. The core competency matrix classifies the skills, knowledge and professional experience of existing Directors into several broad categories such as industry knowledge; financial markets; regulation, compliance and/or government relations; leadership; cybersecurity and technology; environmental, social and governance. The current Board comprises members with the following core competencies:



Notes*:

(i) Venture Capital;
(ii) Branding Strategy and Retail Management;
(iii) Manufacturing;
(iv) Taxation; and
(v) Consumer Brand and Technology, M&A/Investments

The current composition of the 17LIVE board was only reconstituted upon the completion of the Business Combination. In order to maintain or enhance its balance and diversity, the Board would continue to take the following steps:

- annual review by the NC to assess if the existing attributes and core competencies of the Board are complementary and relevant to the Group's risk profile, business operations and future business strategies in order to enhance the efficacy of the Board; and

- annual evaluation by the Directors of the skill sets the other Directors possess, with a view to understand the range of expertise which may be lacking by the Board.

The NC would consider the results of these exercises whilst ensuring that diversity is a key criterion before putting forth its recommendation for the appointment of new Directors and/or the re-appointment of incumbent Directors.

Corporate Governance

A review of the size and composition of the Board (and Board Committees) was undertaken by the Company subsequent to year-end to ensure alignment with the needs of the Group and the objectives set out in the Board Diversity Policy. In this review, the NC noted that there is skill gap in the legal and regulatory segment. To bridge this skill gap, the NC and the Board agreed that in identifying new board appointment, attention would be placed on suitable candidates with legal and regulatory background. As the current board was just constituted following the completion of the Business Combination, the NC and the Board are satisfied that the current size and composition of the Board (and Board Committees) meets the criteria in the Board Diversity Policy and possesses the necessary competencies, expertise and knowledge to lead the Group effectively. The Company remains committed to implementing the Board Diversity Policy and any further progress made towards the implementation of such policy will be disclosed in future Corporate Governance Reports, as appropriate.

Board Guidance

The Non-Executive and Independent Directors contribute to the board process by monitoring and reviewing Management's performance. For the financial year under review, the Non-Executive and Independent Directors have constructively challenged Management's proposals and decisions and reviewed Management's performance. They have unrestricted access to Management for any information that they may require to discharge their oversight function effectively. As Non-Executive and Independent Directors constitute a majority of the Board, objectivity on such deliberations is assured.

Principle 3: Chairman and Chief Executive Officer

Whilst it is ideal for the Company to have a separate Chairman and CEO to ensure that there is an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making, Mr. Phua Jiexian, Joseph has stepped up to provide executive leadership to further grow the business of the Company and create synergistic returns with his redesignation to the Executive Chairman and CEO with effect from 26 January 2024 due to the cessation of the previous CEO.

The Independent Directors have demonstrated a high commitment in their roles as Independent Directors and have ensured that there is a good balance of power and authority within the Board even though the role of the Chairman and CEO is held by the same individual.

The Chairman, Mr. Phua Jiexian, Joseph, is an Executive Director who is responsible for the overall management of the Board and ensures that the Directors and Management work together with integrity and competency. He also exercises control over the quality, quantity and timeliness of information flow between the Board and Management to encourage constructive relations within the Board and between the Board and Management. To promote a culture of openness and debate at the Board, he ensures that adequate time is available for discussion of all agenda items, in particular, strategic issues, and also facilitates the effective contribution of all Directors. The Chairman also promotes high standards of corporate governance for the Company, with the support of the Board, Company Secretary and Management. Additionally, as the CEO, Mr. Phua Jiexian, Joseph also drives the business strategies of the Company as set by the Board and manages the day-to-day business operations together with the key executive officers of the Company.

The Board has appointed Mr. Tan Hup Foi as the Lead Independent Director, who is also a member of the NC, given that the Chairman is not independent. The Lead Independent Director is available to shareholders at ac@17.media where they have concerns and for which contact with the Chairman or Management are inappropriate or inadequate.

Principle 4: Board Membership

As at the date of this report, the NC comprises Dr. Steve Lai Mun Fook as Chairman, Mr. Hideto Mizuno, Ms. Chen Xiuling and Mr. Tan Hup Foi. All four members are Independent Directors. The NC under VTAC met once during the financial year under review while the NC under 17LIVE met once subsequent to the financial year end.

The NC is guided by its terms of reference which sets out its responsibilities and is in line with the CG Code. These include:

(a) making recommendations to the Board on relevant matters relating to (i) the review of board succession plans for directors, in particular, the Executive Director and CEO, and key management personnel; (ii) the reviewing of training and professional development programmes for the Board, the board committees and the Directors; and (iii) the appointment and re-appointment of the Directors (including alternate Directors, if applicable), including the criteria used to identify and evaluate potential new directors and channels used in searching for appropriate candidates;

(b) reviewing and determining annually, and as and when circumstances require, if a Director is independent, in accordance with the SGX-ST Listing Manual, the CG Code and any other salient factors;

(c) reviewing the composition of the Board annually to ensure that the Board and the Board Committees (i) comprise Directors who as a group provide an appropriate balance and diversity of skills, expertise, gender and knowledge of the Group and provide core competencies such as accounting or finance, business or management experience, industry knowledge, strategic planning experience and customer-based experience and knowledge; (ii) are of an appropriate size; and (iii) are of an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company;

(d) ensuring that the Directors disclose their relationships with the Company, its related corporations, the Substantial Shareholders or the officers of the Company, if any, which may affect their independence and reviewing such disclosures from the Directors and highlighting these to the Board as required;

(e) reviewing and determining whether the Director is able to and has been adequately carrying out his duties as Director, taking into consideration the Director's number of listed company board representations and other principal commitments. Where a Director has multiple board representations and principal commitments which involve a significant time commitment, providing a reasoned assessment of the ability of the Director to diligently discharge his duties;

(f) setting the objectives for achieving board diversity and reviewing the progress towards achieving these objectives;

(g) taking into consideration all factors as may be specified in the CG Code and the accompanying Practice Guidance (as each may, from time to time, be amended, modified or supplemented) in carrying out its duties;

(h) developing the diversity of the members of the Board and disclosing in the Group's board diversity policy (if any) or a summary thereof in the corporate governance report;

(i) identifying candidates and reviewing and approving nominations for the positions of Director or alternate Director (whether in relation to the appointment or re-appointment of such Directors), reviewing and approving the membership of the Board committees (including the AC, RC and the NC) as well as appraising the qualifications and experience of any proposed new appointments to the Board and making recommendations to the Board on whether the appointments should be approved;

Corporate Governance

(j) reviewing and approving any new employment of any officer occupying a managerial position and above who is a relative of any Director and the proposed terms of their employment;

(k) determining and recommending to the Board the maximum number of listed company board representations which any Director may hold and disclosing this in the Group's annual report;

(l) reviewing the NC's terms of reference annually and recommending any proposed changes to the Board for approval; and

(m) assuming such other duties (if any) that may be required by law or the Listing Manual and/or the CG Code (as each may be, from time to time, amended, modified or supplemented).

In addition, the NC will make recommendations to the Board on the development of a process for evaluation and performance of the Board, its Board Committees and Directors. In this regard, the NC will decide how the Board's performance is to be evaluated and propose objective performance criteria which address how the Board has enhanced long-term shareholder value. The NC will also implement a process for assessing the effectiveness of the Board as a whole and the Board Committees and for assessing the contribution of each individual Director to the effectiveness of the Board. The Executive Chairman will act on the results of the performance evaluation of the Board, and in consultation with the NC, propose, where appropriate, new members to the appointed to the Board or seek the resignation of Directors.

Continuous Board Renewal and Succession Planning

The Board adheres to the principle of progressive renewal and seeks to ensure that its composition provides for appropriate level of independence and diversity of thought and background. When considering new appointments, the Board, through the NC, will prioritise the needs of the Group and takes into account the industry and business experience, skills, expertise and background of the candidate.

When considering new appointments, the Board, through the NC, considers core competencies such as legal, accounting, business acumen, industry knowledge, executive remuneration expertise, familiarity with regulatory requirements and knowledge of risk management, audit and internal controls, while taking into account the Board Diversity Policy.

All Directors are required to submit themselves for re-election at regular intervals and at least once every three years. In recommending a Director for re-election to the Board, the NC will consider, amongst other things, the individual's competencies, commitment and contribution to the Board. After assessing the performance of the retiring Directors as well as their pivotal contribution to the successful business combination, the NC has recommended the re-election of Dr. Steve Lai Mun Fook and Mr. Tan Hup Foi who are due to retire pursuant to the Article 28.2 of the Company's M&AA at the forthcoming AGM. The Board has accepted these recommendations.

The NC will seek to refresh the Board membership progressively and in an orderly manner, for long-term continuity and stability, taking into account the nine-year rule as set out in the SGX-ST Listing Rule 210(5)(d)(iv).

Nomination and Selection of Directors

The NC is responsible for identifying candidates and reviewing all nominations for the appointment and re-appointment of Directors and Board committee members. When the need for a new Director arises, either to replace a retiring Director or to enhance the Board's strength, the NC will source for new candidates with the desired competencies. External help may be engaged to source for potential candidates if considered necessary. Where required, the NC may also tap on its networking contacts to assist with identifying and shortlisting candidates. Directors and Management may also make recommendations. The NC will meet shortlisted candidates for an interview before making its recommendation to the Board for consideration and approval.

When reviewing a nomination for a proposed Board appointment, the NC will consider the following criteria:

(a) a determination of the candidate's independence;

(b) the qualifications and expertise required or expected of a new Board member taking into account the current size, structure, composition, skills and competencies of the Board;

(c) gender (bearing in mind the targets) and age diversity;

(d) whether the candidate would have adequate time to discharge his or her duties having regard to his or her other board appointments and principal commitments; and

(e) other prescribed factors under the Board Diversity Policy.

Review of Directors' Independence

The NC conducts an annual review of each Director's independence and takes into consideration the relevant provisions in the CG Code and SGX-ST Listing Rules. The NC has ascertained that, save for Mr. Phua Jiexian, Joseph and Mr. Akio Tanaka, all Directors are considered independent according to these criteria. Directors must also immediately report any changes in their external appointments which may affect their independence.

Directors' Time Commitment

The NC believes that setting a maximum number of listed company board representations would not be meaningful as the contributions of the Directors should be best assessed through qualitative factors such as their attendance and time commitment to the affairs of the Company. The NC would continue to review from time to time the board representations and other principal commitments of each Director to ensure that the Directors continue to meet the demands of the Group and are able to discharge their duties adequately.

The NC was of the view that each Director has given sufficient time and attention to the affairs of the Company and has been able to discharge his or her duties as Director effectively. The NC noted that based on the attendance of Board and Board committee meetings during the financial year under review as well as subsequent to the financial year end, all the Directors were able to participate in such meetings to carry out their duties. The NC is satisfied that all the Directors have been able to and had adequately carried out their duties notwithstanding their other principal commitments and multiple directorships, where applicable.

Key Information on Directors

Profiles and key information of individual Directors, including their directorships in other listed companies and principal commitments, both present and those held over the preceding three years, are disclosed under the "Board of Directors" section of this Annual Report. In addition, additional information on Directors seeking re-election is also included within the Notice of AGM.

Corporate Governance

Principle 5: Board Performance

Board Evaluation

The NC undertakes a process to assess the effectiveness of the Board, its Board Committees as well as the contributions of each Director. Directors are requested to complete Board and Board Committee Evaluation Questionnaires to assess the overall effectiveness of the Board and Board Committees. To ensure confidentiality, the Company Secretary will compile the Directors' responses to the Board Evaluation Questionnaires on a collective basis and present the results to the NC. The results of the evaluation exercise are considered by the NC which then makes recommendations to the Board aimed at helping the Board and Board Committees to discharge their duties more effectively. The NC Chairman will act on the results of the performance evaluation and in consultation with the NC propose, where appropriate, new members to be appointed to the Board or seek the resignation of existing members.

As most of the Board members of 17LIVE were only appointed on 7 December 2023, no evaluations have been conducted for the financial year under review. The NC and Board was of the view that the board members should be accorded some time to work together before a formal evaluation is undertaken for the evaluation to be meaningful. The board and board committee evaluations will, thus, be conducted for the financial year ending 31 December 2024.

REMUNERATION MATTERS

Principle 6: Procedures for Developing Remuneration Policies

As at the date of this report, the RC comprises Dr. Steve Lai Mun Fook as Chairman, Mr. Tan Hup Foi and Mr. Hideto Mizuno as members, whom are all, including the Chairman, independent. The RC of VTAC met once during the financial year under review and the RC of 17LIVE met thrice subsequent to the financial year end.

The RC is guided by its terms of reference which sets out its responsibilities and is in line with the CG Code. These include:

(a) reviewing and recommending to the Board, in consultation with the Chairman of the Board, for endorsement, a comprehensive remuneration policy framework and guidelines for remuneration of the Directors and other persons having authority and responsibility for planning, directing and controlling the activities of the Group ("**Key Management Personnel**");

(b) reviewing and recommending to the Board, for endorsement, the specific remuneration packages for each of the Directors and Key Management Personnel;

(c) reviewing and approving the design of all share option plans, performance share plans and/or other equity based plans;

(d) considering all aspects of remuneration (including but not limited to, Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, benefits-in-kind and termination payments) and termination terms, to ensure they are fair and that the level and structure of remuneration are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account strategic objectives;

(e) in the case of service contracts, reviewing the Group's obligations arising in the event of termination of the Executive Director's or Key Management Personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous, with a view to being fair and avoiding the reward of poor performance;

(f) approving performance targets for assessing the performance of each of our Executive Directors and Executive Officers and recommend such targets as well as employee specific remuneration packages for each of them, for endorsement by the Board;

(g) reviewing the remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation and the statements in the annual report of the Company with a view to achieving clear disclosure of the same;

(h) approving the remuneration proposals with reference to the Board's corporate goals and objectives;

(i) ensuring compliance with any requirement, direction and regulation that may from time to time be prescribed by the Board or contained in the M&AA or imposed by relevant applicable legislation and regulations;

(j) reviewing the RC's terms of reference annually and recommending any proposed changes to the Board for approval;

(k) assuming such other duties (if any) that may be required by law or the Listing Manual and/or the CG Code (as each may be, from time to time, amended, modified or supplemented).

The RC also periodically considers and reviews remuneration packages in order to maintain their attractiveness, to retain and motivate the Directors to provide good stewardship of the Group and key executives to successfully manage the Group, and to align the level and structure of remuneration with the long-term interests and risk policies of the Group.

The RC, when required, has access to expert advice both within and outside the Company, on remuneration of directors.

Subsequent to the financial year end, the RC has engaged Aon Singapore Pte. Ltd. ("**Aon**") to advise on Directors and Key Management Personnel's remuneration matters. Save for Aon's appointment as the consultant to advise on remuneration matters, Aon does not have any other existing relationships with the Group.

Principle 7: Level and Mix of Remuneration

Principle 8: Disclosure on Remuneration

Non-Executive Directors' Remuneration

After Business Combination:

The framework for determining Non-Executive Directors' fees for (i) the financial period from 8 December 2023 to 31 December 2023; and (ii) financial year ending 31 December 2024 ("**FY2024**") is set out as follows:

(a) a single base fee of S$40,000 for serving as Non-Executive Director;

(b) additional fee of S$25,000 for serving as Non-Executive Chairman of the Board;

(c) additional fee of S$18,500 for serving as Lead Independent Director; and

(d) additional fee for serving as Chairman/Member on the following Board Committees:

Corporate Governance

Type of Committee	Chairman's Fee (S$)	Member's Fee (S$)
Audit Committee	31,000	17,500
Nominating Committee	18,500	9,000
Remuneration Committee	18,500	9,000

The Directors' fees are paid wholly in cash. In determining the quantum of Directors' fees, factors such as frequency of meetings, effort and time spent, responsibilities of Directors and the need to pay competitive fees to retain, attract and motivate the Directors, are taken into account. The Non-Executive Directors are not overcompensated to the extent that their independence is compromised. No Director is involved in deciding his or her own remuneration.

The following table shows the Directors' fees recommended by the Board for the (i) the financial period from 8 December 2023 to 31 December 2023; and (ii) FY2024, to be paid quarterly in arrears, which will be tabled for shareholders' approval at the forthcoming AGM:

Name	Total Directors' Fee Proposed (S$) for 8 ~ 31 December 2023	Total Directors' Fee Proposed (S$) for FY2024[(4)]
Phua Jiexian, Joseph[(1)]	4,194	6,118
Akio Tanaka[(2)]	2,581	54,000
Tan Hup Foi[(3)]	5,161	128,808
Steve Lai Mun Fook[(3)]	6,097	119,500
Mizuno Hideto[(2)]	3,742	77,000
Chen Xiuling[(2)]	4,290	88,500
Total	**26,065**	**473,926**

Notes:

(1) Director's fee to be paid for his services from 8 December 2023 to 25 January 2024. Mr. Phua was redesignated as the Executive Chairman and CEO on 26 January 2024.

(2) Directors' fees to be paid to these Directors are for their services (i) from 8 December 2023 to 31 December 2023; and (ii) for FY2024.

(3) Directors' fees to be paid to these Directors are for their services (i) from 8 December 2023 to 31 December 2023; and (ii) for FY2024.

(4) The calculation is based on the assumption of 1 AGM, 7 board meetings, 6 AC meetings, 3 RC meetings, 1 NC meeting and an additional committee meeting in FY2024.

Before Business Combination:

The following table shows the Directors' fees for period from 1 January 2023 to 7 December 2023, which were paid to the VTAC directors in the financial year ended 31 December 2023 (approval was sought at the VTAC AGM held on 28 April 2023):

Name	Directors' Fee Paid
Tan Hup Foi[(1)]	70,161.30
Steve Lai Mun Fook[(1)]	70,161.30
Low Seow Juan[(2)]	70,161.30
Anupama Sawhney[(2)]	70,161.30
Total	**280,645.20**

Notes:

(1) The Director's fee paid to Mr. Tan Hup Foi and Dr. Steve Lai Mun Fook were for their services from 1 January 2023 to 7 December 2023, i.e. Completion Date of the Business Combination.

(2) The Director's fee paid to Mr. Low Seow Juan and Ms. Anapuma Sawhney were for their services from 1 January 2023 to 7 December 2023. They had resigned as Directors with effect from 7 December 2023.

Executive Directors' and KMP's Remuneration

Before Business Combination

As disclosed in the Prospectus, the previous CEO of VTAC, who was also an Executive Director, Mr. Jiang Honghui, was seconded to the Company on a full-time basis until the consummation of the initial business combination. The previous Chief Financial Officer ("**CFO**"), Mr. Sito Tuck Wai, was subject to a double-hatting arrangement and holds an existing position as Senior Executive Director, Finance of Vertex Venture Management Pte. Ltd. ("**VVMPL**").

Each of Mr. Jiang Honghui and Mr. Sito Tuck Wai was remunerated by VVMPL for their roles as our CEO as well as our CFO respectively until their resignations which took effect on 7 December 2023. At the same time, the Company entered into the Administrative Services Agreement under which VVMPL charged us a fixed quarterly retainer fee (payable quarterly in advance in four equal instalments per annum and pro-rated accordingly for any partial calendar quarter) in providing the Company with financial and other support services (including the cost of Mr. Jiang Honghui and Mr. Sito Tuck Wai's remuneration in their roles as our CEO as well as our CFO respectively until their resignations which took effect on 7 December 2023). For the avoidance of doubt, both Mr. Jiang Honghui and Mr. Sito Tuck Wai did not receive any separate compensation from the Company prior to the Business Combination. For these given reasons as mentioned, the Board is of the view that the disclosure of remuneration for each of the CEO and CFO in exact quantum in accordance with Provision 8.1 of the CG Code is of no interest and relevance to shareholders given that both of them are not remunerated by the Company. The Board had taken into consideration, inter alia, the commercial sensitivity and confidential nature of remuneration matters as they are secondees from VVMPL and any disclosure of their remuneration in exact quantum would place them in a disadvantageous position for being secondees to the Company. Instead, their respective remuneration would be disclosed in remuneration bands of S$250,000.

