

VERTEX TECHNOLOGY ACQUISITION CORPORATION LTD PROPOSES BUSINESS COMBINATION WITH 17LIVE INC. TO BECOME THE FIRST PURE-PLAY LIVE-STREAMING PLATFORM TO BE PUBLICLY LISTED ON SGX

VTAC

CIRCULAR DATED 9 NOVEMBER 2023. THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

The information in this gatefold is a summary of the Proposed Business Combination and is qualified by, and should be read in conjunction with, the full information contained in the rest of this Circular. In the event of any inconsistency or conflict between the information in this gatefold and this Circular, the information set out in this Circular shall prevail.

VERTEX TECHNOLOGY ACQUISITION CORPORATION LTD

(Incorporated as an exempted company in the Cayman Islands)
(Company Registration No. 378671)

IF YOU ARE IN ANY DOUBT AS TO THE ACTION THAT YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL, TAX OR OTHER PROFESSIONAL ADVISER(S) IMMEDIATELY.

Unless otherwise defined, capitalised terms appearing in this gatefold bear the same meanings as defined in this Circular.

If you have sold or transferred all your shares (the "Shares") in Vertex Technology Acquisition Corporation Ltd ("VTAC" or the "Company") held through The Central Depository (Pte) Limited (the "CDP"), you need not forward this Circular to the purchaser or transferee as arrangements will be made by CDP for a separate Circular to be sent to the purchaser or transferee.

An application has been made to the Singapore Exchange Securities Trading Limited (the "SGX-ST" or the "Exchange") for permission for the listing and quotation of the Consideration Shares, the Earnout Shares, the EIS Shares, the ESOP Shares and the Special Bonus Shares on the Mainboard. The listing and quotation notice, if issued by the SGX-ST, is not to be taken as an indication of the merits of any of the Proposed Transactions (as defined herein), the Company, the Target Group (as defined herein), the Enlarged Group (as defined herein), the Consideration Shares, the Earnout Shares, the EIS Shares, the ESOP Shares or the Special Bonus Shares. The SGX-ST has not in any way considered the merits of the shares being offered for investment. The SGX-ST assumes no responsibility for the accuracy of any of the statements made, reports contained or opinions expressed, in this Circular.

Special Considerations for Shareholders Who Are U.S. Persons

Neither the U.S. Securities and Exchange Commission ("SEC" or "Commission") nor any state securities administrator has approved or disapproved the securities offered in this Circular nor has the Commission or any state securities administrator passed upon the adequacy or accuracy of the disclosures contained in this Circular or the merits of an investment in the securities offered herein. Any representation to the contrary is a criminal offence under the laws of the U.S.

None of the securities to which this Circular relates have been registered under the U.S. Securities Act of 1933 (the "1933 Act"), or any U.S. state securities laws, and, unless so registered, none may be offered, sold, pledged or otherwise transferred, directly or indirectly, in the U.S., or to, or for the account or benefit of, U.S. Persons, except in accordance with the provisions of regulations under the 1933 Act, pursuant to an effective registration statement under the 1933 Act, or pursuant to an available exemption from, or in a transaction not subject to, the registration requirements of the 1933 Act and in each case only in accordance with applicable U.S. state and foreign securities laws.

The term "U.S. Person" includes, but is not limited to: (a) any U.S. citizen; (b) any natural person resident in the U.S.; (c) any partnership or corporation organised or incorporated under the laws of the U.S.; (d) any partnership or corporation organised outside the U.S. by a U.S. Person principally for the purpose of investing in securities not registered under the 1933 Act, unless it is organised or incorporated, and owned, by accredited investors (as defined in Rule 501(a) of the 1933 Act) who are not natural persons, estates or trusts; or (e) any estate or trust of which any executor or administrator or trustee is a U.S. Person.

Not for release, publication or distribution, in whole or in part, into or from any jurisdiction where to do so would constitute a violation of the relevant laws of that jurisdiction.

YOUR ATTENTION IS DRAWN TO SECTION 16 TITLED "RISK FACTORS" OF THIS CIRCULAR, WHICH HIGHLIGHTS CERTAIN MATERIAL RISKS RELATING TO THE OWNERSHIP OF THE SHARES AND INHERENT IN THE BUSINESS OF THE TARGET GROUP. SHAREHOLDERS ARE ADVISED TO TAKE THESE FACTORS INTO CONSIDERATION WHEN DECIDING ON THE PROPOSED TRANSACTIONS.

Important Dates and Times

Last date and time to purchase Shares to be entitled to the Special Bonus NRS Shares and the Additional Warrants	27 November 2023, before the close of trading at 5.00 p.m.
Last date and time to purchase Shares to be entitled to the Redemption Right	
Commencement of the Trading Suspension	28 November 2023, 9.00 a.m.
Last date and time to elect for Redemption and submit the Share Redemption Form	28 November 2023, 2.00 p.m.
Last date and time for lodgement of Proxy Form	29 November 2023, 2.00 p.m.
Date and time of Extraordinary General Meeting and announcement of level of Redemption	1 December 2023, 2.00 p.m.
Place of Extraordinary General Meeting	Raffles City Convention Centre, Level 4, Bras Basah Room, 80 Bras Basah Road, Singapore 189560

Credit Suisse (Singapore) Limited ("Credit Suisse") and DBS Bank Ltd. ("DBS") were the joint issue managers for Vertex Technology Acquisition Corporation Ltd's initial public offering (the "Offering"). Credit Suisse, DBS and Morgan Stanley Asia (Singapore) Pte. were the joint global coordinators, joint bookrunners and joint underwriters for the Offering.

Circular to Shareholders in relation to the:

- Proposed Business Combination between the Company and 17LIVE Inc. by way of an acquisition by the Company of the entire issued and paid-up share capital of 17LIVE Inc. from the Vendor for the Purchase Consideration;
- Proposed allotment and issuance of 160,162,651 Consideration Shares at the Issue Price of \$5.00 in partial satisfaction of the Purchase Consideration for the Proposed Business Combination;
- Proposed allotment and issuance of up to 24,408,000 Earnout Shares at the Issue Price of \$5.00 to the Earnout Shareholders in partial satisfaction of the Purchase Consideration for the Proposed Business Combination, subject to the satisfaction of the Financial Targets for Earnout;
- Proposed allotment and issuance of up to 2,000,000 Base PIPE Shares at the Issue Price of \$5.00 to the PIPE Investors;
- Proposed allotment and issuance of up to 3,760,600 Special Bonus Shares at the Issue Price of \$5.00 to the Non-Redeeming Shareholders and the PIPE Investors;
- Proposed adoption of the Executive Incentive Scheme;
- Proposed allotment and issuance of up to 2,550,000 EIS Shares at the Issue Price of \$5.00 to the Key Executives, subject to the satisfaction of the Financial Targets for EIS;
- Proposed adoption of the Company Employee Share Option Plan;
- Proposed allotment and issuance of up to 2,114,891 ESOP Shares pursuant to the Company Employee Share Option Plan;
- Proposed change of the Company's name to "17LIVE Group Limited";
- Proposed adoption of the New Memorandum and Articles of Association;
- Proposed change of the Company's Independent Auditor;
- Proposed appointment of Mr. Phua Jiexian Joseph as a new Director upon Completion;
- Proposed appointment of Mr. Lien Chien-Lin as a new Director upon Completion;
- Proposed appointment of Mr. Akio Tanaka as a new Director upon Completion;
- Proposed appointment of Mr. Hideto Mizuno as a new Director upon Completion; and
- Proposed appointment of Ms. Chen Xiuling as a new Director upon Completion.

This Circular (together with the Notice of EGM, Proxy Form, Share Redemption Form, Request Form and the Shareholder Letter) may also be accessed at the following URLs:



SGX:

<https://www.sgx.com/securities/company-announcements>



VTAC

<https://www.vertexspac.com/announcements>

Sole Issue Manager:



Joint Financial Advisers:



Rationale for the Proposed Business Combination

In the Prospectus, VTAC had disclosed that it intends to acquire one or more businesses that may display the following characteristics (among others): 1) technology-driven businesses; 2) fast-growing scalable businesses; 3) businesses at an inflection point; 4) strong management teams; 5) cross-border potential with market leadership; and 6) appropriate valuation.

On 2 October 2023, VTAC announced that it had entered into a Sale and Purchase Agreement with 17LIVE Holding Limited (the “**Vendor**”) and certain other parties set forth therein in relation to the proposed business combination between the Company and 17LIVE Inc. (“**17LIVE Cayman**” or the “**Target Company**”) by way of an acquisition by VTAC of the entire issued and paid-up share capital of the Target Company (the “**Proposed Business Combination**”).

The Proposed Business Combination will give Shareholders the opportunity to participate in the growth and expansion of the Target Company.

17LIVE

The top pure-play live streaming platform (by revenue) in Japan and Taiwan combined¹

Adjusted EBITDA positive since **FY2020**:

Large user base
Avg 1H FY2023

Large live streamer base
as of **30 June 2023**



Revenue
FY2022

US\$363.7 million



Adjusted EBITDA
FY2022

US\$15.9 million



Total
MAU

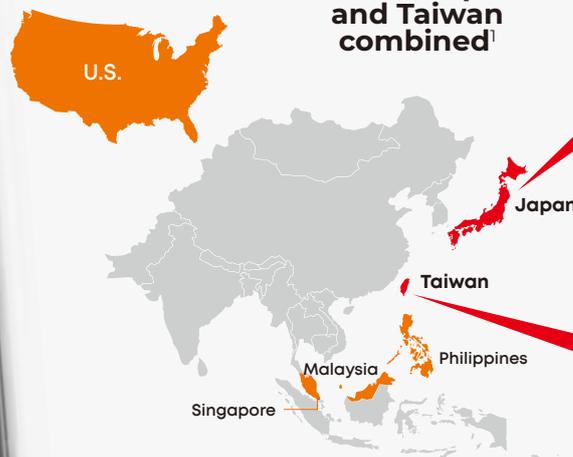
Approximately 550k



Contracted
Streamers

Approximately 87k

No. 1 in Japan and Taiwan combined¹



Top Market Share by Revenue¹ of **20.8%**

26.9% Market Share by Revenue¹

Key markets of operations include **Japan** and **Taiwan**, with a presence in **Hong Kong**, **Singapore**, the **U.S.**, the **Philippines**, **Malaysia** and **India**

● Core markets ● Other markets

¹Based 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 the Target Company

Key Value Propositions



Leading Live Streaming Ecosystem in Japan and Taiwan

Loyal and Engaged Live Social Community Driven by Seamless Online and Offline Experience

Diversified and High Quality Content

Strong Live Streamer Community Empowered by the Target Group's End-To-End Talent Management Capabilities

Diversified Growth Drivers Empowering Sustainable Organic Growth

Leading Technology Capabilities with Innovative Technology and Superior Safety Record