For the financial year under review, each of Mr. Jiang Honghui and Mr. Sito Tuck Wai were remunerated by VVMPL, and did not receive any separate compensation from the Company.

After Business Combination:

Upon the Completion Date of the Business Combination, the Company had entered into service contracts with the CEO and KMP which are subject to review by the RC and endorsed by the Board. Their contracts do not contain any onerous removal clauses. Subsequent to financial year end, the CEO, Mr. Lien Chien-Lin resigned on 26 January 2024. Thereafter, Mr. Phua Jiexian, Joseph was redesignated as the Executive Chairman and CEO.

The following table shows the remuneration of the CEO, Mr. Lien Chien-Lin for the period from 7 December to 31 December 2023:

Name	**Fixed Salary**	**Variable Cash Bonus**	**Total Remuneration (S$)**
Lien Chien-Lin*	86.24%	13.76%	37,665

Note:

* Mr Lien Chien-Lin, who was also an Executive Director during the period from 7 to 31 December 2023, does not receive Director's Fee.

Corporate Governance

In setting remuneration packages, the RC takes into consideration the prevailing market conditions as well as the relevant comparative remuneration and employment conditions within the industry. The remuneration packages for the CEO and KMP consist of both fixed and variable components. The variable component in the form of bonus is determined based on the performance of the individual employee and the Group's performance in the relevant financial year. This is to align their interests with those of the shareholders and link rewards to corporate and individual performance. For the purpose of assessing the performance of the Executive Director and KMP, key performance indicators comprising both quantitative and qualitative factors are set out at the beginning of each year and reviewed at the end of the financial year. The Company does not have any contractual provisions which allow it to reclaim incentive components of remuneration from Executive Director and KMPs as such provisions may have a negative impact on attracting and retaining talent in the Company.

The Company has in place the Executive Incentive Scheme ("**EIS**") and Employee Share Option Plan ("**ESOP**"), details of which are disclosed in the Directors' Statement. The EIS and ESOP are administered by the RC.

The following table shows the remuneration of the top two KMPs (who are not Directors or CEO of 17LIVE) paid between the period from 7 December to 31 December 2023:

	Fixed Salary	**Variable Cash Bonus**	**Remuneration Band**
Executive A	100%	0%	Under S$250,000
Executive B	100%	0%	Under S$250,000

The total remuneration of the top two KMP (who are not Directors or CEO of the Company) paid between 7 to 31 December 2023 amounted to S$38,820.

The Company believes that it may not be in the best interest of the Company to disclose the remuneration of KMP on an individually named basis as recommended by the CG Code, as such disclosure may affect its ability to motivate, retain and nurture employees. The Company would like to elaborate on the reasons for not disclosing the names of the individual KMP as follows:

(a) Given the competitive business environment which the Group operates in, the Company faces significant competition for talent in this industry and it had not disclosed the names of the KMP in order to minimise potential staff movement and undue disruptions to its senior management team and business operations, which would not be in the best interests of shareholders.

(b) It is imperative for the Company to ensure the stability and continuity of its business led by a competent and experienced senior management team and disclosure of the remuneration of KMP on an individually named basis would make it difficult to retain and attract talented management staff on a long term basis.

Other than this, the Company has complied with the rest of the disclosure requirements under Provision 8.1 of the CG Code.

There were no termination, retirement and post-employment benefits paid to any Directors and the top two key executives for the year ended 31 December 2023. In addition, the RC was satisfied that the service contracts with the key executives do not contain termination clauses that are overly generous.

Remuneration of Employees who are Immediate Family Members of a Director, CEO or Substantial Shareholder

The Company does not have any employees who is an immediate family member of a Director, CEO or substantial shareholder and whose remuneration exceeded S$100,000 during the financial year.

ACCOUNTABILITY AND AUDIT

Principle 9: Risk Management and Internal Controls

The Board adopts the principle that a sound system of internal controls and risk management is necessary to safeguard shareholders' interest.

Before Business Combination

Prior to the Business Combination, VTAC did not have any operating businesses or investments and remained so until the initial business combination was completed. Notwithstanding the above, the Board established internal controls and risk management systems that address key financial, compliance and information technology risks that were relevant to the Company as a special purpose acquisition vehicle.

VTAC, implemented cash control management processes to ensure the proper use of cash, which include the proceeds that were not held in the Escrow Account as well as the permitted amounts drawn down from the Escrow Account The Board has implemented the Cash Control Management Processes and on a quarterly basis, the Board and AC received an update on the cash utilisation which include the utilisation of funds in the Escrow Account for permitted investments such as Singapore Government Securities bonds, Singapore Government Securities treasury bills and bills issued by the Monetary Authority of Singapore.

After Business Combination

The AC assists the Board in overseeing the risk governance of the Group to ensure that there is a sound system of risk management and internal controls to manage risks in a way that is aligned with the Group's risk tolerance. The Company is in the midst of establishing an Enterprise Risk Management ("**ERM**") framework to ensure adequate and effective management of risks and facilitate the Board's assessment on the adequacy and effectiveness of the Group's risk management system. The framework will set out governing policies, processes and systems pertaining to each of the key risk areas to which the Group are exposed. The framework also facilitates the assessment by the Board in the effectiveness of the Group in managing each of the key risks. The Board, through the AC's reviews, will monitor the adequacy of the Company's internal controls including financial, operational, compliance and information technology controls and risk management policies and systems established by Management. The internal auditor also conducts independent reviews of the adequacy and effectiveness of the Company's material internal controls, including financial, operational and compliance controls, information technology and risk management, at least annually and reports these findings to the AC. The AC will also review the effectiveness of the actions taken by Management on the recommendations made by the internal auditor in this respect. Subsequent to the financial year end, the external auditors have also performed a review of the internal financial systems and operating controls for the financial statements attestation purpose. Such reviews had been reported to the AC.

Post Completion of the Business Combination, the Company has appointed PricewaterhouseCoopers LLP to perform internal controls audit on an annual basis until the AC is satisfied that the Company's internal controls are robust and effective enough to mitigate the Company's internal control weaknesses. The AC has reviewed the audit report on the findings subsequent to financial year end and noted there were no material internal control weaknesses.

Corporate Governance

Such internal controls audit may be initiated by the AC as and when it deems fit to satisfy itself that the Company's internal controls remain robust and effective.

In the course of the statutory audit, the Company's external auditors, Ernst & Young LLP ("**EY**"), will highlight any material internal control weaknesses which have come to their attention in the course of carrying out their audit procedures, which are designed primarily to enable them to express their opinion on the financial statements. Such material internal control weaknesses noted during their audit, and recommendations, if any, by the external auditors are reported to the AC.

The Board has received assurance from the CEO and CFO that the financial records have been properly maintained and the financial statements for the year ended 31 December 2023 give a true and fair view of the Company's operations and finance.

The Board has also received assurance from the CEO and other KMP that the risk management system and internal controls (including operational, financial, compliance and information technology controls) of the Company were adequate and effective for the year ended 31 December 2023.

Based on the internal controls established and maintained by the Company, work performed by the internal and external auditors and reviews performed by Management, as well as the assurances set out above, the Board, with the concurrence of the AC, is of the view that the Company's system of risk management and internal controls (including financial operational, compliance and information technology controls) were adequate and effective for the year ended 31 December 2023 to address risks which the Company considers relevant and material.

The system of risk management and internal controls provides reasonable, but not absolute, assurance that the Company will not be adversely affected by any event that could be reasonably foreseen as it strives to achieve its business objectives. However, the Board also notes that no system of risk management and internal controls could provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgment in decision making, human error, losses, fraud or other irregularities. The process of reviewing and strengthening the Company's control environment is an evolving process. When controls should be enhanced, the Board and Management will take action to rectify and strengthen the internal controls and risk management systems. The Board and Management will continue to devote resources and expertise towards improving its internal policies and procedures to maintain a high level of governance and internal controls.

Principle 10: Audit Committee

As at the date of this report, the AC comprises Mr. Tan Hup Foi as Chairman, Dr. Steve Lai Mun Fook and Ms. Chen Xiuling as members, whom are all including the Chairman, independent. The AC of VTAC met four times during the financial year under review and the AC of 17LIVE met thrice subsequent to the financial year end.

The majority of the AC, including the Chairman, has accounting or related financial management expertise or experience. The Board is of the view that the members of the AC are appropriately qualified to discharge their responsibilities. None of the AC members were previous partners or directors of the Company's external auditor, EY within the last two years or hold any financial interest in the external auditor.

The AC is guided by its terms of reference which sets out its responsibilities and is in line with the CG Code. These include:

(a) assisting the Board in discharging its statutory responsibilities on financing and accounting matters;

(b) reviewing significant financial reporting issues and judgments to ensure the integrity of the financial statements and any formal announcements relating to financial performance;

(c) reviewing the scope and results of the external audit and its cost effectiveness, and the independence and objectivity of the external auditor;

(d) reviewing the external auditor's audit plan and audit report, and the external auditor's evaluation of the system of internal accounting controls as well as monitoring and reviewing the Group's implementation of any recommendations to address any internal control weaknesses highlighted by the external auditor;

(e) reviewing the key financial risk areas, including overseeing the implementation of the transfer pricing policy;

(f) reviewing the risk management structure and any oversight of the risk management process and activities to mitigate and manage risk at acceptable levels determined by the Board;

(g) reviewing and reporting to the Board the suitability of the auditing firms appointed for the significant foreign-incorporated subsidiaries and associated companies of the Group;

(h) reviewing and reporting to the Board at least annually (i) the adequacy and effectiveness of the risk management and internal controls systems of the Group, including financial, operational, compliance controls, and information technology controls and (ii) the implementation of risk treatment plans in relation to the foregoing;

(i) reviewing the statements to be included in the annual report concerning the adequacy and effectiveness of the risk management and internal controls systems of the Group, including financial, operational, compliance controls, and information technology controls, with a view to achieving clear disclosure of the same and including any material issues arising from the internal auditor's review of our internal control policies and procedures and how these material issues have been addressed with the implementation of the mitigating measures;

(j) reviewing regulatory compliance matters, at least on a quarterly basis, with a view to ensuring that adequate rectification measures are taken for past breaches as well as new initiatives implemented to mitigate and reduce the risks of future breaches;

(k) reviewing any Interested Person Transactions (including transactions under any general mandate approved by Shareholders pursuant to Chapter 9 of the Listing Manual) and monitoring the procedures established to regulate Interested Person Transactions, including ensuring compliance with the Group's internal control system and the relevant provisions of the Listing Manual, as well as all conflicts of interests to ensure that proper measures to mitigate such conflicts of interests have been put in place;

(l) ensuring that the internal audit function is adequately resourced and has appropriate standing within the Group;

(m) commissioning an independent audit on internal controls and risk managements systems for the AC's assurance where necessary or where the AC is not satisfied with the systems of internal controls or risk management of the Group;

(n) commissioning and reviewing the findings of internal investigations into matters where there is any suspected fraud or irregularity, failure of internal controls or infringement of any law, rule or regulation which has, or is likely to have, a material impact on the Company's operating results and/or financial position and ensuring that appropriate follow-up actions are taken;

(o) monitoring and reviewing the implementation of any recommendations by the Group to satisfactorily address any internal control weaknesses highlighted by the external auditor and/or internal auditor;

Corporate Governance

(p) monitoring and reviewing the rectification of the outstanding internal control weaknesses, including assessing the effectiveness of the measures implemented to rectify the internal control weaknesses which have been resolved prior to Completion;

(q) reviewing the scope and results of the internal audit procedures, and at least annually, the adequacy and effectiveness of the internal audit function of the Group;

(r) approving the hiring, removal, evaluation and compensation of the head of the internal audit function, or the accounting/auditing firm or corporation to which the internal audit function is outsourced (if any);

(s) appraising and reporting to the Board on the audits undertaken by the external auditors and internal auditors and the adequacy of disclosure of information;

(t) making recommendations to the Board on the proposals to Shareholders on the appointment, reappointment and removal of the external auditor, and approving the remuneration and terms of engagement of the external auditor;

(u) reviewing the adequacy and effectiveness, independence, scope and results of the external audit and internal audit function;

(v) reviewing the adequacy of and approving procedures put in place related to any hedging policies to be adopted by the Group;

(w) ensuring that the Company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns;

(x) assessing the performance of the CFO, financial director and/or the financial controller (as the case may be), for the relevant period, on an annual basis to determine his or her suitability for the position;

(y) meeting with the external auditor, and with the internal auditor, in each case without the presence of management, at least annually and reviewing the co-operation extended to the internal auditor and the external auditor;

(z) approving the hiring, removal, evaluation and compensation of the accounting or auditing firm or corporation to which the internal audit function is outsourced (if any);

(aa) reviewing the nature, extent and costs of non-audit services performed by the external auditor, to ensure their independence and objectivity;

(bb) undertaking such other reviews and projects as may be requested by the Board, and reporting to the Board its findings from time to time on matters arising and requiring the attention of the AC;

(cc) taking into consideration all factors as may be specified in the CG Code and the accompanying Practice Guidance (as each may, from time to time, be amended, modified or supplemented) in carrying out all its duties;

(dd) reviewing the half-yearly and annual financial statements before submitting the same to the Board for approval, focusing in particular on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance with accounting standards and compliance with the Mainboard Rules and any other relevant statutory or regulatory requirements;

(ee) reviewing the assurance from the CEO and the CFO on the financial records and financial statements of the Group;

(ff) reviewing the risk profile of the Group and the appropriate steps to be taken to mitigate and manage risks at acceptable levels determined by the Board;

(gg) reviewing the adequacy and effectiveness of the Group's risk management function, ensuring that a clear reporting structure is in place between the AC and the internal auditors, and reviewing the adequacy, effectiveness, independence, scope and results of the internal audit function and procedures and the Management Team's response and follow-up actions;

(hh) reviewing any actual or potential conflicts of interest, including those referred to the AC or which may involve the Directors as disclosed by them to the Board and which may affect the exercise of their fiduciary duties;

(ii) reviewing transactions falling within the scope of Chapter 10 of the Mainboard Rules, if any;

(jj) periodically reviewing the Group's intellectual property protection policies to ensure that the policies and/or procedures are complied with, and are adequate and effective for the Group's operations;

(kk) reviewing and establishing procedures for receipt, retention and treatment of complaints received in relation to the Group, including criminal offences involving the Group or its employees, questionable accounting, auditing, business, safety or other matters that may negatively impact the Group and ensuring that arrangements are in place for independent investigations of such matters and for appropriate follow-up actions to be taken;

(ll) reviewing the AC's terms of reference annually and recommending any proposed changes to the Board for approval; and

(mm) undertaking generally such other functions and duties as may be required by law or the Mainboard Rules, including any amendments made thereto from time to time.

Apart from the duties listed above, the AC will ensure that arrangements are in place for employees to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters for appropriate follow-up action. The AC will also commission and review the findings of internal investigations into such matters or matters where there is any suspected fraud or irregularity, or failure of internal controls, or infringement of any law, rule or regulation which has or is likely to have a material impact on the Group's operating results and financial position.

During the financial year, the AC has carried out the above duties as provided in their terms of reference.

Each member of the AC shall abstain from voting on any resolution in respect of matters in which he or she is interested.

The AC keeps abreast of the changes to accounting standards and issues that may have a direct impact on the financial statements by referring to the best practices and guidance in the Guidebook for Audit Committee in Singapore and the reports issued from time to time in relation to the Financial Reporting Surveillance Programme administered by the Accounting and Corporate Regulatory Authority. During the year under review, the AC was also briefed on the changes in accounting standards that would impact the Group's financial statements by the external auditor at the AC meetings.

Corporate Governance

In the review of the financial statement, the AC has considered and reviewed the significant financial reporting issues and judgements relating to financial statements. The following key audit matters impacting the financial statements were discussed with Management and the external auditors and were reviewed by the AC:

Key audit matters	How the AC reviewed this matter and what decision was made
Impairment of goodwill	EY reviewed the issue and concurred with Management's assessment that no impairment of goodwill was required, which the AC found satisfactory.

Following the review, the AC recommended to the Board to approve the financial statements or the financial year ended 31 December 2023.

The AC has full access to and co-operation of Management. The AC also has full discretion to invite any Director or executive officer to attend its meetings and has been given adequate resources to discharge its functions. During the year, the AC met with the external and internal auditors without the presence of Management.

In line with the SGX-ST Listing Rule 1207(6), the AC has undertaken a review of the nature and extent of all non-audit services provided by the external auditor during the financial year and is satisfied that such services have not, in the AC's opinion, compromised the independence of the external auditor. It was noted that the fees for non-audit services did not exceed 50% of the aggregate amount of audit fees paid/payable to EY in 2023. The aggregate amount and breakdown of the audit and non-audit fees paid/payable to the external auditor is as follows (in US$'000):

Audit Services	Audit-Related Services	Non-Audit Services
1,737	694	482

In reviewing the performance of the external auditor and formulating its recommendation on the re-appointment of EY for the financial year ending 31 December 2024, the AC had considered the overall adequacy and quality of the firm's resources, the experience and expertise of the audit partners and other senior members of the engagement team, and the efficiency and effectiveness of the engagement team in carrying out its work. The AC had also considered the quality of audit services rendered, scope of audit plan and audit findings presented during the year, as well as the information provided by EY under the Audit Quality Indicators Disclosure Framework. On this basis, the AC recommended the re-appointment of EY at the upcoming AGM.

The Company is in compliance with the requirements under SGX-ST Listing Manual Rules 712 and 715(1) on the appointment of the same auditing firm in Singapore to audit its accounts, the accounts of its incorporated subsidiaries and significant foreign incorporated subsidiaries.

The Company has put in place a whistle-blowing policy, endorsed by the AC, which provides for a mechanism by which employees and any other external parties of the Company may, in confidence, raise concerns about possible unethical conduct and improprieties in financial reporting or other matters. The objective of this policy is to encourage the reporting of such matters in good faith, with the confidence that employees and other persons making such reports will be treated fairly and, to the extent possible, protected from reprisal. All information received is treated with confidentiality and anonymous reporting is accepted for protecting the identity and interest of all whistle-blowers. The AC is responsible for the oversight and monitoring of the whistle-blowing policy and ensuring that it is properly administered with the assistance of the Head of Internal Audit (the "**Reporting Officer**").

The Company does not tolerate nor condone any actions taken against any employee or other person in retaliation for raising a compliance or integrity issue, and may institute disciplinary action against any party found to have taken such retaliatory action against whistle-blowers.

All whistle-blowing reports are received by the (i) Reporting Officer; and (ii) AC Chairman, on behalf of the AC. The Reporting Officer would consult the AC Chairman on appropriate investigative action(s) to be taken upon the receipt of a complaint. The AC shall, through the Reporting Officer, maintained or caused to be maintain a complaints register for the purposes of recording all complaints received, the date of such complaint and nature of such complaint.

The AC ensures that independent investigations and appropriate follow-up actions are carried out, where applicable. Details of the Group's whistle-blowing policy, including the different modes of reporting via post and email address, have been disseminated and made available to all employees.