Scalable Business Model with Sustainable Growth and Profitability

Visionary Management with an Entrepreneurial Company Culture

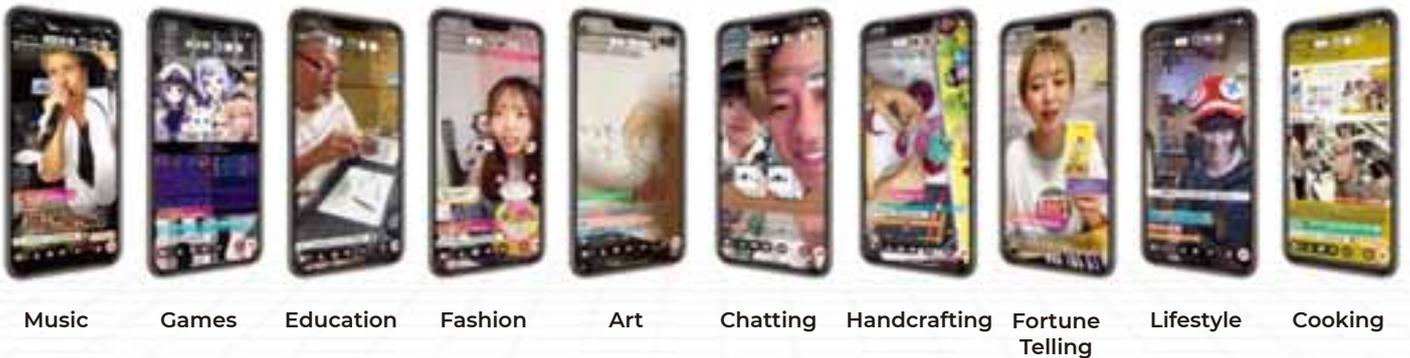
Business Overview

CORE OFFERINGS

17LIVE has fostered a diverse live streaming ecosystem with a loyal and engaged user community through:

- 1 Diversified live streaming content offerings including localised content and exclusive premium content across a wide range of categories**

DIVERSIFIED CONTENT OFFERINGS



LOCALISED CONTENT



EXCLUSIVE PREMIUM CONTENT



- 2 Immersive online and offline experiences forge a vibrant and loyal live social community**