Internal Audit

The Company has established an in-house Internal Audit ("**IA**") function that is independent of the activities that it audits. The Head of IA reports directly to the AC and administratively to the CEO. The Head of IA has more than 20 years of working experience in internal audit, internal controls, risk management, accounting and finance.

The IA function adopts the International Standards for the Professional Practice of Internal Auditing (the IIA Standards) issued by the Institute of Internal Auditors.

To ensure that audits are performed effectively, the Company employs suitably qualified professional staff with the relevant experience. The Company has engaged with PricewaterhouseCoopers LLP to work together with the in-house IA function. The AC is satisfied that the in-house IA function is adequately resourced and has the appropriate standing within the Company. On an annual basis, the AC has also reviewed and is satisfied with the adequacy and effectiveness of the IA function and that the IA function has maintained its independence from the activities that they audit.

The IA function adopts a risk-based approach in formulating the annual audit plan which aligns its activities to the key risks across the Group's business. The reviews performed by the internal auditors are aimed at assisting the Board in evaluating the adequacy and effectiveness of risk management, internal controls and governance processes.

The IA function would submit a report to the AC on its findings and actions to be taken by Management. Key findings would also be highlighted at AC meetings for discussion and follow-up actions. The AC monitors the timely and proper implementation of the required corrective, preventive or improvement measures to be undertaken by Management.

The IA function has unrestricted access to the AC as well as the documents, records, properties and personnel of the Company and the Group, where relevant to their work. The IA reports functionally to the AC and administratively to Management. The AC also reviews and approves the annual internal audit plans and resources prepared by the IA to ensure that there are adequate resources to perform the IA functions. The AC approves the hiring, removal and evaluation of the Head of IA.

On an annual basis, the AC has also reviewed and is satisfied with the adequacy and effectiveness of the Group's IA function and that the IA function has maintained its independence from the activities that they audit.

Corporate Governance

SHAREHOLDER RIGHTS AND ENGAGEMENT

Principle 11: Shareholder Rights and Conduct of General Meetings

Principle 12: Engagement with Shareholders

Principle 13: Engagement with Stakeholders

Disclosure of Information on a Timely Basis

The Company is committed to treat all shareholders fairly and equitably, through open and non-discriminatory communication. The Company keeps its shareholders adequately informed of the changes in its business performance and prospects which may materially affect the price or value of the Company's shares.

The Company ensures that all material and price sensitive information which may affect the price or value of the Company's shares is disseminated to the public on a comprehensive, accurate and timely basis via SGXNet and not selectively disclosed.

Prior to Completion of the Business Combination, VTAC has been providing quarterly updates on the utilisation of cash pursuant to Rule 754(3) of the SGX-ST Listing Manual. The Company also announces its financial statements for half year and full year in compliance with Rule 705 of the SGX-ST Listing Manual.

The Board provides shareholders with a comprehensive and balanced assessment of the Company's performance, position and prospects where applicable on a half year and full year basis when it releases its results through the SGXNet and the Company's website.

Financial results for the first half of the year are released no later than 45 days from the end of the reporting period. Annual financial results for the full year are released within 60 days from the financial year-end.

Other price-sensitive information is disseminated to shareholders through announcements via SGXNet, press releases and the Company's website, whenever necessary.

The Company also observes obligations of continuing disclosure under the SGX-ST Listing Manual. The Company has received signed undertakings from all its Directors and Executive Officers pursuant to Rule 720(1) of the SGX-ST Listing Manual.

Conduct of General Meetings

General meetings will be convened at least once a year. Shareholders are given the opportunity to submit questions and concerns to the Directors, Management and external auditor in advance of the AGM. The Company will address all substantial and relevant questions received from shareholders prior to the AGM via SGXNet and on the Company's website or during the AGM. At each general meeting, each distinct issue is proposed as a separate resolution.

In accordance with the Company's M&AA, unless CDP specifies otherwise in a written notice to the Company, CDP shall be deemed to have appointed as CDP's proxies, each of the Depositors who are individuals and whose names are shown in the records of CDP, as at a time not earlier than 48 hours prior to the time of the relevant general meeting, supplied by CDP to the Company. Therefore, Depositors who are individuals can attend and vote at the general meetings of our Company without the lodgement of any proxy form. Depositors who cannot attend a meeting personally may enable their nominees to attend as CDP's proxies by completing and returning appropriate proxy forms. Depositors who are not individuals can only be represented at a general meeting of the Company if their nominees are appointed by CDP as CDP's proxies. Proxy forms appointing nominees of Depositors as proxies of CDP would need to be executed by CDP as member and must be deposited at the place and within the time frame specified by the Company to enable the nominees to attend and vote at the relevant general meeting of the Company.

All votes on the resolutions tabled at the AGM will be voted by proxy on a one share, one vote basis. All resolutions tabled at the AGM would be voted by poll and counted based on the proxy forms that were submitted to the Company at least 48 hours before the Meeting, either by post or via email. An independent scrutineer firm is also appointed to validate the votes for each general meeting. The results of all votes for and against each resolution are tallied and instantaneously displayed at the meeting. The voting results will be announced via SGXNet following each general meeting.

The Company Secretary prepares minutes of general meetings which include the Company's responses to the questions received from shareholders. These minutes are made available to shareholders via SGXNet and on the Company's website.

Stakeholders Engagement

The Company has a dedicated Investor Relations ("**IR**") team which focuses on maintaining frequent interactions with the investment community in the form of meetings, investor roadshows, conference calls and results briefings. During the financial year under review, the IR team engaged close to 100 Singapore and foreign investors via conference calls and/or meetings.

In addition, the IR team attends to queries or concerns from the investment community in a timely manner. Feedback and views received from them are also conveyed to Management by the IR team. The IR team is contactable at investor@17.live.

Apart from the SGXNet, the investment community can also access announcements, half-yearly financial reports, annual reports, investor presentations, operational and financial updates and other corporate information on the dedicated Investor Relations section of the Company's website at https://about.17.live/investor-relations/. Our announcements are also disseminated by electronic mail to our subscribers in the form of news alerts, allowing investors to keep abreast of our latest performance and developments.

Pursuant to paragraph 6.3 of Practice Note 7.6 of the SGX-ST Listing Manual, the Company may issue its sustainability report within 12 months from the Completion of the Business Combination.

Sustainability

The Company will be issuing its first sustainability report for FY2023 in due course to keep stakeholders informed on the commitment made by the Company in fostering the creation of long-term value for the stakeholders and sustainable development of the global economy.

Dividend Policy

The Company does not have a fixed dividend policy.

No dividends have been paid to shareholders to date (i) as there was no intention to pay cash dividends before the completion of the Company's initial business combination; and (ii) the Company needs to conserve cash for business growth and expansion after the Completion of the Business Combination.

Corporate Governance

ADDITIONAL INFORMATION

Dealing in Securities

The Company has adopted and issued an internal compliance code on securities transactions, which provides guidance and internal regulations pertaining to dealings in the Company's securities by the Company, its Directors and officers.

According to the Company's internal compliance code, the Company, its Directors and officers of the Company are prohibited from dealing in the Company's securities during the "closed period", which is defined as follows:

- the period commencing two weeks before the announcement of the Company's financial and business updates for the first and third quarters of its financial year; and
- the period commencing one month before the announcement of the Company's financial statements for its half year and full financial year.

Directors and officers are also advised to adhere to the following at all times:

(a) observe insider trading laws and not to deal in the Company's securities while in possession of any unpublished material price-sensitive information; and

(b) not to deal in the Company's securities on short-term considerations.

In addition, Directors are required to report to the Company Secretary within two business days whenever they deal in the Company's securities and the latter will make the necessary announcements in accordance with the requirements of the SGX-ST Listing Manual.

Interested Person Transaction

To ensure that interested person transactions are conducted on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders, the Company has adopted internal guidelines and procedures for the review and approval of transactions with interested persons as disclosed on pages 323 and 324 of the Circular to Shareholders dated 9 November 2023. All transactions with interested persons were monitored closely and reported in a timely manner to the AC for its review.

Before the Business Combination

Administrative Services Agreement

Pursuant to the terms of the Administrative Services Agreement, VVMPL will provide to the Company, among others, (a) legal and regulatory compliance support; (b) support services in sourcing and evaluating suitable target companies for the initial business combination (which includes research on and analysis of: (i) potential targets identified by the Company; (ii) the industry/market in respect of the potential targets identified by the Company; and (iii) the competitive landscape in relation to (i) and (ii)); (c) general administration services in relation to the Company's business operations, such as corporate administration, finance and accounting services, human resources and payroll support, information systems management and maintenance, end-user support, local area networks management, help desks, information technology security operations, business continuity planning and record-keeping; (d) assistance with coming up with and implementing suitable risk management policies and monitoring, assessing and managing risk in accordance with such policies on an on-going basis; and (e) making available office space to our Company (collectively, the "**Support Services**"). In addition, VVMPL also seconded two (2) employees, namely Mr Jiang Honghui and Mr Sito Tuck Wai, to perform the roles of our CEO and our CFO on a full-time and part-time basis respectively (collectively, the "**Secondment**"). During the term of the Administrative Services Agreement, the Company will pay VVMPL an annual fee of S$100,000 and S$200,000 for the Support Services and the Secondment respectively (the "**Service Fees**"). In particular, the annual fee for the Support Services is a notional amount charged by VVMPL and is therefore not on normal commercial terms or comparable to fees that the Company would otherwise pay to other services providers of a similar standing if they were to provide similar services to us and the annual fee for the Secondment is based on an estimation of approximately 25% of the aggregate annual remuneration of the relevant persons being seconded. The Service Fees are payable quarterly in advance in four equal instalments per annum and pro-rated accordingly for any partial calendar quarter. The Service Fees is paid through the gross proceeds raised from the Company's issuance and allotment of the Private Placement Warrants pursuant to the Private Placement Warrants Purchase Agreement. For the avoidance of doubt, the payment of such Service Fees will not reduce the amounts available to be returned or distributed to Shareholders in the event an initial business combination is not consummated.

Although the Administrative Services Agreement was not entered into on an arm's length basis and on normal commercial terms as the fees paid to VVMPL were not comparable to the fees that we would otherwise have paid to other service providers of a similar standing if they were to provide similar services to us, the AC is of the view that it is not prejudicial to our interests and the interests of our minority Shareholders.

Other than recurring fees under the Administrative Services Agreement, there are no other interested person transactions during the financial period from 1 January 2023 to 7 December 2023.

After the Business Combination

There were no interested person transactions between 8 December 2023 to 31 December 2023.

Material Contracts

Save as disclosed on page 342 of Circular to Shareholders dated 9 November 2023, there are no other material contracts entered into by the Company involving the interests of the CEO, any Director or controlling shareholder, which are either subsisting at the end of the financial year or if not then subsisting, entered into since the end of the previous financial year ended 31 December 2022.

UPDATE ON UTILISATION OF PROCEEDS

As at the date of this report, the Company wishes to provide an update on utilisation of proceeds raised by the Company from its initial public offering and PIPE financing pursuant to the business combination (including any interests and income derived from such proceeds in the Company's escrow account). The Company paid an aggregate of approximately S$7,093,000 (equivalent to US$5,257,000) mainly to its advisors in relation to fees incurred by the Company arising from the business combination.

The Company intends to utilise the remaining proceeds of approximately S$81,440,000 (equivalent to US$61,897,000) for general working capital expenses and for such other uses as disclosed in the shareholders' circular of VTAC dated 9 November 2023.

Directors' Statement

The directors hereby present their statement to the members together with the audited consolidated financial statements of 17LIVE Group Limited (formerly known as Vertex Technology Acquisition Corporation Ltd) (the "Company") and its subsidiary companies (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2023.

Opinion of the directors

In the opinion of the directors,

(i) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date; and

(ii) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are:

Phua Jiexian, Joseph	(Appointed on 7 December 2023)
Akio Tanaka	(Appointed on 7 December 2023)
Tan Hup Foi	
Steve Lai Mun Fook	
Hideto Mizuno	(Appointed on 7 December 2023)
Chen Xiuling	(Appointed on 7 December 2023)

Steve Lai Mun Fook and Tan Hup Foi who are eligible to retire in accordance with Article 28.2 of the Company's Articles of Association, have offered themselves for re-election.

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

Directors' interests in shares and debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings kept by the Company, an interest in shares of the Company as stated below:

	Direct interest		Deemed interest	
Name of director	**At beginning of the financial year or date of appointment**	**At end of the financial year**	**At beginning of the financial year or date of appointment**	**At end of the financial year**
Ordinary shares of the Company				
Phua Jiexian, Joseph	–	–	–	16,055,627[(1)]
Akio Tanaka	–	–	–	19,453,132[(2)]

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 January 2024.

Notes:

(1) Phua Jiexian, Joseph holds 100% shareholding in Dragon Alexander Limited. Accordingly, he is deemed to be interested in the shares of the Company held by Dragon Alexander Limited by virtue of Section 4 of the Securities and Futures Act 2001 of Singapore.

(2) Akio Tanaka holds 100% shareholding in Growth Tree Ltd, which holds 100% shareholding in Infinity e ventures Asia III (GP), Ltd.

Infinity e ventures Asia III (GP), Ltd. Is the general partner of Infinity e Ventures Asia III L.P. and has the authority to exercise control of the disposal over the shares held by Infinity e Ventures Asia III L.P. pursuant to the limited partnership agreement.

Accordingly, Akio Tanaka is deemed to be interested in the shares of the Company held by Infinity e Ventures Asia III L.P. by virtue of Section 4 of the Securities and Futures Act 2001 of Singapore.

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

Share options

The Company has in place an Employee Share Option Plan and an Executive Incentive Scheme (collectively known as the "Schemes"). The two Schemes are administered by the Remuneration Committee ("RC"), comprising Messrs Steve Lai Mun Fook, Tan Hup Foi and Hideto Mizuno. Salient details of the ESOP and EIS are as follows:

(a) Employee Share Option Plan

(i) The Employee Share Option Plan ("ESOP") was approved on 1 December 2023. The following persons are eligible to participate in the ESOP, at the absolute discretion of the RC:

1) Highly qualified employees who hold such rank as may be designated by the RC from time to time; and

2) Non-Employee Directors of the Company

(ii) The total number of new shares authorised to be issued pursuant to the awards awarded under the ESOP shall not exceed 2,114,891 shares or such other number of shares as may be authorised by the Board or the RC, which shall not, in any event, exceed 15.0% of the total number of issued shares (excluding shares held by the Company as treasury shares, if any) when aggregated with (a) the total number of shares issued and/or to be issued pursuant to Awards[3] already awarded under the ESOP; and (b) the aggregate number of shares over which options or awards are granted under any other share option scheme or share schemes of the Company. Shares issued under the ESOP shall consist in whole or in part of authorised but unissued shares, treasury shares, or shares purchased on the open market or otherwise, all as determined by the Company from time to time.

Directors' Statement

Share options (continued)

(a) Employee Share Option Plan (continued)

(iii) The aggregate number of shares which may be issued pursuant to Awards[3] awarded under the ESOP to Grantees who are Associates[2] of Controlling Shareholders[1] shall not exceed 25.0% of the total number of shares available under the ESOP preceding the grant of the relevant new shares.

The aggregate number of shares which may be issued pursuant to Awards[3] awarded under the ESOP to each Grantee who is an Associate[2] of a Controlling Shareholder[1] shall not exceed 10.0% of the total number of shares available under the ESOP preceding the grant of the relevant new shares.

(iv) Awards[3] may be granted either alone or in addition to, in tandem with, or in substitution or exchange for, any other Award[1] or any award granted under another plan of the Company, any Affiliate[4], or any business entity to be acquired by the Company or an Affiliate[4], or any other right of a Grantee to receive payment from the Company or any Affiliate[4]. Such additional, tandem, substitute or exchange Awards[3] may be granted at any time. If an Award[1] is granted in substitution or exchange for another Award[1], the Board shall have the right to require the surrender of such other Award[1] in consideration for the grant of the new Award[1].

(v) Each option shall become exercisable at such times and under such terms and conditions (including, without limitation, performance requirements) as may be determined by the Board and stated in the Award Agreement, provided that the options may be exercisable only after one year from the date of grant. No option may be exercised for a fraction of a share.

(vi) Each option shall terminate, and all rights to purchase shares thereunder shall cease, upon the expiration of the Option term determined by the Board and stated in the Award Agreement not to exceed ten years from the Grant Date, or under such circumstances and on any date before ten years from the Grant Date as may be set forth in the ESOP or as may be fixed by the Board and stated in the related Award Agreement; provided, however, that in the event that the Grantee is a Ten Percent Shareholder, an Option granted to such Grantee that is intended to be an Incentive Stock Option at the Grant Date shall not be exercisable after the expiration of five years from its Grant Date.

(vii) No Awards[3] have been granted to the Grantees under the ESOP since the commencement of the ESOP till the end of the financial year ended 31 December 2023.

Notes:

1 Controlling Shareholder refers to a person who (a) holds directly or indirectly 15.0% or more of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the Company (unless the SGX-ST determines otherwise); or (b) in fact exercises control over the Company, as defined under the Listing Manual

2 Associate in relation to:

(a) any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means (i) his immediate family; (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30.0% or more;

(b) a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one of the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30.0% or more.

3 Award means a grant, under the ESOP, of an Option, Stock Appreciation Rights ("SARs"), Restricted Shares, Restricted Stock Units ("RSUs"), Other Stock-based Award (Awards consisting of share units, or other awards, valued in whole or in part by reference to, or otherwise based on, shares, other than Options, SARs, Restricted Stock and RSUs) or cash award.

4 Affiliate means an entity in which the Company has a controlling interest, directly or indirectly through one or more intermediaries.

Share options (continued)

(b) Executive Incentive Scheme

(i) The Executive Incentive Scheme ("EIS") was approved on 1 December 2023. At the absolute discretion of the RC, the Key Executives who are members of the management team of the Company as confirmed by the RC, are eligible to participate in the EIS (the "Grantees").

(ii) The total number of Shares authorised to be issued pursuant to Awards awarded under the Scheme shall not exceed 2,550,000 shares, which shall not, in any event, exceed 15.0% of the total number of issued shares (excluding shares held by the Company as treasury shares, if any) when aggregated with (a) the total number of Shares issued and/or to be issued pursuant to Awards[1] already awarded under the Scheme; and (b) the aggregate number of shares over which Restricted Stock Units ("RSUs") are granted under any other share option scheme or share schemes of the Company. Shares issued under the EIS shall consist in whole or in part of authorised but unissued shares, treasury shares, or shares purchased on the open market or otherwise, all as determined by the Company from time to time.

(iii) Awards[1] may be granted either alone or in addition to, in tandem with, or in substitution or exchange for, any other Award[1] or any award granted under another plan of the Company, any Affiliate[2], or any business entity to be acquired by the Company or an Affiliate[2], or any other right of a Grantee to receive payment from the Company or any Affiliate[2]. Such additional, tandem, substitute or exchange Awards[1] may be granted at any time. If an Award[1] is granted in substitution or exchange for another Award[1], the Board shall have the right to require the surrender of such other Award[1] in consideration for the grant of the new Award[1].

(iv) The EIS shall be effective as of 1 December 2023 and be terminated automatically on the three-year anniversary of 1 December 2023.

(v) The Awards[1] were granted to the Grantees under the EIS during the financial year ended 31 December 2023, subject to the satisfaction of certain key performance indicators. The following Grantees were granted 5% or more of the total number of Awards[1] under the EIS:

1	Phua Jiexian, Joseph	Chairman and Global Chief Executive Officer
2	Lien, Chien-Lin[3]	Former Global Chief Executive Officer
3	Ng Jing Shen	Global Chief Technology Officer
4	Kenta Masuda	Global Chief Financial Officer

Notes:

1 Award means a grant, under the EIS, of an RSU.

2 Affiliate means an entity in which the Company has a controlling interest, directly or indirectly through one or more intermediaries.