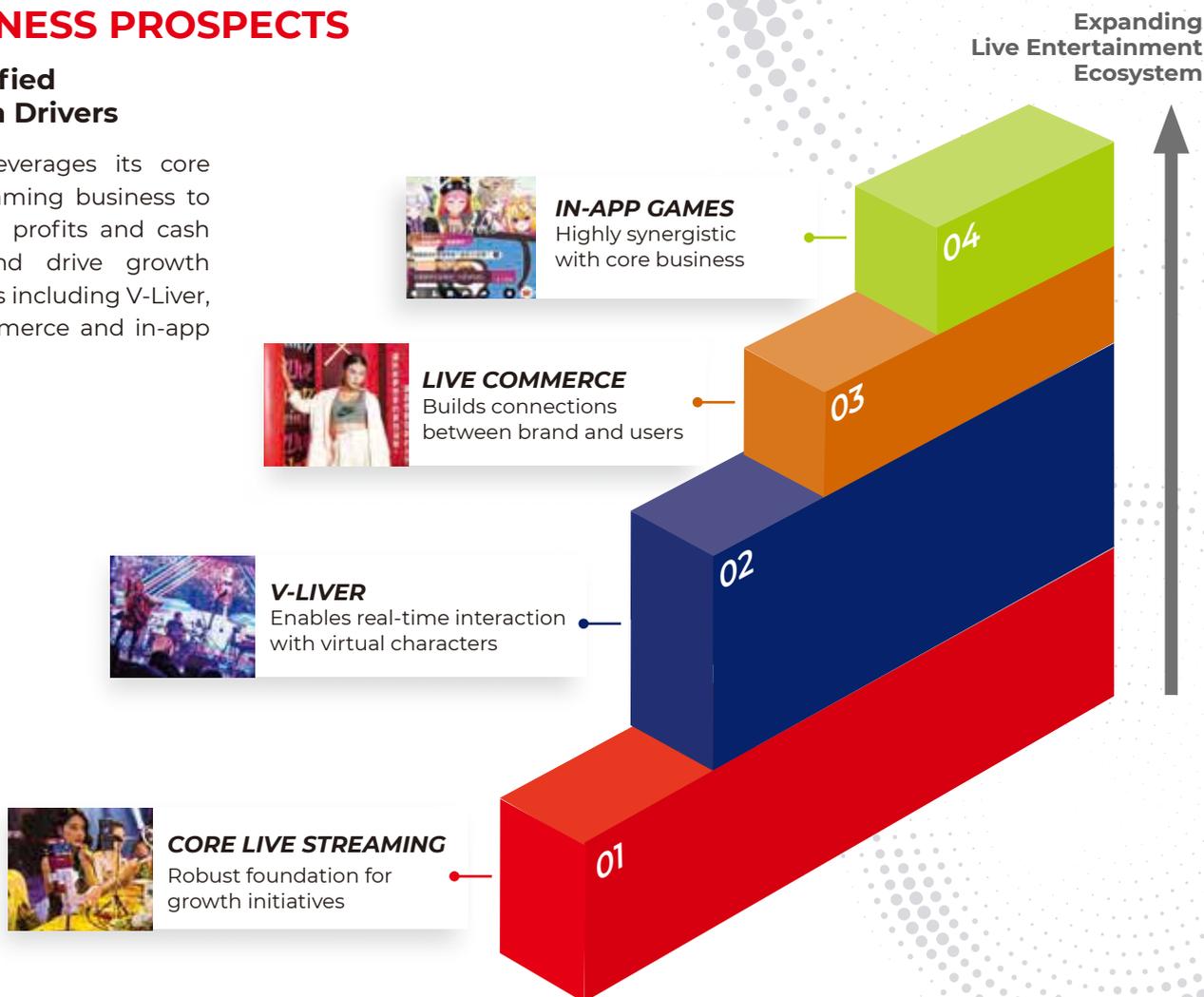


¹ Image Credit: Kaohsiung 17LIVE Steelers Facebook

BUSINESS PROSPECTS

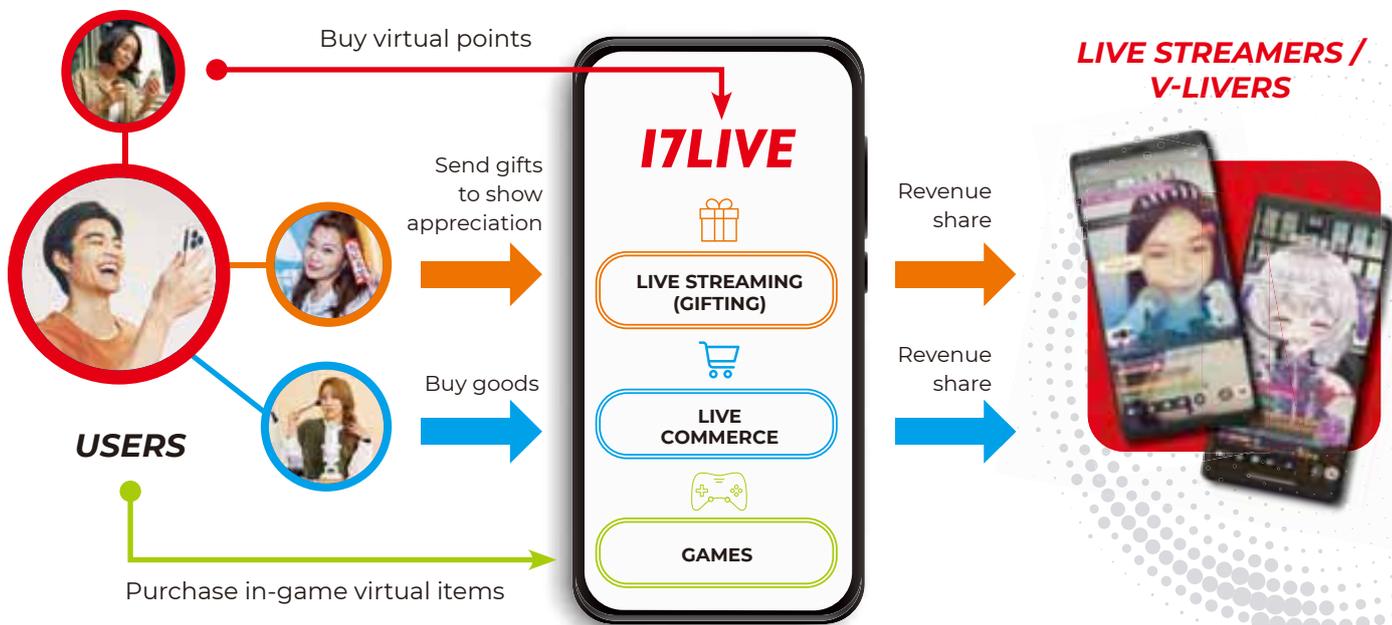
Diversified Growth Drivers

17LIVE leverages its core live streaming business to generate profits and cash flows and drive growth initiatives including V-Liver, live commerce and in-app games



Multiple Monetisation Strategies

17LIVE's multi-channel monetisation model includes virtual gifting and subscription to both live streamers and V-Livers, as well as sale of in-game virtual items



Select Key Growth Drivers

DIVERSIFIED GROWTH DRIVERS: V-LIVER



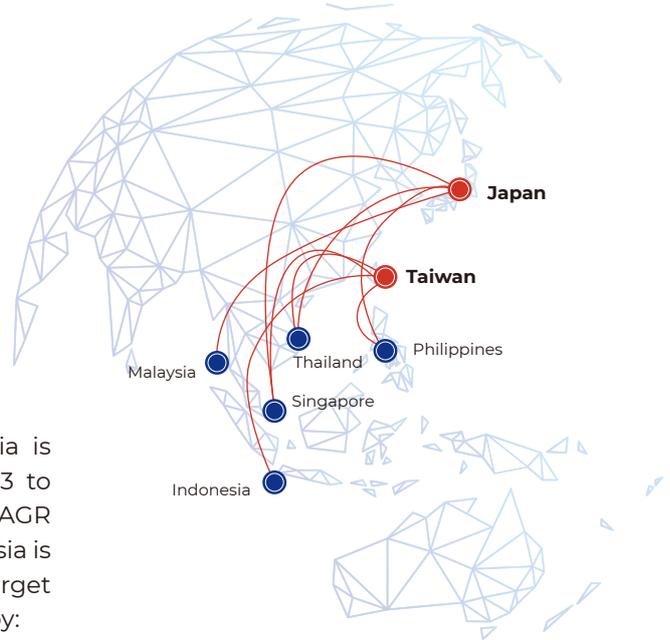
¹ Based on the report titled "Independent Market Research on the Media and Entertainment Industry with a Focus on the Interactive Video Streaming Platform, V-Liver, and Live Commerce Industries" dated 23 October 2023 prepared by Frost & Sullivan (Singapore) Pte Ltd for the Target Company

² For 2Q 2023

Since 2015, 17LIVE has built a strong foundation of live streaming operations which serves as a base for new growth initiatives