3 On 26 January 2024, Mr. Phua Jiexian, Joseph was reappointed as Global Chief Executive Officer which followed the cessation of Mr. Lien, Chien-Lin as Global Chief Executive Officer on the same date, resulting in the forfeiture of all Awards granted to Mr. Lien, Chien-Lin as of 26 January 2024.

Directors' Statement

Audit Committee

The Audit Committee is tasked with performing the functions specified in the Act in respect of audit committees. The Corporate Governance Report contains information relating to the responsibilities of the Audit Committee.

Auditor

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the Board of Directors,

Phua Jiexian, Joseph
Director

Akio Tanaka
Director

27 March 2024

Independent Auditor's Report

For the financial year ended 31 December 2023

Report on the audit of the financial statements

Opinion

We have audited the financial statements of 17LIVE Group Limited (formerly known as Vertex Technology Acquisition Corporation Ltd) (the "Company") and its subsidiary companies (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 31 December 2023, the statements of changes in equity of the Group and the Company and the consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the financial year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group, the statement of financial position and the statement of changes in equity of the Company are properly drawn up in accordance with International Financial Reporting Standards ("IFRS") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the period ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report, including in relation to the matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying financial statements.

Independent Auditor's Report

For the financial year ended 31 December 2023

Key Audit Matter (continued)

Impairment assessment of goodwill

As at 31 December 2023, the Group has net carrying value of goodwill amounting to US$24.0 million. The goodwill arose from the acquisition of 17LIVE Japan Inc. We considered the audit of management's impairment assessment of goodwill to be a key audit matter because the assessment process involves management exercising significant judgement and making assumptions of future market and economic conditions.

We evaluated the appropriateness of the cash-generating unit ("CGU") identified by management based on our knowledge of the business acquisition giving rise to the goodwill and our understanding of the current business of the Group.

As part of our audit procedures, we assessed the valuation methodology and the reasonableness of key assumptions used to estimate the recoverable amount of the CGU by comparing them to historical performance of the CGU, industry outlook and analyst reports. The key assumptions include revenue growth rates, discount rate and terminal growth rate. We considered the robustness of management's budgeting process by comparing the actual financial performance against previously forecasted results and evaluated the revenue growth rates by comparing them to recent and actual performance and market data. Our internal valuation specialists assisted us in reviewing the reasonableness of the discount rate and terminal growth rate. We performed sensitivity analysis, focusing on how reasonable changes in the key assumptions could impact the estimation of the recoverable amount of the CGU.

We also reviewed disclosures set out in Note 14 to the financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and IFRS, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Auditor's Report
For the financial year ended 31 December 2023

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Companies Act 1967 to be kept by the subsidiary company incorporated in Singapore of which we are the auditor have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Sharon Peh.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

27 March 2024

Consolidated Statement of Comprehensive Income

For the financial year ended 31 December 2023

(Expressed in United States Dollars)

	Note	Group 2023 US$'000	Group 2022 US$'000
Operating revenue	4	**278,927**	363,718
Cost of revenue	5	**(163,978)**	(237,569)
Gross profit		**114,949**	126,149
Operating expenses			
Selling expenses		**(52,980)**	(64,311)
General and administrative expenses		**(24,030)**	(24,402)
Research and development expenses		**(24,189)**	(27,312)
Total operating expenses	6	**(101,199)**	(116,025)
Operating income		**13,750**	10,124
Non-operating income and expenses			
Other gains and losses			
– Revaluation loss on financial liabilities	8	**(245,681)**	(55,860)
– Others	8	**(12,951)**	3,045
		(258,632)	(52,815)
Finance costs	9	**(110)**	(172)
Total non-operating income and expenses		**(258,742)**	(52,987)
Loss before income tax		**(244,992)**	(42,863)
Income tax expense	10	**(2,923)**	(8,154)
Loss for the year, attributable to owners of the Company		**(247,915)**	(51,017)
Other comprehensive income:			
Items that may be reclassified to profit or loss			
Foreign currency translation		**711**	(3,951)
Items that will not be reclassified to profit or loss			
Change in credit risk of financial liabilities at fair value through profit or loss		**(21)**	1
Other comprehensive income for the year, net of tax		**690**	(3,950)
Total comprehensive income for the year, attributable to owners of the Company		**(247,225)**	(54,967)
Earnings per share attributable to owners of the Company (US$)			
Basic and diluted	11	**(6.14)**	(2.26)

The accompanying accounting policies and explanatory notes form an integral part of the consolidated financial statements.

Balance Sheets

As at 31 December 2023

(Expressed in United States Dollars)

	Note	Group 2023 US$'000	Group 2022 US$'000	Company 2023 US$'000	Company 2022 US$'000
ASSETS					
Non-current assets					
Property, plant and equipment	12	**1,048**	796	**–**	–
Right-of-use assets	13	**5,328**	1,848	**–**	–
Intangible assets	14	**24,425**	26,543	**–**	–
Deferred tax assets	15	**3,513**	1,538	**–**	–
Investment in subsidiary	16	**–**	–	**471,360**	–
Security deposits	17	**4,261**	3,696	**–**	–
Total non-current assets		**38,575**	34,421	**471,360**	–
Current assets					
Short term investment	18	**–**	–	**–**	157,559
Prepaid operating expenses		**2,701**	3,370	**–**	7
Other current assets	19	**862**	2,326	**–**	–
Trade and other receivables	20	**19,317**	24,054	**–**	–
Cash and cash equivalents	21	**102,688**	39,259	**67,154**	2,725
Total current assets		**125,568**	69,009	**67,154**	160,291
Total assets		**164,143**	103,430	**538,514**	160,291
LIABILITIES					
Current liabilities					
Trade and other payables	22	**56,749**	59,044	**5,102**	401
Contract liabilities	4	**6,034**	7,274	**–**	–
Financial liabilities at fair value through profit or loss	23	**1,079**	211,102	**1,079**	2,122
Redeemable shares	24	**–**	–	**–**	131,038
Income tax payable		**2,466**	5,256	**481**	263
Lease liabilities	13	**2,092**	920	**–**	–
Provisions		**1,412**	893	**–**	–
Other current liabilities		**233**	107	**–**	–
Total current liabilities		**70,065**	284,596	**6,662**	133,824
Net current assets/(liabilities)		**55,503**	(215,587)	**60,492**	26,467
Non-current liabilities					
Deferred tax liabilities	15	**1**	856	**–**	–
Lease liabilities	13	**2,593**	1,012	**–**	–
Provisions		**913**	164	**–**	–
Total non-current liabilities		**3,507**	2,032	**–**	–
Total liabilities		**73,572**	286,628	**6,662**	133,824
Net assets/(liabilities)		**90,571**	(183,198)	**531,852**	26,467
Equity					
Share capital	26	**13**	4	**13**	–[i]
Share premium	27	**557,045**	25,409	**523,177**	21,964
Other reserves	28	**(11,756)**	(2,010)	**9,080**	199
Accumulated (deficit)/profits		**(454,731)**	(206,601)	**(418)**	4,304
Total equity		**90,571**	(183,198)	**531,852**	26,467
Total liabilities and equity		**164,143**	103,430	**538,514**	160,291

(i) Balance is below US$1,000

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Changes in Equity

For the financial year ended 31 December 2023

(Expressed in United States Dollars)

Group	Note	Share capital US$'000	Share premium US$'000	Other reserves US$'000	Accumulated deficit US$'000	Total equity US$'000
2022						
At 1 January 2022		4	25,409	1,100	(155,584)	(129,071)
Loss for the year		–	–	–	(51,017)	(51,017)
Other comprehensive income:						
Change in credit risk of financial liabilities at fair value through profit or loss		–	–	1	–	1
Foreign currency translation		–	–	(3,951)	–	(3,951)
Other comprehensive income for the year, net of tax		–	–	(3,950)	–	(3,950)
Total comprehensive income for the year		–	–	(3,950)	(51,017)	(54,967)
Issuance of restricted share units	25	–	–	840	–	840
At 31 December 2022		4	25,409	(2,010)	(206,601)	(183,198)
2023						
At 1 January 2023		**4**	**25,409**	**(2,010)**	**(206,601)**	**(183,198)**
Loss for the year		**–**	**–**	**–**	**(247,915)**	**(247,915)**
Other comprehensive income:						
Change in credit risk of financial liabilities at fair value through profit or loss		**–**	**–**	**(21)**	**–**	**(21)**
Foreign currency translation		**–**	**–**	**711**	**–**	**711**
Other comprehensive income for the year, net of tax		**–**	**–**	**690**	**–**	**690**
Total comprehensive income for the year		**–**	**–**	**690**	**(247,915)**	**(247,225)**
Issuance of restricted share units	25	**–**	**–**	**1,609**	**–**	**1,609**
Share-based payments		**1**	**10,339**	**(10,340)**	**–**	**–**
Issuance of ordinary shares in relation to Business Combination, net of issuance costs		**1**	**63,598**	**–**	**–**	**63,599**
Conversion of preference shares		**7**	**457,699**	**–**	**–**	**457,706**
Repurchase of restricted share units and share options		**–**	**–**	**(1,920)**	**–**	**(1,920)**
Reclassification of change in credit risk on redemption of preference shares		**–**	**–**	**215**	**(215)**	**–**
At 31 December 2023		**13**	**557,045**	**(11,756)**	**(454,731)**	**90,571**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Changes in Equity

For the financial year ended 31 December 2023

(Expressed in United States Dollars)

Company	Note	Share capital US$'000	Share premium US$'000	Other reserves US$'000	Accumulated (deficit)/ profits US$'000	Total equity US$'000
2022						
At 1 January 2022		–[i]	–	–[i]	(982)	(982)
Profit for the year		–	–	–	5,286	5,286
Other comprehensive income:						
Foreign currency translation		–	–	199	–	199
Other comprehensive income for the year, net of tax		–	–	199	–	199
Total comprehensive income for the year		–	–	199	5,286	5,485
Forfeiture of 1 ordinary share of S$0.0001 par value		–[i]	–	–	–	–[i]
Issuance of 6,000,000 ordinary shares (Sponsor IPO Shares) of S$0.0001 par value	26	–[i]	21,964	–	–	21,964
At 31 December 2022		–[i]	21,964	199	4,304	26,467
Company						
2023						
At 1 January 2023		**–**[i]	**21,964**	**199**	**4,304**	**26,467**
Loss for the year		**–**	**–**	**–**	**(4,722)**	**(4,722)**
Other comprehensive income:						
Foreign currency translation		**–**	**–**	**8,881**	**–**	**8,881**
Other comprehensive income for the year, net of tax		**–**	**–**	**8,881**	**–**	**8,881**
Total comprehensive income for the year		**–**	**–**	**8,881**	**(4,722)**	**4,159**
Issuance of ordinary shares and warrants in relation to Business Combination	26	**13**	**501,213**	**–**	**–**	**501,226**
At 31 December 2023		**13**	**523,177**	**9,080**	**(418)**	**531,852**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Statement of Cash Flows

For the financial year ended 31 December 2023

(Expressed in United States Dollars)

	Note	Group 2023 US$'000	Group 2022 US$'000
Cash flows from operating activities			
Loss before income tax		**(244,992)**	(42,863)
Adjustments for:			
Depreciation expense		**2,342**	2,591
Amortisation expense		**2,277**	2,301
Loss on disposal of property, plant and equipment	8	**333**	995
Share-based payments	25	**1,609**	840
Revaluation loss on financial liabilities	8	**245,681**	55,860
Finance costs	9	**110**	172
Gain on termination of leases	8	**(4)**	(339)
Accrued fees in relation to the Business Combination		**7,879**	–
Listing expense	2.2	**870**	–
Operating cash flows before changes in working capital		**16,105**	19,557
Changes in working capital			
Trade and other receivables		**4,181**	10,189
Prepaid operating expenses		**668**	1,088
Other current assets		**1,464**	107
Trade and other payables		**(9,087)**	(23,709)
Other current liabilities		**126**	(94)
Contract liabilities		**(1,240)**	(2,709)
Provisions		**365**	(881)
Cash flows from operations		**12,582**	3,548
Interest paid		**–**	(4)
Income tax paid		**(9,268)**	(14,008)
Net cash flows generated from/(used in) operating activities		**3,314**	(10,464)
Investing activities			
Decrease in financial assets at fair value through profit or loss		**–**	109
Purchase of property, plant and equipment	12	**(1,095)**	(438)
Purchase of intangible assets	14	**(193)**	(468)
Increase in security deposits		**(565)**	(51)
Net cash outflow on disposal of a subsidiary	16	**(651)**	–
Net cash flows used in investing activities		**(2,504)**	(848)
Financing activities			
Repayments of principal portion of lease liabilities		**(1,698)**	(2,854)
Repayment of loans and borrowings		**–**	(1,167)
Repurchase of restricted share units and share options	25	**(1,920)**	–
Proceeds received in relation to the Business Combination, net of issuance costs		**65,625**	–
Interest paid		**(110)**	(164)
Net cash flows generated from/(used in) financing activities		**61,897**	(4,185)
Net increase/(decrease) in cash and cash equivalents		**62,707**	(15,497)
Net foreign exchange difference		**722**	(4,335)
Cash and cash equivalents at beginning of financial year		**39,259**	59,091
Cash and cash equivalents at end of financial year	21	**102,688**	39,259

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Notes to the Financial Statements

For the financial year ended 31 December 2023

1. CORPORATE INFORMATION

17LIVE Group Limited (the "Company") (formerly Vertex Technology Acquisition Corporation Ltd and referred to as VTAC when describing the period prior to the consummation of the Business Combination described below) was incorporated in the Cayman Islands on 21 July 2021 under the Companies Act as a special purpose acquisition company formed for the purpose of effecting an initial business combination.

VTAC was listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") on 20 January 2022 for the purpose of entering into a business combination within 24 months from the date of listing. On 7 December 2023 (the "Acquisition Date"), VTAC completed the acquisition of 17LIVE Inc. ("17LIVE") and its subsidiaries (collectively, the "17LIVE Group") (the "Business Combination"), pursuant to which VTAC acquired all of the outstanding share capital of 17LIVE through the exchange of 17LIVE ordinary shares for VTAC new ordinary shares.

Upon completion of the Business Combination, the Company changed its name from Vertex Technology Acquisition Corporation Ltd to 17LIVE Group Limited.

The Company and its subsidiaries (collectively, the "Group") are principally engaged in operating live streaming platform which includes among other things, its business from live-commerce and Wave App ecommerce. Information on the subsidiaries is disclosed in Note 16.

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

The financial statements have been prepared on the historical cost basis, except as disclosed in the accounting policies below.

The financial statements are presented in United States Dollars ("USD" or "US$") and all values in the tables are rounded to the nearest thousand ("US$'000") except when otherwise indicated.

2.2 Reverse acquisition

On 7 December 2023, the Company completed its acquisition of 17LIVE and pursuant to the completion, the Company issued 160,162,651 ordinary shares to the shareholders of 17LIVE as consideration for the acquisition, 660,000 ordinary shares to private investment in public equity ("PIPE") investors, and 9,589,800 ordinary shares and 958,980 bonus shares to non-redeeming shareholders of VTAC.

The transaction is accounted for as a reverse acquisition and 17LIVE is regarded as the accounting acquirer and the Company is regarded as the accounting acquiree. As such, the consolidated financial statements have been prepared and presented as a continuation of 17LIVE Group's financial statements.

At Group level

The cost of acquisition is determined using the fair value of the issued equity of the Company before the acquisition, being 21,645,515 ordinary shares at the market price of S$3.88 (equivalent to US$2.89) per share at the date of acquisition, with the cost of acquisition amounting to S$83,985,000 (equivalent to US$62,642,000). The excess of fair value of the issued equity of the Company over the fair value of the Company's identifiable net assets of US$870,000 was recognised as listing expense in the consolidated statement of comprehensive income for the financial year ended 31 December 2023.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 Reverse acquisition (continued)

At Group level (continued)

Since such consolidated financial statements represent a continuation of the financial statements of 17LIVE Group:

(a) the assets and liabilities of 17LIVE Group are recognised and measured in the consolidated balance sheet of the Group at their pre-acquisition carrying amounts;

(b) the assets and liabilities of the Company are recognised and measured in the consolidated balance sheet of the Group at their acquisition-date fair values;

(c) the accumulated deficit and other equity balances recognised in the consolidated financial statements are the accumulated deficit and other equity balances of 17LIVE Group immediately before the Business Combination;

(d) the amount recognised as issued equity interests in the consolidated financial statements is determined by adding the costs of acquisition to the issued equity of 17LIVE Group immediately before the Business Combination. However, the equity structure appearing in the consolidated financial statements (i.e. the number and type of equity instruments issued) reflects the equity structure of the legal parent (i.e. the Company), including the equity instruments issued by the Company to effect the Business Combination;

(e) the consolidated statement of comprehensive income for the financial year ended 31 December 2023 reflects the full year results of 17LIVE Group together with the post-acquisition results of the Company; and

(f) the comparative figures presented in these consolidated financial statements are those of 17LIVE Group.

2.3 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and amended standards which are effective for annual financial periods beginning on or after 1 January 2023. The adoption of these standards did not have any material effect on the financial performance or position of the Group.

Notes to the Financial Statements

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.4 Standards issued but not yet effective

The Group has not adopted the following standards applicable to the Group that have been issued but are not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Supplier Finance Arrangements	1 January 2024
Amendments to IAS 1 Presentation of Financial Statements: Non-current Liabilities with Covenants	1 January 2024
Amendments to IAS 21: Lack of Exchangeability	1 January 2025

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the period of initial application.

2.5 Basis of consolidation and business combination

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

– Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)

– Exposure, or rights, to variable returns from its involvement with the investee

– The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

– The contractual arrangement(s) with the other vote holders of the investee

– Rights arising from other contractual arrangements

– The Group's voting rights and potential voting rights

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.5 Basis of consolidation and business combination (continued)

(a) Basis of consolidation (continued)

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

(b) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 *Financial Instruments*, is measured at fair value with the changes in fair value recognised in profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Notes to the Financial Statements
For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.5 Basis of consolidation and business combination (continued)

(b) Business combinations and goodwill (continued)

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit ("CGU") and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

2.6 Foreign currency

The Group's consolidated financial statements are presented in USD. Each entity of the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

(a) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment in a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recognised in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.6 Foreign currency (continued)

(b) Consolidated financial statements

On consolidation, the assets and liabilities of foreign operations are translated into USD at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

2.7 Current and non-current classification

The Group presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Notes to the Financial Statements

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.8 Property, plant and equipment

Construction in progress is stated at cost, net of accumulated impairment losses, if any. Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

Office equipment	2 to 5 years
Leasehold improvements	3 to 5 years

Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.9 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Buildings	2 to 4 years
Motor vehicles	3 years

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.9 Leases (continued)

Group as a lessee (continued)

(i) Right-of-use assets (continued)

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.11.

(ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(iii) Short-term leases and leases for low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Notes to the Financial Statements
For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.10 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss.

(a) Trademarks

Trademarks are stated at acquisition cost. Trademarks have a finite useful life and are amortised on a straight-line basis over their estimated useful lives of 1 to 10 years.

(b) Technology

Technology is stated at acquisition cost and amortised on a straight-line basis over its estimated useful life of 1 to 5 years.

(c) User base

User base is stated at acquisition cost and amortised on a straight-line basis over its estimated useful life of 1 to 4 years.