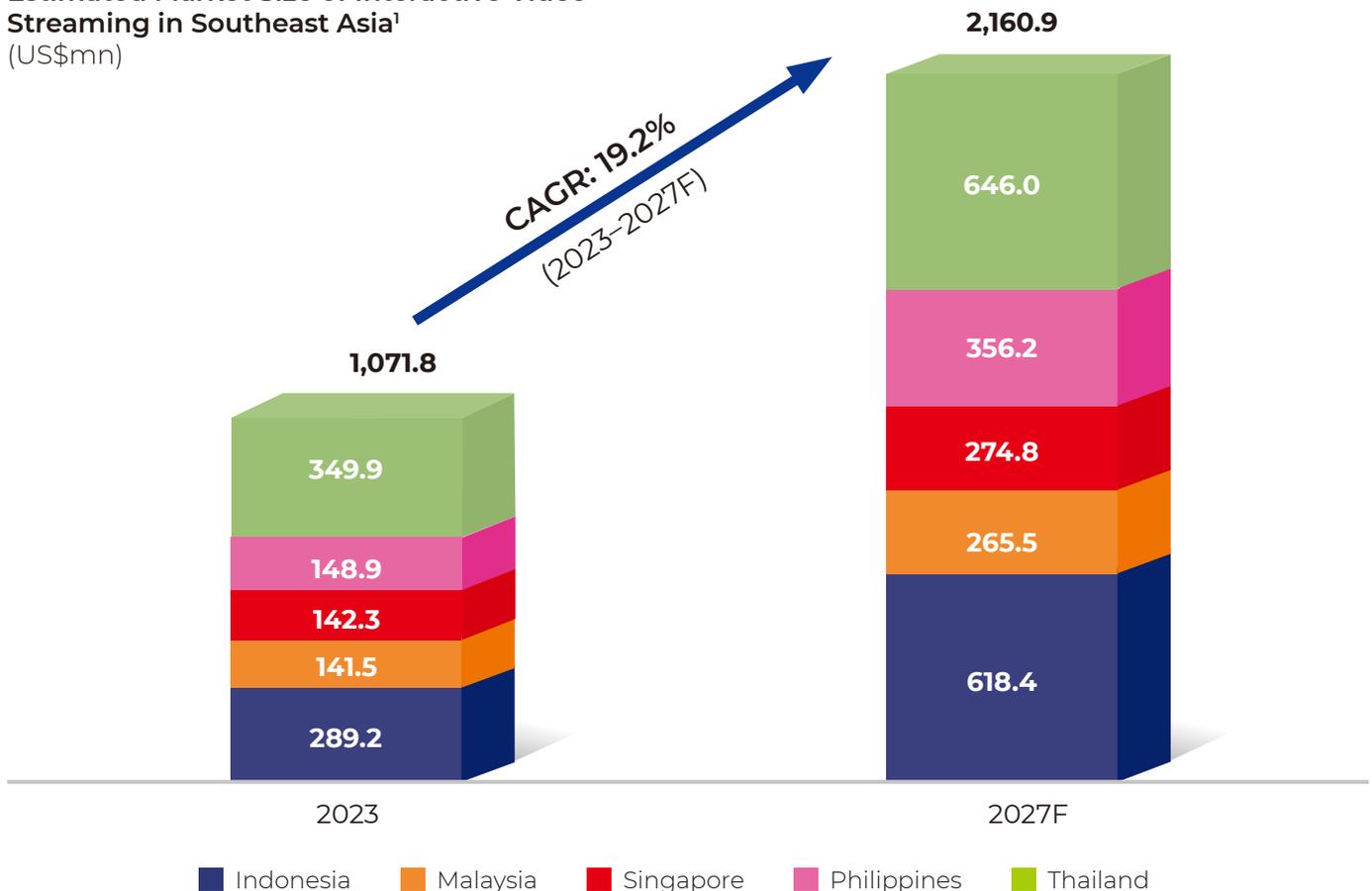
STRATEGIC EXPANSION INTO REGIONAL MARKETS WITH HIGH GROWTH POTENTIAL



The market size for live streaming in Southeast Asia is expected to increase from US\$1,071.8 million in 2023 to US\$2,160.9 million in 2027, representing a moderated CAGR of approximately 19.2% (from 2023-2027F). Southeast Asia is seen to be a fast-growing live streaming market. The Target Group plans to expand its business in Southeast Asia by:

- Efficiently utilising its available content to build a critical mass of users in Southeast Asia, with a view to achieving organic growth through cross-border activities and the export of Japanese and Taiwanese content and merchandise to Southeast Asia through a combination of live streaming, its live commerce channels and 17Shop
- Making its Japan V-Liver content available in other countries once the Japan V-Liver offering reaches a more mature stage
- Acquiring more live streamers and users in Southeast Asia to complement and strengthen 17LIVE's core live streaming business and reach a larger audience base in these markets by collaborating or partnering with media and entertainment companies in Southeast Asia