(d) Exclusive right to operate 17 app in Japan

Exclusive right is stated at acquisition cost and amortised on a straight-line basis over its estimated useful life of 5.5 years.

(e) Domain

Domain is stated at acquisition cost and amortised on a straight-line basis over its estimated useful life of 5 years.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.11 Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognised in profit or loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually as at end of the reporting period and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

2.12 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's balance sheet, investments in subsidiaries are accounted for at cost less impairment losses.

Notes to the Financial Statements

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.13 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through OCI, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Subsequent measurement

<u>Financial assets at amortised cost (debt instruments)</u>

Financial assets at amortised cost are subsequently measured using the effective interest ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

<u>Financial assets at fair value through profit or loss</u>

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in profit or loss.

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised as other income in profit or loss when the right of payment has been established.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.13 Financial instruments (continued)

(a) Financial assets (continued)

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

<u>Financial liabilities at fair value through profit or loss</u>

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied.

<u>Financial liabilities at amortised cost</u>

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Notes to the Financial Statements

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.14 Impairment of financial instruments

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

2.15 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the consolidated statements of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group’s cash management.

2.16 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.17 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.18 Convertible preference shares

Convertible preference shares with conversion option are accounted for as financial liability with an embedded equity conversion derivative based on the terms of the contract. On issuance of the convertible preference shares, the Group has elected to measure the entire instrument at fair value, with subsequent changes in fair value recognised in profit or loss.

When a conversion option is exercised, the financial liability is derecognised with a corresponding recognition of share capital.

2.19 Redeemable shares

Ordinary shares (Redeemable shares) which constitute the Offering Units and Cornerstone Units are classified as a liability on the balance sheets in the Company. These shares are classified as financial liabilities as there is a contractual obligation by the Company to deliver cash to the holders of these Offering Units and Cornerstone Units who elect to have such shares redeemed by the Company upon the completion of the Company's initial business combination. These shares are recognised initially at its fair value and subsequently measured, at each reporting period, at amortised cost using the effective interest method. Interest expense is recognised in the statement of comprehensive income.

2.20 Employee benefits

(a) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. Contributions to defined contribution plans are recognised as an expense in the period in which the related service is performed.

(b) Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees. They are recognised as an expense in the period in which the related service is performed.

2.21 Share-based payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model, further details of which are given in Note 25.

That cost is recognised in employee benefits expense (Note 7), together with a corresponding increase in equity (other capital reserves), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Notes to the Financial Statements

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.21 Share-based payments (continued)

Equity-settled transactions (continued)

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

2.22 Revenue

Live streaming

The Group creates and offers virtual items to be purchased by users on live streaming channels on its "17LIVE" platform, which the Group operates and maintains. Revenue is recognised upon transfer of the promised virtual items to the users.

Users are required to first purchase virtual points and use those virtual points to purchase virtual items based on specified prices as predetermined by the Group. Users can directly purchase virtual points or membership subscription on platforms or pay via online payment systems provided by third parties including payments using mobile phone, internet debit/credit card payment and other third party payment systems. The virtual points can be solely used to convert into virtual items on live streaming channels. Virtual points can be sold in bundled packages, and the sales price is proportionally allocated to each virtual point based on the total package price, and recognised as revenue upon utilisation.

Virtual points sold but not yet consumed by the purchasers are recorded as "Contract liabilities" and upon conversion, is recognised as revenue. Users are generally not entitled to any refund for the purchase of such virtual points and virtual items. Any virtual points purchased by a user in Japan and not used will expire after a year and revenues from these virtual points will be recognised by the Group at such time. For users in other countries, any virtual points purchased do not expire.

Users purchase virtual items from the Group and gift them to performers (i.e. live streamers and V-Livers) to show support for their favourite performers. Virtual points are removed from users' wallets and extinguished after being consumed by the users (i.e. by way of virtual gifting to the performers). Accordingly, amounts received from the sale of virtual points are first recorded as contract liabilities. For virtual items, revenue is recognised upon consumption by the users. The Group does not have further obligations to the user after the virtual items are consumed.

The Group recognises revenue on a gross basis from the sale of virtual items on the platform, as the Group produces and controls virtual items before they are transferred to the users, the prices of virtual items are set by the Group, and the Group is also exposed to the related credit risk, which is generally not recoverable from the performers.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.22 Revenue (continued)

Live streaming (continued)

The Group also generates revenue from in-app games, where users can use the virtual points to play the in-app games during live streaming sessions.

Revenue from the sale of virtual items and in-app games played during live-streaming sessions is recognised at a point in time, when the virtual points are consumed.

In order to attract user traffic, the Group pays the performers an agreed amount based on the value of virtual items purchased by the user and gifted to the performer. The amount paid or payable to performers are recorded as cost of revenue. If virtual points are provided to users free of charge for marketing purpose, the Group does not recognise any revenue when users convert it to virtual items. Based on the Group's agreements with performers, the expected amount to be paid to the performers when such free virtual points are utilised is recognised as cost of revenue.

Users can join the fan group of their favourite live streamers and become part of their core community by paying a subscription fee on a monthly basis and becoming an "army subscriber". The subscription fee is collected upfront from subscribers. The receipt of the revenue is initially recorded as contract liabilities and revenue is recognised over the period of the subscription.

Live-commerce

The Group operates its live commerce business through HandsUp, a platform that allows merchants to sell their products through live streaming in Japan, and OrderPally, a business-to-business live commerce matching and order management platform connecting merchants and users in Taiwan. Revenue from live-commerce is recognised in the period in which the services are rendered.

2.23 Cost of revenue

Cost of revenue relates to direct expenses incurred in order to generate revenue. Such costs are recorded as incurred. Cost of revenues consists primarily of (i) fees paid to streamers and content costs, including cash payments to various performers and content providers, (ii) server and bandwidth costs, (iii) channel costs, (iv) commission costs, and (v) other costs such as amortisation/impairment of intangible assets.

2.24 Taxes

(a) Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Notes to the Financial Statements

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.24 Taxes (continued)

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

– When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

– When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

In assessing the recoverability of deferred tax assets, the Group relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports, which, among other things, reflect the potential impact of climate-related development on the business, such as increased cost of production as a result of measures to reduce carbon emission.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.24 Taxes (continued)

(b) Deferred tax (continued)

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of sales tax included.

2.25 Share capital and share issuance expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

Judgements made in applying accounting policies

Management is of the opinion that there is no significant judgement made in applying the accounting policies.

Notes to the Financial Statements

For the financial year ended 31 December 2023

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Impairment of goodwill

As disclosed in Note 14 to the financial statements, the recoverable amounts of the CGUs which goodwill has been allocated to are determined based on value in use calculations. The value in use calculations are based on a discounted cash flow models. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. The key assumptions applied in the determination of the value in use including a sensitivity analysis, are disclosed and further explained in Note 14 to the financial statements.

The carrying amount of goodwill as at 31 December 2023 was US$23,989,000.

4. REVENUE

	Group	
	2023	**2022**
	US$'000	**US$'000**
Revenue from contracts with customers		
Liver live streaming	**265,829**	354,587
V-liver live streaming	**4,983**	3,107
Others	**8,115**	6,024
	278,927	363,718
Timing of revenue recognition		
At a point in time	**265,419**	342,482
Over time	**13,508**	21,236
	278,927	363,718

Other revenue primarily comprises revenue from live-commerce and Wave App.

Contract liabilities

The Group has recognised the following contract liabilities in relation to revenue from contracts with customers:

	Group	
	2023	**2022**
	US$'000	**US$'000**
Contract liabilities – Live streaming	**5,533**	6,893
Others	**501**	381
	6,034	7,274
Revenue recognised that was included in the contract liability balance at the beginning of the year	**4,960**	6,516

5. COST OF REVENUE

	Group	
	2023	**2022**
	US$'000	**US$'000**
Fees paid to streamers and other live streaming costs	**122,845**	172,687
Channel costs	**22,332**	39,793
Server and bandwidth costs	**17,732**	20,459
Others	**1,069**	4,630
	163,978	237,569

6. OPERATING EXPENSES

	Group	
	2023	**2022**
	US$'000	**US$'000**
Marketing expenses	**33,036**	41,719
Employee benefits expense (Note 7)	**42,360**	47,069
Depreciation and amortisation	**4,619**	4,892
Professional fees	**11,032**	8,959
Software and service fees	**6,792**	6,110
Allowance for/(reversal of) expected credit losses for trade receivables	**–**	(2)
Others	**3,360**	7,278
	101,199	116,025

Included in professional fees and fees in relation to the Business Combination (Note 8) are fees paid/payable to auditors of the Group as follows:

	Group	
	2023	**2022**
	US$'000	**US$'000**
Fees paid/payable to auditors of the Company in respect of:		
– Audit services	**1,737**	566
– Audit-related services	**694**	–
– Non-audit services	**482**	294
Fees paid/payable to other auditors in respect of:		
– Audit services	**17**	24
– Non-audit services	**5**	4

7. EMPLOYEE BENEFITS EXPENSE

	Group	
	2023	**2022**
	US$'000	**US$'000**
Wages and salaries	**37,753**	42,373
Contribution to defined contribution plans	**1,994**	2,808
Share-based payments	**1,609**	840
Labor and health insurance fees	**886**	811
Other personnel expenses	**118**	237
	42,360	47,069

Notes to the Financial Statements

For the financial year ended 31 December 2023

8. OTHER GAINS AND LOSSES

	Group	
	2023	2022
	US$'000	US$'000
Revaluation loss on:		
– Preference shares	**(245,363)**	(55,568)
– Warrants	**(318)**	(292)
	(245,681)	(55,860)
Listing expense	**(870)**	–
Fees in relation to the Business Combination	**(10,739)**	–
Loss on disposal of property, plant and equipment	**(333)**	(995)
Foreign exchange (loss)/gain	**(828)**	2,827
Gain on termination of leases	**4**	339
Others	**(185)**	874
	(258,632)	(52,815)

9. FINANCE COSTS

	Group	
	2023	2022
	US$'000	US$'000
Interest expense on:		
– Loans and borrowings	**–**	6
– Lease liabilities	**110**	164
	110	170
Unwinding of discount on provisions	**–**	2
Total finance costs	**110**	172

10. INCOME TAX EXPENSE

The major components of income tax expense recognised in profit or loss for the financial years ended 31 December 2023 and 2022 were:

	Group	
	2023	2022
	US$'000	US$'000
Current tax:		
– Current year	**5,367**	8,283
– Under provision in respect of previous years	**456**	–
	5,823	8,283
Deferred tax:		
– Origination and reversal of temporary differences	**(2,900)**	(129)
Income tax expense recognised in profit or loss	**2,923**	8,154

10. INCOME TAX EXPENSE (CONTINUED)

Relationship between tax expense and accounting loss

A reconciliation between tax expense and the product of accounting loss multiplied by the applicable corporate tax rate for the financial years ended 31 December 2023 and 2022 were as follows:

	Group	
	2023 US$'000	**2022 US$'000**
Loss before income tax	**(244,992)**	(42,863)
Tax at the domestic rates applicable to countries where the Group operates	**291**	3,350
Adjustments:		
Non-deductible expenses	**2,327**	3,903
Income not subject to taxation	**(1,014)**	(1,700)
Deferred tax assets not recognised	**1,774**	2,581
Benefits from previously unrecognised tax losses	**(1,213)**	–
Under provision in respect of previous years	**456**	–
Surtax on undistributed retained earnings	**255**	–
Others	**47**	20
Income tax expense recognised in profit or loss	**2,923**	8,154

The above reconciliation is prepared by aggregating separate reconciliation for each national jurisdiction. The Group principally operates in Taiwan and Japan, which have prevailing corporate tax rates of 20% and 34.6%, respectively.

11. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2023	**2022**
Continuing operations:		
Loss attributable to owners of the Company (US$'000)	**(247,915)**	(51,017)
Weighted average number of ordinary shares outstanding for basic earnings per share computation ('000)	**40,364**	22,547
Basic earnings per share computation (US$ per share)	**(6.14)**	(2.26)

In connection with the Business Combination, the weighted average number of ordinary shares for the financial year ended 31 December 2023 is calculated as follows:

(a) The number of ordinary shares of 17LIVE outstanding from the beginning of the year to the acquisition date, adjusted by the exchange ratio established in the Share Purchase Agreement; and

(b) The number of ordinary shares of the Company outstanding from the acquisition date to 31 December 2023.

The weighted average number of ordinary shares for the financial year ended 31 December 2022 is calculated based on the number of ordinary shares of 17LIVE outstanding during the year, adjusted by the exchange ratio established in the Share Purchase Agreement.

Diluted earnings per share are similar to basic earnings per share as there were no potential dilutive ordinary shares existing during the respective financial years.

Notes to the Financial Statements

For the financial year ended 31 December 2023

12. PROPERTY, PLANT AND EQUIPMENT

Group	Office equipment US$'000	Leasehold improvements US$'000	Construction in progress US$'000	Total US$'000
Cost				
At 1 January 2022	1,339	1,650	–	2,989
Additions	268	10	160	438
Disposals	(507)	(1,457)	–	(1,964)
Transfer	–	153	(153)	–
Exchange differences	(113)	(123)	–	(236)
At 31 December 2022 and 1 January 2023	987	233	7	1,227
Additions	40	–	1,055	1,095
Disposals	(537)	–	–	(537)
Transfer	441	622	(1,063)	–
Exchange differences	(12)	4	1	(7)
At 31 December 2023	**919**	**859**	**–**	**1,778**
Accumulated depreciation				
At 1 January 2022	622	349	–	971
Depreciation	287	212	–	499
Disposals	(439)	(530)	–	(969)
Exchange differences	(46)	(24)	–	(70)
At 31 December 2022 and 1 January 2023	424	7	–	431
Depreciation	273	232	–	505
Disposals	(204)	–	–	(204)
Exchange differences	(4)	2	–	(2)
At 31 December 2023	**489**	**241**	**–**	**730**
Net carrying amount				
At 31 December 2022	563	226	7	796
At 31 December 2023	**430**	**618**	**–**	**1,048**

The property, plant and equipment were not pledged to others as collaterals.

13. LEASES

The Group has lease contracts for buildings and motor vehicles. Leases of buildings generally have lease terms between 2 to 4 years, while motor vehicles generally have lease terms of 3 years. The Group is restricted from assigning and subleasing the leased assets. There are no externally imposed covenants on these lease agreements.

The Group also has certain leases of billboards with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemptions for these leases.

(a) ***Right-of-use assets***

The carrying amounts of right-of-use assets recognised and the movements during the year are as follows:

Group	**Buildings US$'000**	**Motor vehicles US$'000**	**Total US$'000**
At 1 January 2022	8,115	–	8,115
Additions	1,407	73	1,480
Disposals	(4,969)	–	(4,969)
Depreciation	(2,088)	(4)	(2,092)
Exchange differences	(684)	(2)	(686)
At 31 December 2022 and 1 January 2023	1,781	67	1,848
Additions	5,071	–	5,071
Disposals	(73)	–	(73)
Depreciation	(1,814)	(23)	(1,837)
Lease modification	348	–	348
Exchange differences	(28)	(1)	(29)
At 31 December 2023	**5,285**	**43**	**5,328**

The disposals of right-of-use assets during the financial year ended 31 December 2022 relates mainly to the Group's relocation of its office premises in Taiwan.

(b) ***Lease liabilities***

The carrying amount of lease liabilities and the movements during the year are as follows:

	Group	
	2023 US$'000	**2022 US$'000**
At 1 January	**1,932**	9,069
Additions	**4,157**	1,480
Disposals	**(77)**	(5,307)
Accretion of interest	**110**	164
Payments	**(1,808)**	(3,018)
Lease modification	**344**	–
Exchange differences	**27**	(456)
At 31 December	**4,685**	1,932
Current	**2,092**	920
Non-current	**2,593**	1,012
	4,685	1,932

The disposals of lease liabilities during the financial year ended 31 December 2022 relates mainly to the Group's relocation of its office premises in Taiwan.

Notes to the Financial Statements

For the financial year ended 31 December 2023

13. LEASES (CONTINUED)

(c) *Amounts recognised in profit or loss*

The amounts recognised in profit or loss in relation to leases are as follows:

	Group	
	2023 US$'000	**2022 US$'000**
Depreciation of right-of-use assets	**1,837**	2,092
Interest expense on lease liabilities	**110**	164
Expense relating to short-term leases (included in general and administrative expenses)	**52**	51

(d) *Total cash outflows*

The Group's total cash outflows for leases were US$1,860,000 (2022: US$3,069,000).

(e) *A reconciliation of liabilities arising from financing activities is as follows:*

Group					**Non-cash changes**	
	1 January 2023 US$'000	**Net cashflow US$'000**	**Accretion of interest US$'000**	**Net addition/ (disposal) US$'000**	**Exchange differences US$'000**	**31 December 2023 US$'000**
Lease liabilities	**1,932**	**(1,808)**	**110**	**4,424**	**27**	**4,685**

Group					**Non-cash changes**	
	1 January 2022 US$'000	**Net cashflow US$'000**	**Accretion of interest US$'000**	**Net addition/ (disposal) US$'000**	**Exchange differences US$'000**	**31 December 2022 US$'000**
Long term loans (including current portion)	1,165	(1,167)	2	–	–	–
Lease liabilities	9,069	(3,018)	164	(3,827)	(456)	1,932

14. INTANGIBLE ASSETS

Group	Exclusive right to operate 17 app in Japan US$'000	Trademarks US$'000	Technology US$'000	Goodwill US$'000	User base US$'000	Domain US$'000	Total US$'000
Cost							
At 1 January 2022	11,900	554	7,412	101,193	7,558	192	128,809
Additions	–	–	–	–	117	351	468
Exchange differences	–	(4)	–	–	(19)	(57)	(80)
At 31 December 2022 and 1 January 2023	11,900	550	7,412	101,193	7,656	486	129,197
Additions	–	–	193	–	–	–	193
Exchange differences	–	(1)	(2)	–	(17)	(55)	(75)
At 31 December 2023	**11,900**	**549**	**7,603**	**101,193**	**7,639**	**431**	**129,315**
Accumulated amortisation and impairment							
At 1 January 2022	7,753	537	7,412	77,204	7,443	35	100,384
Amortisation	2,164	2	–	–	29	106	2,301
Exchange differences	–	8	–	–	(3)	(36)	(31)
At 31 December 2022 and 1 January 2023	9,917	547	7,412	77,204	7,469	105	102,654
Amortisation	1,983	1	13	–	39	241	2,277
Exchange differences	–	(1)	–	–	2	(42)	(41)
At 31 December 2023	**11,900**	**547**	**7,425**	**77,204**	**7,510**	**304**	**104,890**
Net carrying amount							
At 31 December 2022	1,983	3	–	23,989	187	381	26,543
Net carrying amount							
At 31 December 2023	**–**	**2**	**178**	**23,989**	**129**	**127**	**24,425**

Notes to the Financial Statements

For the financial year ended 31 December 2023

14. INTANGIBLE ASSETS (CONTINUED)

The intangible assets were not pledged to others as collaterals.

Amortisation expense

The amortisation expense of intangible assets is included in "General and administrative expenses" in profit or loss.

As of 31 December 2023, the exclusive right has been fully amortised (2022: remaining useful life of 1 year).

Impairment testing of goodwill

The carrying amount of goodwill relates to the CGU of 17LIVE Japan Inc. ("17LIVE Japan"), which had been acquired through a business combination.

The recoverable amount of the 17LIVE Japan CGU has been determined based on value-in-use calculations using cash flow projections from financial budgets approved by management covering a five-year period.