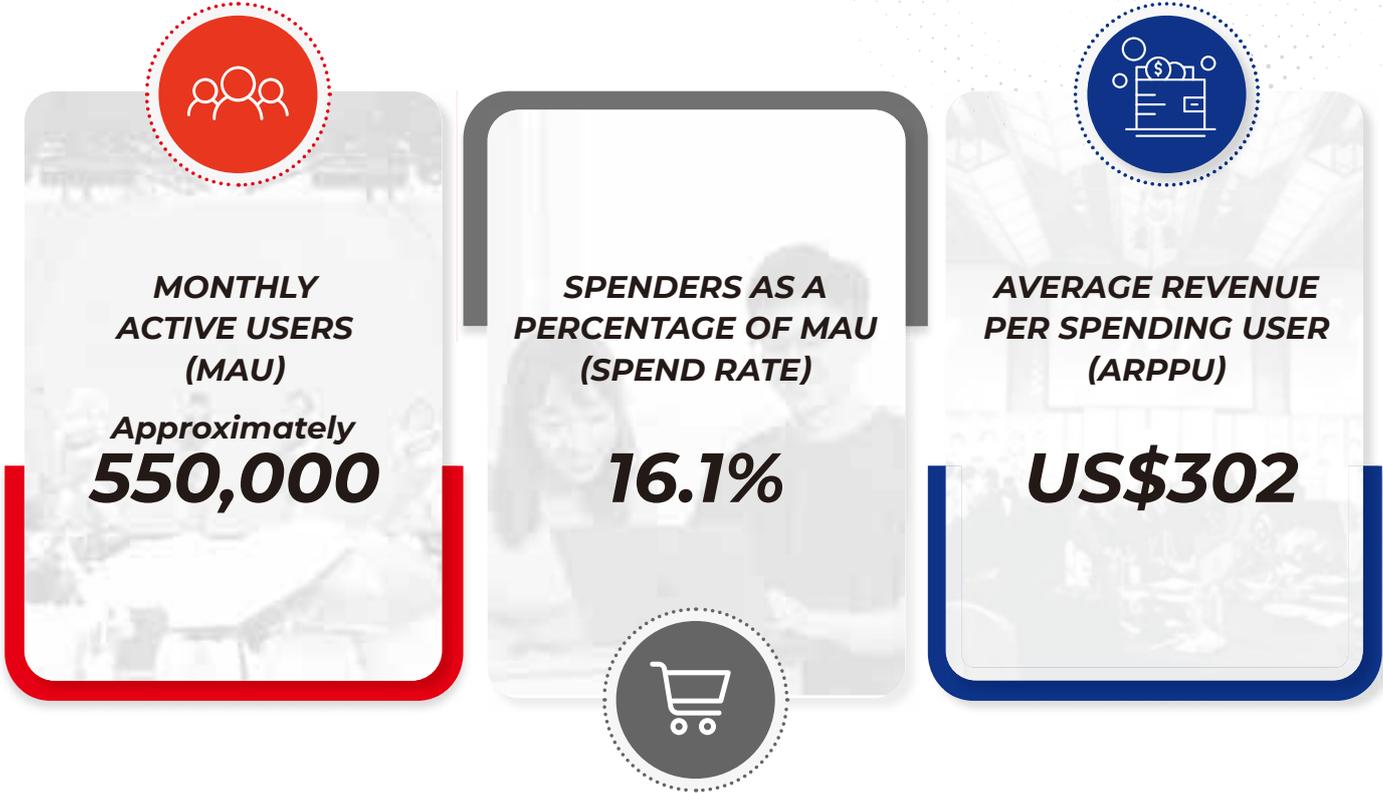
Estimated Market Size of Interactive Video Streaming in Southeast Asia¹
(US\$mn)



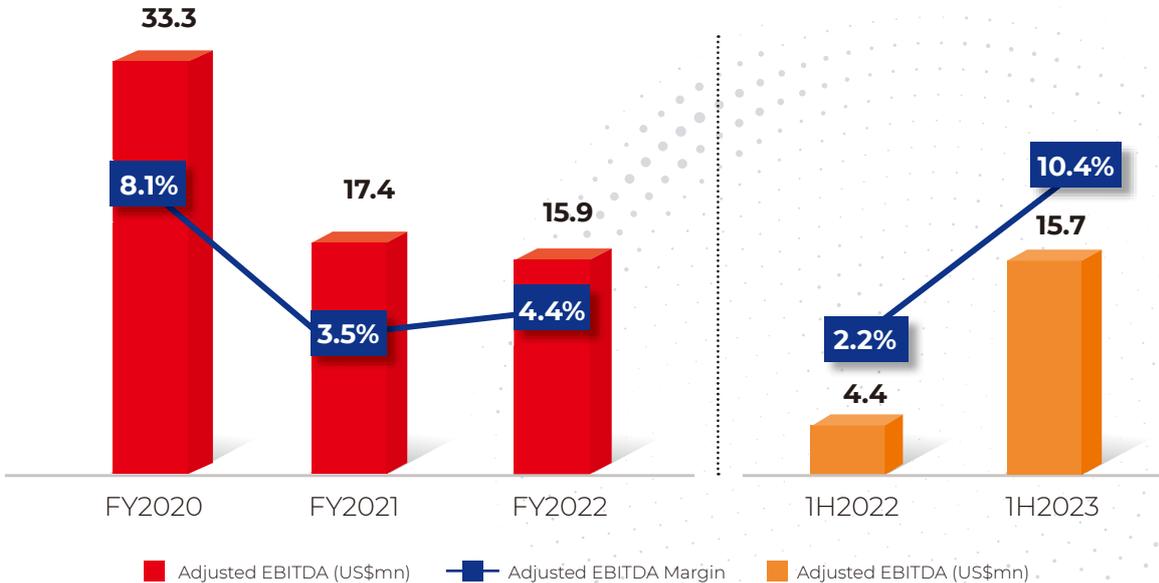
¹ Based on the report titled "Independent Market Research on the Media and Entertainment Industry with a Focus on the Interactive Video Streaming Platform, V-Liver, and Live Commerce Industries" dated 23 October 2023 prepared by Frost & Sullivan (Singapore) Pte Ltd for the Target Company

Key Operational and Financial Highlights

KEY OPERATING METRICS (MONTHLY AVERAGE FOR 1H FY2023)



ADJUSTED EBITDA¹ POSITIVE SINCE FY2020



¹ The Target Group defines EBITDA as operating income before depreciation and Adjusted EBITDA as EBITDA net of share-based payment and amortisation.