The key assumptions used for value-in-use calculations are as follows:

	2023	**2022**
Gross margin	**49.50%**	50.00%
Terminal growth rate	**1.10%**	0.80%
Pre-tax discount rate	**25.00%**	25.00%

Management determined budgeted gross margin based on past performance and its expectations of market development. The weighted average growth rates used are consistent with the forecasts included in industry reports. The discount rate used is pre-tax and reflect specific risks relating to the CGU.

No impairment of goodwill was recorded in 2023 and 2022.

Sensitivity to changes in assumptions

With regards to the assessment of value-in-use for 17LIVE Japan, management believes that no reasonably possible changes in any of the above key assumptions would cause the carrying value of the CGU to materially exceed its recoverable amount.

15. DEFERRED TAX ASSETS AND LIABILITIES

Movements in deferred tax assets and liabilities during the financial years were as to follows:

Group	2023 1 January US$'000	Recognised in profit or loss US$'000	Business combination US$'000	Net exchange differences US$'000	31 December US$'000
Deferred tax assets:					
Temporary differences:					
Business tax	**494**	**(316)**	**–**	**(29)**	**149**
Accrued expenses	**1,038**	**2,162**	**–**	**(71)**	**3,129**
Unrealised exchange gain or loss	**–**	**186**	**–**	**19**	**205**
Others	**6**	**25**	**–**	**(1)**	**30**
	1,538	**2,057**	**–**	**(82)**	**3,513**
Deferred tax liabilities:					
Temporary differences:					
Unrealised exchange gain or loss	**263**	**(258)**	**–**	**(4)**	**1**
Business combination	**460**	**(460)**	**–**	**–**	**–**
Others	**133**	**(125)**	**–**	**(8)**	**–**
	856	**(843)**	**–**	**(12)**	**1**

Group	2022 1 January US$'000	Recognised in profit or loss US$'000	Business combination US$'000	Net exchange differences US$'000	31 December US$'000
Deferred tax assets:					
Temporary differences:					
Business tax	563	4	–	(73)	494
Accrued expenses	1,541	(308)	–	(195)	1,038
Others	90	(69)	–	(15)	6
	2,194	(373)	–	(283)	1,538
Deferred tax liabilities:					
Temporary differences:					
Unrealised exchange gain or loss	292	–	–	(29)	263
Business combination	962	(502)	–	–	460
Others	152	–	–	(19)	133
	1,406	(502)	–	(48)	856

Notes to the Financial Statements

For the financial year ended 31 December 2023

15. DEFERRED TAX ASSETS AND LIABILITIES (CONTINUED)

The expiration dates of tax losses are as follows:

	Group	
	2023	**2022**
	US$'000	**US$'000**
Within 5 years	**–**	1,073
5 to 10 years	**13,801**	50,719
More than 10 years	**–**	620
No expiry date	**11,879**	6,551
	25,680	58,963
Unutilised tax losses not recognised as deferred tax assets	**25,680**	58,963

A breakdown of the Group's tax losses by country is as follows:

	Group	
	2023	**2022**
	US$'000	**US$'000**
Taiwan	**13,801**	50,719
Others	**11,879**	8,244
	25,680	58,963

Unrecognised tax losses

At the end of the reporting period, the Group has tax losses of US$25,680,000 (2022: US$58,963,000) that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate. Tax losses in Japan, Singapore and the United States of America will be subject to limitation if there is a change in controlling shareholder, while there are no similar limitation imposed by the tax authorities in Taiwan or Hong Kong.

The Group carried out an internal reorganisation of the entities in the Group in 2023 and as a result of this reorganisation, tax losses of US$14,781,000 in Taiwan were forfeited.

Tax losses for companies in Taiwan can be carried forward for 10 years and tax losses for companies in Hong Kong and Singapore have no expiry dates.

16. INVESTMENT IN SUBSIDIARY

	Company	
	2023 US$'000	2022 US$'000
Unquoted equity shares, at cost	**471,360**	–

a. Disposal of a subsidiary

The Group disposed of Next Entertainment (Hong Kong) Limited, a wholly owned subsidiary, on 5 December 2023 at its carrying value. The disposal consideration of US$1 was fully settled in cash.

The value of assets and liabilities of Next Entertainment (Hong Kong) Limited recorded in the consolidated financial statements as at 5 December 2023, and the cash flow effect of the disposal was:

	US$'000
Prepaid operating expenses	1
Trade and other receivables	574
Cash and cash equivalents	651
	1,226
Trade and other payables	(1,226)
Carrying value of net assets	–
Total consideration	–
Cash and cash equivalents of the subsidiary	(651)
Net cash outflow on disposal of a subsidiary	(651)

b. Composition of the Group

Name of subsidiary	Country of incorporation	Principal activities	Ownership (%) 2023	Ownership (%) 2022	Note
Held by the Company:					
17LIVE Inc.	Cayman Islands	Live streaming	**100**	100	–
Held through 17LIVE Inc.:					
Ichi Nana Inc.	British Virgin Islands	Live streaming	**100**	100	–
17LIVE Japan Inc.	Japan	Live streaming	**100**	100	–
17 Media SG Pte. Ltd.	Singapore	Live streaming	**–**	100	(a)
Next Entertainment Global Holding	Cayman Islands	Live streaming	**–**	100	(b)
Together Production LLC	Taiwan	Movie production and copyright holder	**–***	–*	–
Together Interactive Entertainment Limited	Taiwan	Entertainment agent	**–***	–*	–
Together Interactive Media Limited	Taiwan	Entertainment agent	**–***	–*	–
Together Universal Entertainment Limited	Taiwan	Entertainment agent	**–***	–*	–
Together International Entertainment Limited	Taiwan	Entertainment agent	**–***	–*	–
LIVIT Business Ltd.	Taiwan	Entertainment agent	**–***	–*	–

Notes to the Financial Statements

For the financial year ended 31 December 2023

16. INVESTMENT IN SUBSIDIARY (CONTINUED)

b. Composition of the Group (continued)

Name of subsidiary	Country of incorporation	Principal activities	Ownership (%) 2023	Ownership (%) 2022	Note
Held through 17LIVE Inc.: (continued)					
HandsUp Inc.	Taiwan	Online retailing	**100**	100	–
Wave Inc.	Taiwan	Live streaming	**100**	100	–
Next Entertainment Inc.	Taiwan	Live streaming and gaming	**–**	100	(c)
17LIVE Services Inc.	Taiwan	Technical services	**–**	100	(d)
17LIVE (SEA) Pte. Ltd.	Singapore	Live streaming	**100**	100	–
17LIVE Ltd.	Hong Kong	Live streaming	**100**	100	–
Next Entertainment (Hong Kong) Limited	Hong Kong	Live streaming	**–**	100	(e)
17LIVE (USA) Corp.	United States of America	Live streaming	**100**	100	–
Liontrek Entertainment India Pvt. Ltd.	India	Live streaming	**100**	100	–
17LIVE (Taiwan) Limited	Taiwan	Live streaming	**100**	100	–
Machipopo Co., Ltd.	Japan	Entertainment agent	**–**	100	(f)
M17 (USA) LLC	United States of America	Live streaming	**100**	100	(g)
MyMai Inc.	Taiwan	Online retailing	**–***	–*	–
Next Entertainment Limited	British Virgin Islands	Live streaming	**–**	100	(c)
Empower Next Limited	Taiwan	E-sport team	**–***	–*	–
Next Entertainment Science & Technology (Beijing) Co., Ltd	People's Republic of China	Live streaming Live streaming	**–**	100	(e)
Beijing Future Quyu Technology Co. Ltd.	People's Republic of China	Live streaming	**–**	–*	(h)
Shenzhen Juli Future Network Technology Co., Ltd	People's Republic of China	Live streaming	**–**	–*	(i)
Next Entertainment Inc.	Taiwan	Entertainment agent	**100**	100	–

* As of 31 December 2023, these entities were held by other individual owners. The Group has yet to complete the legal process to acquire the ownership interests of these entities due to local regulation. The Group and the individual owners have entered into contractual agreements giving the Group the power to direct the relevant activities and the ability to use its power to affect variable returns. The operating activities and the finance function are also controlled by the Group. Management has assessed that the Group has control over these entities and the Group has included the results of these entities in the consolidated financial statements. As of 31 December 2023, total assets from these entities amounted to US$418,000 (2022: US$355,000), representing 0.25% (2022: 0.34%) of total consolidated assets. For the financial year ended 31 December 2023 and 2022, profit or loss from these entities amounted to loss of US$62,000 (2022: profit of US$959,000), representing 0.03% (2022: 1.74%) of profit for the year.

(a) The subsidiary was de-registered in January 2023 and had already completed the liquidation process.

(b) The subsidiary was de-registered in November 2023.

(c) The subsidiary was de-registered in October 2023.

(d) The subsidiary was dissolved in June 2023.

(e) The subsidiary was disposed in December 2023 as stated in Note 16.

(f) The subsidiary was de-registered in October 2023.

(g) The subsidiary was dissolved in October 2023.

(h) The subsidiary was dissolved in April 2023 and had already completed the liquidation process.

(i) The subsidiary was dissolved in March 2023 and had already completed the liquidation process.

17. SECURITY DEPOSITS

Security deposits mainly pertain to rental deposits and deposits pursuant to Japanese Payment Services Act.

18. SHORT TERM INVESTMENT

	Company	
	2023 US$'000	2022 US$'000
Investment in MAS Bills	**–**	157,559

The Company had invested in bills issued by the Monetary Authority of Singapore ("MAS Bills"), which are permitted investments in the form of cash or cash equivalent short-dated securities of at least A-2 rating (or equivalent). Investment in MAS Bills were carried at amortised cost and bear a fixed interest rate of 4.25% per annum. They matured in January 2023.

19. OTHER CURRENT ASSETS

Other current assets mainly pertain to income tax receivable.

20. TRADE AND OTHER RECEIVABLES

	Group	
	2023 US$'000	2022 US$'000
Trade receivables	**18,590**	24,133
Less: Allowance for expected credit losses	**(936)**	(1,270)
	17,654	22,863
Restricted deposits	**242**	285
Receivable from issuance of preference shares	**545**	710
Sales tax receivable	**29**	27
Other receivables	**847**	169
	19,317	24,054

Trade receivables

Trade receivables are non-interest bearing and are generally on 20 to 60 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Restricted deposits

Restricted deposits consist of term deposits placed with banks with maturity of more than 3 months.

Expected credit losses

The movement in allowance for expected credit losses for trade receivables computed based on lifetime ECL was as follows:

	Group	
	2023 US$'000	2022 US$'000
At 1 January	**1,270**	1,375
Written back	**–**	(2)
Written off	**(326)**	(17)
Exchange differences	**(8)**	(86)
At 31 December	**936**	1,270

Notes to the Financial Statements

For the financial year ended 31 December 2023

20. TRADE AND OTHER RECEIVABLES (CONTINUED)

Restricted deposits (continued)

Expected credit losses (continued)

No allowance for ECL has been recognised in respect of the financial years ended 31 December 2023 and 2022 as management has determined that the allowance for ECL is insignificant.

The ageing analysis and ECLs for trade receivables are as follows:

	2023		2022	
	Gross carrying amount US$'000	Loss allowance provision US$'000	Gross carrying amount US$'000	Loss allowance provision US$'000
Current	**17,237**	**–**	22,226	–
Less than 30 days	**29**	**–**	583	–
31 to 90 days	**2**	**–**	41	–
91 to 120 days	**2**	**–**	–	–
More than 120 days	**1,320**	**936**	1,283	1,270
	18,590	**936**	24,133	1,270

The movement in allowance for expected credit losses for other receivables computed based on 12-month ECL was as follows:

	Group	
	2023 US$'000	2022 US$'000
At 1 January	**260**	316
Written off	**–**	(56)
At 31 December	**260**	260

21. CASH AND CASH EQUIVALENTS

	Group		Company	
	2023 US$'000	2022 US$'000	2023 US$'000	2022 US$'000
Cash on hand	**141**	108	**–**	–
Cash at banks	**102,547**	39,151	**67,154**	2,725
	102,688	39,259	**67,154**	2,725

Cash at banks earns interest at floating rates based on daily bank deposit rates.

22. TRADE AND OTHER PAYABLES

	Group		Company	
	2023 US$'000	2022 US$'000	2023 US$'000	2022 US$'000
Trade payables	**26,387**	33,747	**–**	–
Other payables	**20,146**	7,757	**262**	–
Accrued operating expenses	**7,593**	9,297	**4,840**	401
Sales tax payable	**704**	7,528	**–**	–
Withholding income tax	**1,919**	715	**–**	–
	56,749	59,044	**5,102**	401

Trade payables are non-interest bearing and are normally settled on 45 to 60 days' terms.

23. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group		Company	
	2023 US$'000	2022 US$'000	2023 US$'000	2022 US$'000
Warrants	**1,178**	1,009	**8,449**	8,183
Add: Fair value adjustment	**(118)**	(422)	**(7,082)**	(5,904)
Add: Exchange differences	**19**	–	**(288)**	(157)
	1,079	587	**1,079**	2,122
Preference shares	**–**	209,005	**–**	–
Add: Fair value adjustment	**–**	1,510	**–**	–
	–	210,515	**–**	–
	1,079	211,102	**1,079**	2,122

The Group recognised a net revaluation loss on financial liabilities at fair value through profit or loss of US$245,681,000 (2022: US$55,860,000) and other comprehensive income of US$(21,000) (2022: US$1,000) for changes in credit risk on financial liabilities at fair value through profit or loss. The revaluation loss on preference shares of US$245,363,000 recognised during the financial year ended 31 December 2023 arose mainly due to the higher probability of Initial Public Offering used as an input in the valuation of the preference shares.

Warrants issued by 17LIVE Inc.

The transaction and contract information of warrants is as follows:

(a) In August 2017, concurrent with the Facility Loan, warrants were issued by 17LIVE Inc. which can be subscribed for a total of US$225,000 worth of fully paid Series B preference shares or to receive cash consideration. The warrants will expire ten years after the date of the issuance.

Warrants are exercisable at the option of the holder any time before the expiration date, for all or any part of the shares of warrant (but not for a fraction of a share) that may be purchased.

The warrants were fully exercised in September 2023.

Notes to the Financial Statements

For the financial year ended 31 December 2023

23. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Warrants issued by 17LIVE Inc. (continued)

(b) In August 2017 and March 2018, concurrent with the drawdown of Facility A and Facility B Loans, warrants were issued by 17LIVE Inc. which can be purchased for a total of US$450,000 and US$600,000 worth of the same type of shares issued in the upcoming financing round.

The warrants will expire six years after the date of the issuance. The warrants are exercisable at the option of the holder, if and when an upcoming financing occurs on or before the expiration date, for all or any part of the shares of warrant (but not for a fraction of a share) that may be purchased.

The warrants issued in August 2017 expired in July 2023 and the warrants issued in March 2018 were fully exercised in October 2023.

(c) In January 2020, concurrent with the drawdown of Facility C Loans, warrants were issued by 17LIVE Inc. and the warrants can be purchased for a total of US$700,000 worth of the same type of shares issued in the upcoming financing round.

The warrants will expire five years after the date of the issuance. The warrants are exercisable at the option of the holder, if and when an upcoming financing occurs on or before the expiration date, for all or any part of the shares of warrant (but not for a fraction of a share) that may be purchased.

The warrants were fully exercised in October 2023.

Warrants issued by the Company

(a) In 2022, the Company issued 12,481,799 warrants to the holders of its shares which constitute the Offering Units, the Cornerstone Units and the Sponsor IPO Investment Units ("Public Warrants") and 16,000,000 warrants to Vertex SPV ("Private Placement Warrants") pursuant to a private placement warrants purchase agreement dated 6 January 2022.

(b) Each Public Warrant and Private Placement Warrant issued in connection with the Offering Units, Cornerstone Units and Sponsor IPO Investment Units, entitles the holder to purchase one ordinary share at a price of S$5.75 per ordinary share, subject to certain terms and conditions. Each Public Warrant and Private Placement Warrant will become exercisable on the later of 30 days after the completion of the Company's initial business combination or 12 months from the close of the Company's initial public offering and will expire on the fifth anniversary of the completion of the Company's initial business combination, or earlier upon redemption of the Public Warrants and Private Placement Warrants or liquidation of the Company.

(c) In December 2023, 3,117,960 Public Warrants has been issued to the non-redeeming shareholders of the Company pursuant to the completion of the Business Combination.

23. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Preference shares

The transaction and contract information of preference shares are as follows:

(a) In March 2017, 17LIVE Inc. issued 73,610,098 shares of Series A convertible redeemable preference shares (the "Series A Shares") to facilitate the share swap for the acquisition of Ichi Nana Inc.

(b) In August 2017 and December 2017, 17LIVE Inc. issued 25,199,948 shares of Series B convertible redeemable preference shares (the "Series B Shares") at US$1.2964 per share for cash consideration of US$32,669,000.

(c) On 16 November 2018 and 28 February 2019, 17LIVE Inc. entered into a Subscription Agreement to allot and issue 16,927,635 and 4,780,000 Series C convertible redeemable preference shares (the "Series C Shares") for a total consideration of US$20,000,000 and US$5,648,000, respectively.

(d) In April, July, and September 2020, 17LIVE Inc. issued 22,222,217 shares of Series D convertible redeemable preference shares (the "Series D Shares") at US$1.26 per share for a total consideration of US$28,000,000.

(e) On 1 January 2020, 17LIVE Inc. issued 9,964,361 shares and 1,107,156 holdback shares of Series AA convertible non-redeemable preference shares (the "Series AA Shares") at US$1.2263 per share to acquire 100% shareholding of Next Entertainment Global Holding.

The rights, preferences and privileges of the preference shares are as follows:

<u>Redemption rights</u>

(a) If a qualified initial public offering has not occurred before the 3rd year anniversary of the Series D shares issuance date, holders of any Series A, B, C and D Shares may request redemption of the preference shares of such series. On receipt of a redemption request from the holders, 17LIVE Inc. shall redeem all or part, as requested, of the outstanding preference shares of such series.

(b) The redemption prices of the Series A, B, C and D Shares shall be the entry price and issuance price respectively plus compounded interest of 8% per annum computed on the entry price and issuance price commencing from the relevant subscription date for such Series A, B, C and D Shares.

(c) The shareholders of Series AA Shares have no redemption rights to 17LIVE Inc. based on the signed agreement. However, based on the Shareholders' Agreement of 17LIVE, 17LIVE Inc. is obliged to redeem all or part of Series AA Shares at the applicable amount at any time on and after the occurrence of a "Liquidation Event". The requirement for 17LIVE Inc. to deliver cash to the shareholders of Series AA Shares upon the occurrence of a "Liquidation Event" may be beyond the control of 17LIVE Inc., which caused 17LIVE Inc. not having the unconditional right to avoid delivering cash to settle Series AA Shares. As a result, 17LIVE Inc. accounted for the Series AA Shares as financial liabilities.

    Liquidation Event is defined as (a) a liquidation, winding up or dissolution of 17LIVE Inc.; (b) a merger, consolidation, acquisition or sale or other transaction or series related transactions of 17LIVE Inc. where the shareholders do not retain control of and a majority of the voting power in the surviving corporation; (c) a Trade Sale; or (d) an exclusive licensing of all or substantially all Intellectual Property Rights belonging to 17LIVE Inc.

(d) The redemption rights of all series of preference shares have been extended to 31 December 2025.

Notes to the Financial Statements

For the financial year ended 31 December 2023

23. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Preference shares (continued)

Conversion rights

(a) Each preference share is convertible, at the option of the holder, at any time after the date of issuance of such preference shares (other than Series AA Shares, which contains only automatic conversion term subject to point (c) below), according to a conversion ratio, subject to adjustments for dilution, including but not limited to stock splits, stock dividends and capitalisation and certain other events. Each preference share is convertible into a number of ordinary shares determined by dividing the applicable original issuance price by the conversion price.

(b) The conversion ratio of each Series of preference shares were adjusted upon the issuance of the latest preference share.

(c) Each preference share shall automatically be converted into ordinary shares, at the then applicable preference share conversion price, upon closing of a qualified initial public offering.

Voting rights

(a) Each preference share (other than Series AA Shares) shall have the same voting rights as an ordinary share and shall carry one vote per preference share and shall be entitled to vote together with the ordinary shares on an "as-if converted" basis on all matters submitted to a vote of the shareholders of 17LIVE Inc. The holders of the preference shares shall be entitled to receive notices of, and attend, speak and vote at, any meetings of the shareholders of 17LIVE Inc.

(b) The shareholders of Series AA Shares shall not have any voting rights and shall not be entitled to speak or vote at, any meetings of the Shareholders, or act by written consent.

Dividend rights

(a) The Series A to Series D preference shareholders rank pari passu with each other in relation to claims and/or payment of dividends. The preference shareholders (other than Series AA Shares) shall be entitled to receive, in preference to any dividend on the ordinary shares, non-cumulative dividends for each preference share at the rate equal to 8% of, as the case may be, the Series A preference share issue price, the Series B preference share issue price, the Series C preference share issue price and the Series D preference share issue price, for each respective preferred shareholder. No dividend, whether in cash, in property, in shares in 17LIVE Inc. or otherwise may be declared or paid on any other class or series of shares unless and until the preferred dividends are first paid in full.

(b) The shareholders of Series AA Shares shall be entitled to receive, in preference to any dividend on the ordinary shares, non-cumulative dividends if declared by the Board of Directors. No dividend, whether in cash, in property, in shares in 17LIVE Inc. or otherwise may be declared or paid on any other class or series of shares unless and until the preferred dividends are first paid in full.

All preference shares were converted into ordinary shares of 17LIVE Inc. on 16 November 2023.

24. REDEEMABLE SHARES

	Company US$'000
Proceeds from Offering Units and Cornerstone Units issued on 20 January 2022	129,203
Less: Offering expenses allocated to the issuance of redeemable shares	(2,327)
Fair value adjustment of public warrants upon issuance	(1,853)
Carrying amount of 35,606,000 redeemable shares with par value of S$0.0001 per share recognised on initial recognition	125,023
Interest expense relating to accretion of redeemable shares during the year	2,621
Exchange differences	3,394
Carrying amount of redeemable shares at 31 December 2022	131,038
Modification gain on redeemable shares	(907)
Interest expense relating to accretion of redeemable shares during the year	2,701
Redemption in relation to the Business Combination	(97,056)
Reclassification of non-redeemed shares to equity	(35,776)
Carrying amount of redeemable shares at 31 December 2023	–

The modification gain relates to the revision of the expected redemption date of the redeemable shares.

25. SHARE-BASED PAYMENTS

<u>Employee share option plan</u>

The employee share option plan commenced in March 2017, upon the closing of the share swap among 17LIVE Inc., Paktor and Ichi Nana Inc. Under a share swap agreement, 17LIVE Inc. became the holding company of Paktor and acquired 53.8% interest of Ichi Nana Inc.. Pursuant to the agreement, all share options and restricted share units of Paktor and Ichi Nana Inc., vested or unvested, shall be assumed by 17LIVE Inc. and converted into share options and restricted share units of 17LIVE Inc., subject to the same terms and conditions that are applicable to Paktor and Ichi Nana Inc.'s options and restricted share units (including expiration date, vesting conditions and exercise provisions).

The disposal of Paktor in March 2020 did not have any impact on the outstanding and exercisable (i.e. vested) options or restricted share units. To the extent any options or restricted share units held by Paktor's employees were vested at the time of the disposal, such employees continued to hold such vested options and restricted share units.

17LIVE Inc.'s share options are subject to a 4-year service vesting condition with 25% of the options becoming vested each year. Based on the terms of the award agreements with the grantees, the awards granted under the employee share option plan can either be equity-settled or cash-settled, at the discretion of 17LIVE Inc.

On 5 September 2023, 17LIVE Inc. and one of its original founders entered into an agreement to waive 17LIVE Inc.'s further obligations under a share repurchase agreement, as well as the original founder's rights to the 699,997 share options and 699,997 restricted share units held by him, for an aggregate consideration of US$1,920,000. There are no share options as of 31 December 2023.

Notes to the Financial Statements

For the financial year ended 31 December 2023

25. SHARE-BASED PAYMENTS (CONTINUED)

Movement of share options during the financial year

The following table shows the number (No.) and weighted average exercise prices ("WAEP") of, and movements in, share options during the financial year:

	2023		2022	
	No.	WAEP US$	No.	WAEP US$
Outstanding at 1 January	**699,997**	**0.85**	699,997	0.85
Repurchased	**(699,997)**	**–**	–	–
Outstanding at 31 December	**–**	**–**	699,997	0.85
Exercisable at 31 December	**–**	**–**	699,997	0.85

Fair value of share options granted

The fair value of share options granted is estimated at the date of the grant using a Binomial option-pricing model, taking into account the terms and conditions upon which the options were granted.

The following table lists the inputs to the Binomial option-pricing model for the financial years ended 31 December 2022 and 2023.

	2023	2022
Share price at grant date (US$)	**–**	0.4164
Expected volatility (%)	**–**	48
Expected life of option (years)	**–**	4
Risk-free interest rate (% p.a.)	**–**	0.85

Restricted share units

17LIVE Inc.'s restricted share units are subject to a 2 to 4 year vesting condition with 12.5% and 25% becoming vested after the first year and the remaining being vested evenly over the remaining periods between 12 to 36 months. The restricted share units granted by 17LIVE Inc. can only be settled by shares.

17LIVE Inc. granted restricted share units to its employees subject to certain Initial Public Offering and corporate transaction conditions and becoming vested after fulfilling the condition under the share incentive plan ("17LIVE Cayman ESOP"). The restricted share units are subject to the achievement of performance incentives, and vest based on the incentive for each year. The restricted share units granted by 17LIVE Inc. can only be settled by shares.

25. SHARE-BASED PAYMENTS (CONTINUED)

Movement of restricted share units during the financial year

The following table shows the movements in restricted share units during the financial year:

	Group	
	2023 Number of units ('000)	**2022 Number of units ('000)**
Outstanding at 1 January	**16,820**	24,317
– Granted	**1,751**	1,824
– Exercised	**(10,909)**	–
– Repurchased	**(416)**	–
– Forfeited	**(5,298)**	(9,321)
Outstanding at 31 December	**1,948**	16,820
Exercisable at 31 December	**301**	13,334

The number of units for the periods ended 31 December 2023 and 2022 is adjusted by the exchange ratio established in the Share Purchase Agreement. Pursuant to the Share Purchase Agreement, 10,909,111 vested restricted share units were converted into ordinary shares of the Company on 7 December 2023.

Fair value of restricted share units granted

The fair value of restricted shares units was determined using the market approach, making reference to the transaction price of most recent round of financing.

Starting from 15 July 2015, the Board of Directors approved the issuance of restricted shares. The relevant information is as follows:

Type of arrangement	Year of grant date	Share price on grant date	Number of units ('000) (Note)	Contract periods	Vesting condition
Restricted shares award agreement	2015 – 2016	0.4597~0.4779	2,705	4 years	Service period
Restricted shares award agreement	2018	0.980	8,289	4 years	Service period
Restricted shares award agreement	2018 – 2019	0.70~0.98099	9,367	2-4 years	Service period
Restricted shares award agreement	2020	0.47	6,851	4 years	Service period
Restricted shares award agreement	2020	0.47	5,129	Indefinite	IPO/Corporate transaction
Restricted shares award agreement	2020	0.47	4,196	4 years	Performance incentive
Restricted shares award agreement	2021	0.56	1,876	4 years	Service period
Restricted shares award agreement	2022	0.29	1,824	4 years	Service period
Restricted shares award agreement	2023	0.43~2.01	1,751	4 years	IPO/Service period

The expenses incurred on share-based payment transactions for the financial years ended 31 December 2023 and 2022 amounted to US$1,609,000 and US$840,000 respectively.

Notes to the Financial Statements
For the financial year ended 31 December 2023

25. SHARE-BASED PAYMENTS (CONTINUED)

Undertaking on Promote Shares

The transaction and contract information of Promote Shares are as follows:

(a) As a reward and an incentive for the execution of a successful initial business combination, the Company has entered into a deed of undertaking with the Sponsor, Vertex Venture Holdings Ltd, pursuant to which the Company undertakes to allot and issue 10,401,500 Shares for a nominal consideration of S$25,000 (the “Promote Shares”) following the completion of the initial business combination in favour of the Sponsor, such Promote Shares (a) to be vested over a certain period subject to certain terms and conditions; and (b) to constitute no less than 20% of the issued and paid-up share capital of our Company on a fully diluted basis immediately following the completion of the IPO. The consideration for the Promote Shares will be pro-rated based on the amount of Promote Shares vested, allotted and issued as at the relevant vesting dates.

The Promote Shares will vest, and be allotted and issued in favour of Sponsor based on the following schedule:

(i) 49.0% of the Promote Shares on the date falling 12 months after the completion of the initial business combination;

(ii) 17.0% of the Promote Shares on the date during the 10 calendar years following the date of completion of the initial business combination upon the Return to Shareholders exceeding 20%;

(iii) 17.0% of the Promote Shares on the date during the 10 calendar years following the date of completion of the initial business combination upon the Return to Shareholders exceeding 40%; and

(iv) 17.0% of the Promote Shares on the date during the 10 calendar years following the date of completion of the initial business combination upon the Return to Shareholders exceeding 60%.

(b) As stated in the Company’s circular dated 9 November 2023, the Sponsor has agreed to waive its right to the allotment and issuance of up to 6,310,600 Promote Shares to Vertex SPV.

Earnout Shares

(a) In connection with the Business Combination, and pursuant to the Share Purchase Agreement, the Company shall allot and issue up to 24,408,000 Earnout Shares at the Issue Price to the 17LIVE Inc Shareholders in two tranches on the Earnout Vesting Dates (starting in 30 April 2024), subject to the Financial Targets for Earnout achieved by the Group.

(b) No Earnout shares were granted for the financial year ended 31 December 2023.

Executive Incentive Scheme (“EIS”)

(a) In connection with the Business Combination, and pursuant to the SPA, the Company shall allot and issue up to 2,550,000 EIS Shares at the Issue Price to the Key Executives on the EIS Vesting Dates (starting in 30 April 2024) subject to and based on the Financial Targets for EIS achieved on 7 December 2023.

(b) No EIS shares were granted for the financial year ended 31 December 2023.

26. SHARE CAPITAL

	Company			
	2023	2022	2023	2022
	Number of ordinary shares		Amount (US$'000)	
Beginning of financial year	**6,000,000**	1	**–**[(i)]	–[(i)]
Surrender of 1 ordinary share at S$0.0001 par value	**–**	(1)	**–**	–[(i)]
Issuance of shares (Sponsor IPO Shares) at S$0.0001 par value	**–**	6,000,000	**–**	–[(i)]
Issuance of ordinary shares in relation to the Business Combination	**171,371,431**	–	**13**	–
End of financial year	**177,371,431**	6,000,000	**13**	–[(i)]

(i) Balance is below US$1,000

The par value of the ordinary shares is Singapore Dollars ("S$") 0.0001 per share.

On 20 January 2022, Vertex Co-Investment Fund Pte. Ltd. ("Vertex SPV") surrendered and forfeited its one ordinary share of S$0.0001 par value for no consideration. Subsequently upon the Company's listing on the SGX-ST on 20 January 2022, 41,606,000 units of S$5.00 per unit were allotted and issued as fully paid to shareholders of which each unit comprised one ordinary share and 0.3 of one warrant per share. 6,000,000 ordinary shares which constitute the Sponsor IPO Investment Units (Sponsor IPO Shares) are classified as equity on the balance sheet. 35,606,000 ordinary shares (Redeemable shares) which constitute the Offering Units and Cornerstone Units were classified as a liability on the balance sheet as of 31 December 2022. Upon completion of the Business Combination, 26,016,200 redeemable shares were redeemed by shareholders and the 9,589,800 that were not redeemed by the shareholders were classified as ordinary shares as of 31 December 2023.

On 7 December 2023, the Company completed its acquisition of 17LIVE and pursuant to the completion, the Company issued 160,162,651 ordinary shares to the shareholders of 17LIVE as consideration for the acquisition, 660,000 ordinary shares to private investment in public equity ("PIPE") investors, and 9,589,800 ordinary shares and 958,980 bonus shares to non-redeeming shareholders of VTAC.

27. SHARE PREMIUM

Share premium pertains to the difference between the par value of the ordinary shares and the consideration for the exercise of the restricted share units or the fair value of new shares issued pursuant to the Business Combination or the fair value of preference shares at the date of conversion.

28. OTHER RESERVES

	Group		Company	
	2023 US$'000	2022 US$'000	2023 US$'000	2022 US$'000
Share-based payment reserve	**5,293**	15,944	**–**	–
Foreign currency translation reserve	**(4,544)**	(5,255)	**9,080**	199
Fair value reserve	**–**	(194)	**–**	–
Reorganisation reserve	**(12,505)**	(12,505)	**–**	–
Total	**(11,756)**	(2,010)	**9,080**	199

(a) Share-based payment reserve

Share-based payment reserve represent the equity settled share options and restricted shares units granted to employees. The reserve is made up of the cumulative value of services rendered by employees recorded over vesting period commencing from grant date and is reduced by the expiry or exercise of the share options or restricted share units.

Notes to the Financial Statements

For the financial year ended 31 December 2023

28. OTHER RESERVES (CONTINUED)

(b) Foreign currency translation reserve

The foreign currency translation reserve represents exchange difference arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

(c) Fair value reserve

The change in credit risk of financial liabilities at fair value through profit or loss are recorded in the fair value reserve.

29. RELATED PARTY TRANSACTIONS

Key management compensation

	Group	
	2023 US$'000	**2022 US$'000**
Salaries and other short-term employee benefits	**800**	1,036
Share-based payment	**837**	304
Total	**1,637**	1,340

30. PLEDGED ASSETS

The Group's assets pledged as collateral are as follows:

	Book value				
	Group		Company		
	2023 US$'000	**2022 US$'000**	**2023 US$'000**	**2022 US$'000**	**Purpose**
Security deposits	**4,261**	3,696	**–**	–	Restricted deposits pursuant to Japanese Payment Services Act and rental deposits
Restricted deposits	**242**	285	**–**	–	Restricted deposits for credit cards
Escrow account	**–**	–	**–**	332	The amount placed in the escrow account cannot be drawn down save for the purpose of an initial business combination, and so on.
	4,503	3,981	**–**	332	

31. SEGMENT INFORMATION

For management's purpose, the Group is organised into two operating business segments, namely:

(a) Live streaming; and

(b) Others, which include the business from live-commerce and Wave App.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

2023	Live streaming US$'000	Others US$'000	Unallocated US$'000	Total US$'000
Revenue from external customers	**270,812**	**8,115**	**–**	**278,927**
Results:				
Revaluation loss on financial liabilities	**–**	**–**	**(245,681)**	**(245,681)**
Depreciation and amortisation	**(1,966)**	**(51)**	**(2,602)**	**(4,619)**
Finance costs	**(90)**	**–**	**(20)**	**(110)**
Income tax expense	**(174)**	**(1)**	**(2,748)**	**(2,923)**
Segment profit/(loss)	**32,790**	**593**	**(278,375)**	**(244,992)**
Assets:				
Additions to non-current assets	**4,318**	**3**	**2,388**	**6,709**
Segment assets	**44,599**	**5,878**	**113,666**	**164,143**
Segment liabilities	**54,985**	**2,183**	**16,404**	**73,572**
2022				
Revenue from external customers	357,694	6,024	–	363,718
Results:				
Revaluation loss on financial liabilities	–	–	(55,860)	(55,860)
Depreciation and amortisation	(2,029)	(1)	(2,862)	(4,892)
Finance costs	(154)	–	(18)	(172)
Income tax expense	(2,014)	–	(6,140)	(8,154)
Segment profit/(loss)	36,671	(872)	(78,662)	(42,863)
Assets:				
Additions to non-current assets	1,212	24	1,150	2,386
Segment assets	52,671	3,934	46,825	103,430
Segment liabilities	57,143	1,637	227,848	286,628

Notes to the Financial Statements

For the financial year ended 31 December 2023

31. SEGMENT INFORMATION (CONTINUED)

Reconciliations

Segment assets are reconciled to total assets as follows:

	Group	
	2023 US$'000	2022 US$'000
Segment assets for reportable segments	**44,599**	52,671
Other segment assets	**5,878**	3,934
Total segment assets	**50,477**	56,605
Unallocated:		
Property, plant and equipment	**106**	152
Right-of-use assets	**2,038**	858
Intangible assets	**24,363**	26,231
Deferred tax assets	**3,294**	1,531
Cash and cash equivalents	**81,385**	14,706
Trade and other receivables	**716**	817
Prepaid operating expenses	**486**	533
Other current assets	**157**	1,577
Others	**1,121**	420
Total assets	**164,143**	103,430

The unallocated intangible assets mainly consist of goodwill, which is not allocated to any reportable segment, in view that the carrying value of goodwill arose from the acquisition of 17LIVE Japan, which is principally engaged in activities across the Group's segments.

The unallocated trade and other receivables mainly consist of receivable from the issuance of preference shares which is not allocated to any segments.

Segment liabilities are reconciled to total liabilities as follows:

	Group	
	2023 US$'000	2022 US$'000
Segment liabilities for reportable segments	**54,985**	57,143
Other segment liabilities	**2,183**	1,637
Total segment liabilities	**57,168**	58,780
Unallocated:		
Trade and other payables	**10,416**	9,166
Income tax payable	**2,211**	5,624
Financial liabilities at fair value through profit or loss	**1,079**	211,102
Provisions	**1,244**	341
Other current liabilities	**39**	164
Deferred tax liabilities	**–**	593
Lease liabilities	**1,415**	858
Total liabilities	**73,572**	286,628

31. SEGMENT INFORMATION (CONTINUED)

Geographical information

	2023			
	Japan US$'000	**Taiwan US$'000**	**Others US$'000**	**Total US$'000**
Revenue	**190,213**	**70,406**	**18,308**	**278,927**
Gross profit	**96,011**	**14,281**	**4,657**	**114,949**
Non-current assets	**2,507**	**4,052**	**24,242**	**30,801**

	2022			
	Japan US$'000	**Taiwan US$'000**	**Others US$'000**	**Total US$'000**
Revenue	251,927	86,830	24,961	363,718
Gross profit	104,889	17,264	3,996	126,149
Non-current assets	1,259	590	27,338	29,187

Non-current assets information presented above consist of property, plant and equipment, right-of-use assets and intangible assets as presented in the balance sheet of the Group.

32. FAIR VALUE OF ASSETS AND LIABILITIES

(a) Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

– Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

– Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

– Level 3: Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Notes to the Financial Statements
For the financial year ended 31 December 2023

32. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

(b) Assets and liabilities measured at fair value

The following table shows an analysis of each class of assets and liabilities measured at fair value at the reporting date:

	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
31 December 2023				
Financial liabilities measured at fair value through profit or loss				
Warrants	**533**	**–**	**546**	**1,079**
31 December 2022				
Financial liabilities measured at fair value through profit or loss				
Warrants	–	–	587	587
Preference shares	–	–	210,515	210,515
	–	–	211,102	211,102

There was no transfer between Level 1 and Level 2 for the financial years ended 31 December 2023 and 2022.