Key Terms of the Proposed Business Combination

SUBJECT TO SHAREHOLDERS' APPROVAL

PURCHASE CONSIDERATION: UP TO S\$922.9mn

Consideration Shares	+	Earnout Shares up to
S\$800.8mn		S\$122.0mn
		(Subject to the Financial Targets for Earnout being achieved)

TOTAL EQUITY VALUE OF ENLARGED GROUP POST COMPLETION: UP TO S\$996.9mn - S\$1,159.7mn

Purchase Consideration	+	Escrow Amount ¹	+	PIPE Financing	+	Special Bonus Scheme
up to S\$922.9mn		S\$60.0mn - S\$208.0mn		S\$10.0mn²		S\$4.0mn - S\$18.8mn

Shares to be Allotted and Issued

Overview

Consideration Shares	<ul style="list-style-type: none"> The Company shall allot and issue 160,162,651 new Shares at S\$5.00 per Share in partial satisfaction of the Purchase Consideration (calculated based on the pre-money equity value of the Target Company of S\$800.8 million)
Earnout Shares	<ul style="list-style-type: none"> The Company shall allot and issue up to 24,408,000 new Shares at S\$5.00 per Share to Earnout Shareholders on the Earnout Vesting Dates, namely, 30 April 2024 and 30 August 2024, subject to the Financial Targets for Earnout achieved
Base PIPE Shares	<ul style="list-style-type: none"> The Company shall allot and issue up to 2,000,000² new Shares at S\$5.00 per Share to the PIPE Investors pursuant to the PIPE Financing
Special Bonus Shares ³	<ul style="list-style-type: none"> The Company shall allot and issue 0.1 new Shares to (a) the Non-Redeeming Shareholders for every existing Share held as at the Redemption Record Date and (b) the PIPE Investors for every Base PIPE Share subscribed for "Non-Redeeming Shareholders" refers to existing Shareholders (other than Vertex SPV) who hold Shares as at the Redemption Record Date and who will be entitled to the Special Bonus NRS Shares and the Additional Warrants based on the Shares held as at the Redemption Record Date
EIS Shares	<ul style="list-style-type: none"> The Company shall allot and issue up to 2,550,000 new Shares at S\$5.00 per Share to the Key Executives on the EIS Vesting Dates, namely, 30 April 2024, 30 April 2025 and 30 April 2026, subject to the Financial Targets for EIS achieved
ESOP Shares	<ul style="list-style-type: none"> The Company shall allot and issue up to 2,114,891 new Shares in accordance with the Company ESOP

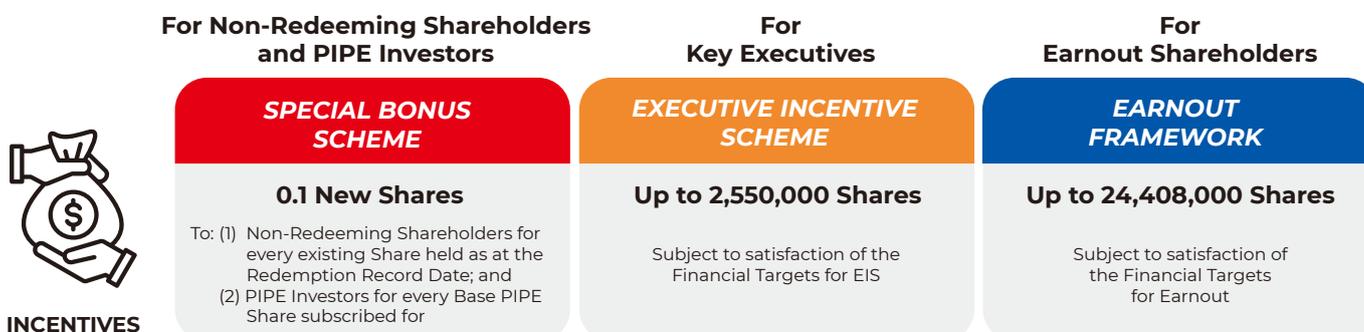
¹ This refers to the amount remaining in the Escrow Account post-Completion after payment of the Redemption Price. Assuming that there is Maximum Redemption (i.e. all Shareholders (save for Vertex SPV and Venezia) exercise their Redemption Right), the Enlarged Group will receive S\$60.0 million from the Escrow Account. Assuming that there is No Redemption (i.e. none of the Shareholders (including Vertex SPV and Venezia) exercise their Redemption Right), the Enlarged Group will receive S\$208.0 million from the Escrow Account.

² For illustrative purposes only.

³ All Non-Redeeming Shareholders (including Venezia) who are not Non-Qualifying Shareholders as at the Redemption Record Date will be eligible for Special Bonus NRS Shares based on the Shares they hold at the Redemption Record Date. The proposed allotment and issuance of the Special Bonus NRS Shares and Additional Warrants is only available to Non-Redeeming Shareholders (including Venezia) who are not Non-Qualifying Shareholders as at the Redemption Record Date. Please refer to Section 42.2 titled "Important Notice to Shareholders and Actions to be Taken - Redemption - Procedures for Non-Redeeming Shareholders" of this Circular for further details.

Incentives for All Stakeholders

SUBJECT TO SHAREHOLDERS' APPROVAL



Sponsor Commitment

To minimise dilution to other Shareholders of the Enlarged Group arising from the Special Bonus Scheme and the Executive Incentive Scheme, the Sponsor will waive its pro rata right to the allotment and issuance of such number of Promote Shares to Vertex SPV equal to the actual number of Special Bonus Shares and Executive Incentive Shares allotted.

Post Completion of the Proposed Business Combination, the Sponsor's shareholding will be subject to a moratorium for a period of 12 months from the Completion Date and Venezia's shareholding will be subject to a moratorium for a period of 6 months from the Completion Date. Please refer to Section 23.7 titled "Enlarged Group Corporate and Shareholding Structure - Moratorium" of this Circular for further details.