(c) Level 3 fair value measurements

(i) Information about significant unobservable inputs used in Level 3 fair value measurements

In 2022, the fair value of convertible and redeemable preference shares was determined using the market approach, making reference to the transaction price of the most recent round of financing and taking into consideration factors such as market volatility, successful exit and liquidation transaction.

The following table shows the information about fair value measurements using unobservable inputs (Level 3):

	2022 Range
Preference shares:	
– Risk-free rate	4.3%
– Volatility	76.0%

The following table shows the impact on the Level 3 fair value measurement of liabilities that are sensitive to changes in unobservable inputs that reflect reasonably possible alternative assumptions. The positive and negative effects are approximately the same.

			2022 Recognised in profit or loss	
	Input	Change	Favourable change US$'000	Unfavourable change US$'000
Preference shares	Risk-free rate	±1%	163,545	(159,114)
Preference shares	Volatility	±1%	116,097	(120,601)

32. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

(c) Level 3 fair value measurements (continued)

(ii) Movements in Level 3 liabilities measured at fair value

The following table presents the reconciliation for all liabilities measured at fair value based on significant unobservable inputs (Level 3):

	Financial liabilities at fair value through profit or loss	
	2023	**2022**
	US$'000	**US$'000**
At 1 January	**211,102**	155,243
Revaluation loss on financial liabilities	**245,786**	55,860
Change in credit risks through other comprehensive income	**21**	(1)
Expired during the period	**(133)**	–
Conversion to ordinary shares	**(456,836)**	–
Reverse acquisition	**597**	–
Exchange differences	**9**	–
At 31 December	**546**	211,102

(iii) Valuation policies and procedures

For all significant financial reporting valuations using valuation models and significant unobservable inputs, it is the Group's policy to engage external valuation experts who possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies and IFRS 13 fair value measurement guidance to perform the valuation.

For valuations performed by external valuation experts, the appropriateness of the valuation methodologies and assumptions adopted are reviewed along with the appropriateness and reliability of the inputs (including those developed internally by the Group) used in the valuations.

In selecting the appropriate valuation models and inputs to be adopted for each valuation that uses significant non-observable inputs, external valuation experts are requested to calibrate the valuation models and inputs to actual market transactions (which may include transactions entered into by the Group with third parties as appropriate) that are relevant to the valuation if such information is reasonably available.

Significant changes in fair value measurements from period to period are evaluated for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources if necessary and appropriate.

(d) Assets and liabilities not measured at fair value

Trade and other receivables, cash and cash equivalents, other current assets, trade and other payables

The carrying amounts of these balances approximate their fair values due to the short-term nature of these balances.

Notes to the Financial Statements

For the financial year ended 31 December 2023

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk and liquidity risk.

The board of directors reviews and agrees on policies and procedures for the management of these risks, which are executed by the management team. It is, and has been, throughout the current and previous financial year, the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

(a) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Group. The Group's exposure to credit risk arises primarily from trade and other receivables. For other financial assets, the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 180 days or there is significant difficulty of the counterparty.

To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportive forward-looking information which includes the following indicators:

– External credit rating

– Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations

– Actual or expected significant changes in the operating results of the debtor

– Significant increases in credit risk on other financial instruments of the same debtor

– Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtor and changes in the operating results of the debtor.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Credit risk (continued)

The Group determined that its financial assets are credit-impaired when:

– There is significant difficulty of the issuer or the debtor

– A breach of contract, such as a default or past due event

– It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation

– There is a disappearance of an active market for that financial asset because of financial difficulty

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the Group continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

Trade receivables

The Group provides for lifetime expected credit losses for all trade receivables using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of trade receivables is presented based on their past due status in terms of the provision matrix.

Information regarding loss allowance movement and credit risk exposure on trade receivables is disclosed in Note 20.

Excessive risk concentration

There is no significant concentration of credit risk relating to the Group's trade receivables.

Exposure to credit risk

At the end of the reporting period, the Group's maximum exposure to credit risk is represented by the carrying amount of financial assets recognised in the balance sheet of the Group.

Other receivables

The Group assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in. The Group measured the impairment loss allowance using 12-month ECL and recognised an allowance for ECL of US$260,000. Information regarding loss allowance movement and credit risk exposure on other receivables is disclosed in Note 20.

Notes to the Financial Statements

For the financial year ended 31 December 2023

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group manages and maintains adequate cash and cash equivalents to finance the Group's operations.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	Group			
	Less than 1 year US$'000	**1 to 3 years US$'000**	**3 to 5 years US$'000**	**Total US$'000**
2023				
Financial liabilities				
Trade and other payables	**54,126**	**–**	**–**	**54,126**
Lease liabilities	**2,164**	**2,636**	**–**	**4,800**
Warrants	**1,079**	**–**	**–**	**1,079**
Total undiscounted financial liabilities	**57,369**	**2,636**	**–**	**60,005**
2022				
Financial liabilities				
Trade and other payables	50,801	–	–	50,801
Lease liabilities	972	1,024	7	2,003
Preference shares	243,566	–	–	243,566
Warrants	587	–	–	587
Total undiscounted financial liabilities	295,926	1,024	7	296,957

	Company			
	Less than 1 year US$'000	**1 to 3 years US$'000**	**3 to 5 years US$'000**	**Total US$'000**
2023				
Financial liabilities				
Trade and other payables	**5,102**	**–**	**–**	**5,102**
Warrants	**1,079**	**–**	**–**	**1,079**
Total undiscounted financial liabilities	**6,181**	**–**	**–**	**6,181**
2022				
Financial liabilities				
Trade and other payables	401	–	–	401
Warrants	2,122	–	–	2,122
Total undiscounted financial liabilities	2,523	–	–	2,523

34. FINANCIAL INSTRUMENTS BY CATEGORY

At the reporting date, the aggregate carrying amounts of financial assets at amortised cost and financial liabilities at amortised cost were as follows:

	Group		Company	
	2023	2022	**2023**	2022
	US$'000	US$'000	**US$'000**	US$'000
Financial assets measured at amortised cost				
Short term investment	**–**	–	**–**	157,559
Trade and other receivables	**19,288**	24,027	**–**	–
Cash and cash equivalents	**102,688**	39,259	**67,154**	2,725
Security deposits	**4,261**	3,696	**–**	–
	126,237	66,982	**67,154**	160,284
Financial liabilities measured at amortised cost				
Trade and other payables	**54,126**	50,801	**5,102**	401
Redeemable shares	**–**	–	**–**	131,038
	54,126	50,801	**5,102**	131,439

35. CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to improve the Group's capital structure, the Group may issue new shares or sell assets to reduce debt rate. The Group monitors capital on the basis of the debt ratio. This ratio is calculated as total liabilities divided by total assets.

As of 31 December 2023 and 2022, the Group's debt ratios are as follows:

	Group	
	2023	2022
	US$'000	US$'000
Total assets	**164,143**	103,430
Total liabilities	**73,572**	286,628
Debt ratio	**0.45**	2.77

36. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The consolidated financial statements for the financial years ended 31 December 2023 were authorised for issue in accordance with a resolution of the directors on 27 March 2024.

Statistics of Shareholding

As at 11 March 2024

SHAREHOLDERS' INFORMATION

Number of issued shares (excluding treasury shares)	:	177,371,431
Class of shares	:	Ordinary share
Voting rights	:	One vote per share

The Company does not have any treasury shares and subsidiary holdings as at 11 March 2024.

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	8	0.66	375	0.00
100 - 1,000	528	43.71	308,866	0.17
1,001 - 10,000	480	39.74	1,571,643	0.89
10,001 - 1,000,000	166	13.74	16,876,440	9.51
1,000,001 and above	26	2.15	158,614,107	89.43
Total	**1,208**	**100.00**	**177,371,431**	**100.00**

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%*
1.	CITIBANK NOMINEES SINGAPORE PTE LTD	24,462,775	13.79
2.	INFINITY E.VENTURES ASIA III, L.P.	19,453,132	10.97
3.	M17 GROWTH SPV LLC	18,703,753	10.54
4.	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	18,028,572	10.16
5.	VERTEX LEGACY CONTINUATION FUND PTE. LTD.	14,443,679	8.14
6.	DBS NOMINEES (PRIVATE) LIMITED	8,084,516	4.56
7.	VERTEX GROWTH FUND PTE. LTD.	6,908,725	3.90
8.	VENEZIO INVESTMENTS PTE LTD	6,600,000	3.72
9.	VERTEX CO-INVESTMENT FUND PTE LTD	6,000,000	3.38
10.	PAV INVESTMENTS PTE. LTD.	5,741,307	3.24
11.	IVP ANNEX I LLC	3,480,038	1.96
12.	TALENT DRAGON CO., LTD.	2,723,387	1.54
13.	VERTEX VENTURES SEA FUND III PTE. LTD.	2,705,514	1.53
14.	NORTHPARK ADVISORY LTD.	2,311,556	1.30
15.	GLOBAL GRAND LEISURE PTE. LTD.	2,183,569	1.23
16.	UOB KAY HIAN PRIVATE LIMITED	2,063,387	1.16
17.	YJ2 INVESTMENT PARTNERSHIP	1,685,457	0.95
18.	GSR VENTURES V (SINGAPORE) PTE. LTD.	1,684,378	0.95
19.	M17 GROWTH SPV B LLC	1,571,494	0.89
20.	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	1,548,853	0.87
	TOTAL	**150,384,092**	**84.78**

* Based on 177,371,431 issued shares (excluding treasury shares) as at 11 March 2024.

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders as at 11 March 2024)

	Direct Interest	%*	Deemed Interest	%*
Vertex Legacy Continuation Fund Pte. Ltd. (“**VLCF**”)	14,443,679	8.14	–	–
Vertex Venture Holdings Ltd (“**VVHL**”)	–	–	30,057,918[1]	16.95
M17 Growth SPV LLC	18,703,753	10.54	1,571,494[2]	0.89
Aika Tong	201,266	0.11	25,795,543[3]	14.54
KTB China Synergy Fund	9,384,654	5.29	–	–
Woori Venture Partners Co., Ltd.	–	–	9,384,654[4]	5.29
Infinity e.Ventures Asia III, L.P.	19,453,132	10.97	–	–
Growth Tree Ltd	–	–	19,453,132[5]	10.97
Infinity e.Ventures Asia III (GP), Ltd.	–	–	19,453,132[6]	10.97
Akio Tanaka	–	–	19,453,132[7]	10.97
Dragon Alexander Limited	16,055,627	9.05	–	–
Phua Jiexian Joseph	–	–	16,055,627[8]	9.05
Temasek Holdings (Private) Limited (“**Temasek**”)	–	–	42,399,225[9]	23.90
Fullerton (Private) Limited (“**Fullerton**”)	–	–	30,057,918[10]	16.95
Ellensburg Holding Pte. Ltd. (“**Ellensburg**”)	–	–	30,057,918[11]	16.95

* Based on 177,371,431 issued shares (excluding treasury shares) as at 11 March 2024.

Notes:

(1) Vertex Co-Investment Fund Pte. Ltd. (“**VCIF**”) is wholly-owned by Vertex Master Fund I Pte. Ltd. (“**VMF**”), which is in turn wholly-owned by VVHL. By virtue of this, VVHL has a deemed interest in the shares in the Company which VCIF holds (3.38%) pursuant to Section 4 of the Securities and Futures Act 2001 of Singapore (“**SFA**”).

VMF holds 38.1% in Vertex Ventures SEA Fund III Pte. Ltd. (“**VVSEA III**”). VMF is wholly-owned by VVHL. By virtue of this, VVHL has a deemed interest in the shares in the Company which VVSEA III holds (1.53%) pursuant to Section 4 of the SFA.

Vertex Master Fund II Pte. Ltd. (“VMF II”) holds 49.3% interest in Vertex Growth Fund Pte. Ltd. (“**VGF**”). VVHL holds 74.7% of VMF II. By virtue of this, VVHL has a deemed interest in the shares in the Company which VGF holds (3.90%) pursuant to Section 4 of the SFA.

VVHL holds 43.8% of VLCF. By virtue of this, VVHL has a deemed interest in the shares in the Company which VLCF holds (8.14%) pursuant to Section 4 of the SFA.

(2) M17 Growth SPV B LLC is wholly-owned by M17 Growth SPV LLC. Accordingly, M17 Growth SPV LLC is deemed to be interested in the 1,571,494 shares of the Company held by M17 Growth SPV B LLC by virtue of Section 4 of the SFA.

(3) M17 Growth SPV B LLC is wholly-owned by M17 Growth SPV LLC, which is in turn wholly-owned by Aika Tong. Accordingly, Aika Tong is deemed to be interested in the 1,571,494 shares of the Company held by M17 Growth SPV B LLC by virtue of Section 4 of the SFA.

Northpark Advisory Ltd. and Talent Dragon Co., Ltd. are wholly-owned by Aika Tong, and Aika Tong owns 28.0% of Chia Nine Investments Co., Ltd. Accordingly, Aika Tong is deemed to be interested in the shares of the Company held by each of Northpark Advisory Ltd., Talent Dragon Co. Ltd. and Chia Nine Investments Co., Ltd. by virtue of Section 4 of the SFA.

(4) KTB China Synergy Fund is wholly-owned by Woori Venture Partners Co., Ltd. Accordingly, Woori Venture Partners Co., Ltd. is deemed to be interested in the shares of the Company held by KTB China Synergy Fund by virtue of Section 4 of the SFA.

(5) Growth Tree Ltd holds 100% of the shareholding interest in Infinity e.Ventures Asia III (GP), Ltd. Infinity e.Ventures Asia III (GP), Ltd. is the general partner of Infinity e.Ventures Asia III L.P. and has the authority to exercise control of the disposal over the shares held by Infinity e.Ventures Asia III L.P. pursuant to the limited partnership agreement.

Accordingly, Growth Tree Ltd. is deemed interested in the shares of the Company held by Infinity e.Ventures Asia III L.P. by virtue of Section 4 of the SFA.

(6) Infinity e.Ventures Asia III (GP), Ltd. is the general partner of Infinity e.Ventures Asia III L.P. and has the authority to exercise control of the disposal over the shares held by Infinity e.Ventures Asia III L.P. pursuant to the limited partnership agreement.

Accordingly, Infinity e.Ventures Asia III (GP), Ltd. is deemed interested in the shares of the Company held by Infinity e.Ventures Asia III L.P. by virtue of Section 4 of the SFA.

(7) Akio Tanaka holds 100% of the shareholding interest in Growth Tree Ltd, which holds 100% of the shareholding interest in Infinity e.Ventures Asia III (GP), Ltd. Infinity e.Ventures Asia III (GP), Ltd. is the general partner of Infinity e.Ventures Asia III L.P. and has the authority to exercise control of the disposal over the shares held by Infinity e.Ventures Asia III L.P. pursuant to the limited partnership agreement.

Accordingly, Akio Tanaka is deemed to be interested in the shares of the Company held by Infinity e.Ventures Asia III L.P. by virtue of Section 4 of the SFA.

Statistics of Shareholding

As at 11 March 2024

(8) Phua Jiexian Joseph holds 100% of the shareholding in Dragon Alexander Limited. Accordingly, Phua Jiexian Joseph is deemed to be interested in the shares of the Company held by Dragon Alexander Limited, by virtue of Section 4 of the SFA.

(9) Temasek is deemed to be interested in 6,600,000 shares held by Venezio Investments Pte. Ltd. and 35,799,225 shares in which certain of its other subsidiaries and associated companies have direct or deemed interests pursuant to Section 4 of the SFA.

(10) Fullerton is deemed to be interested in 30,057,918 shares in Ellensburg, its wholly-owned subsidiary, has a deemed interest pursuant to Section 4 of the SFA.

(11) Ellensburg is deemed to be interested in 30,057,918 shares in which certain of its subsidiaries have direct or deemed interests pursuant to Section 4 of the SFA.

PERCENTAGE OF SHARES HELD BY THE PUBLIC

Based on information available to the Company as at 11 March 2024, approximately 34.94% of the Company's shares are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST.

DISTRIBUTION OF WARRANTHOLDINGS

Size of Shareholdings	No. of Warrantholders	%	No. of Warrants	%
1 – 99	19	1.74	920	0.01
100 – 1,000	925	84.78	319,930	1.01
1,001 – 10,000	106	9.72	329,300	1.04
10,001 – 1,000,000	37	3.39	3,893,374	12.32
1,000,001 and above	4	0.37	27,056,235	85.62
Total	**1,091**	**100.00**	**31,599,759**	**100.00**

TWENTY LARGEST WARRANTHOLDERS

No.	Name	No. of Warrants	%*
1.	VERTEX CO-INVESTMENT FUND PTE LTD	19,000,000	60.13
2.	VENEZIO INVESTMENTS PTE LTD	3,000,000	9.49
3.	DBS NOMINEES (PRIVATE) LIMITED	2,615,654	8.28
4.	RAFFLES NOMINEES (PTE.) LIMITED	2,440,581	7.72
5.	CITIBANK NOMINEES SINGAPORE PTE LTD	671,340	2.12
6.	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	454,290	1.44
7.	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	432,300	1.37
8.	THAM FOO KHEY	270,940	0.86
9.	MERRILL LYNCH (SINGAPORE) PTE. LTD.	235,940	0.75
10.	PER TIONG KEE	155,560	0.49
11.	EE GUAN WHATT DAVID	150,350	0.48
12.	LIM CHER KHIANG	135,448	0.43
13.	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	122,900	0.39
14.	MOOMOO FINANCIAL SINGAPORE PTE. LTD.	116,480	0.37
15.	OCBC SECURITIES PRIVATE LIMITED	115,345	0.37
16.	KONG KOK PENG	107,050	0.34
17.	HUI CHI SING KENNY	102,000	0.32
18.	TAN ENG CHUA EDWIN	100,000	0.32
19.	KHOO HWEE SAN	91,000	0.29
20.	PHILLIP SECURITIES PTE LTD	81,020	0.26
	TOTAL	**30,398,198**	**96.22**

* Based on 31,599,759 issued warrants as at 11 March 2024.

Exercise Price	:	S$5.75 payable for each whole share on the exercise of a warrant, subject to the adjustments as described in the terms and conditions in respect of the warrants pursuant to the Warrant Agreement as detailed in the Company's Prospectus (the "Warrant Conditions").
Exercise Period	:	The period commencing on the later of (a) 30 days after the completion of the Company's initial business combination; or (b) 12 months from the close of the Offering and terminating on the Warrant Expiration Date (defined below).
Warrant Expiration Date	:	The earlier to occur of: (a) 5:00 p.m., Singapore time on the date that is five years after the date on which the Company completes its initial business combination; (b) the Company's Liquidation; or (c) (other than with respect to the Private Placement Warrants (as defined in the Circular dated 9 November 2023) to the extent then held by Vertex Co-Investment Fund Pte. Ltd. (also known as Vertex SPV) or its Permitted Transferees), 5:00 p.m., Singapore time on the Warrant Redemption Date as provided in the Warrant Conditions.
Warrant Agent	:	Boardroom Corporate & Advisory Services Pte. Ltd. 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632

This page has been intentionally left blank

This page has been intentionally left blank

This page has been intentionally left blank

17LIVE Group Limited
P.O. Box 309 Ugland House
Grand Cayman KY1-1104
Cayman Islands