NON-REDEEMING COMMITMENT		SPONSOR LOCK-UP
Sponsor	Venezio	Promote Shares, Sponsor IPO Investment Units and Private Placement Warrants
\$30mn	\$30mn	12 months

OWNERSHIP STRUCTURE

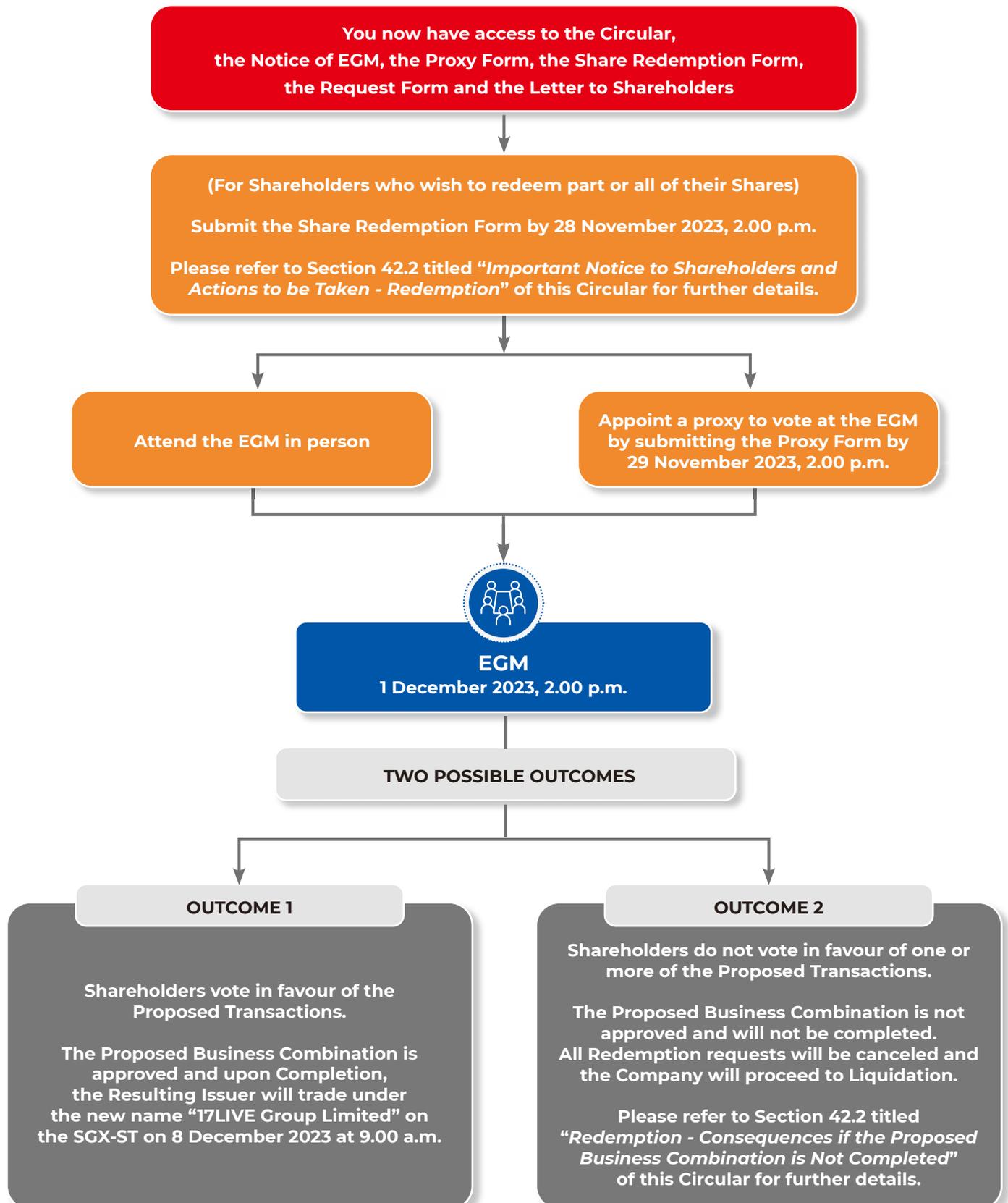
The following tables set out the shareholding of the existing Shareholders of the Company and the top 10 disclosed Shareholders of the Resulting Issuer after the Proposed Business Combination, the Proposed Allotment and Issuance of the Consideration Shares, the Proposed Allotment and Issuance of the Base PIPE Shares and the Proposed Allotment and Issuance of Special Bonus Shares, under the two Redemption scenarios:

EXISTING SHAREHOLDERS OF THE COMPANY	(NO REDEMPTION, S\$10MN PIPE)	(MAXIMUM REDEMPTION, S\$10MN PIPE)
% Shareholding in the Resulting Issuer held by existing Shareholders	21.8%	7.2%

TOP 10 DISCLOSED SHAREHOLDERS OF THE RESULTING ISSUER	DIRECT INTEREST (NO REDEMPTION, S\$10MN PIPE)	DIRECT INTEREST (MAXIMUM REDEMPTION, S\$10MN PIPE)
1 Infinity e. Ventures Asia III, L.P.	9.4%	11.1%
2 M17 Growth SPV LLC	9.0%	10.7%
3 Dragon Alexander Limited (wholly owned by co-founder Joseph Phua)	7.7%	9.2%
4 Vertex Legacy Continuation Fund Pte. Ltd.	7.0%	8.3%
5 KTB China Synergy Fund	4.5%	5.4%
6 Vertex Growth Fund Pte. Ltd.	3.3%	4.0%
7 Venezia Investments Pte. Ltd.	3.2%	3.8%
8 Vertex Co-Investment Fund Pte. Ltd. (Vertex SPV)	2.9%	3.4%
9 Pav Investments Pte. Ltd.	2.8%	3.3%
10 Mr. Ng Jing Shen	2.0%	2.4%

What Do You Need To Do?

Please refer to the Notice of EGM which contains the full list of resolutions to be passed at the EGM (including the resolution on the Proposed Business Combination).



Voting Instructions

If you are unable to attend the EGM in person, you may appoint someone you know, or the Chairman of the EGM, to vote on your behalf by completing the Proxy Form.

STEP 1 Locate the Proxy Form

The Proxy Form is enclosed together with this Circular and is also available on the SGX website at the URL: <https://www.sgx.com/securities/company-announcements> and the Company's website at the URL: <https://www.vertexspac.com/announcements>



SGX



VTAC

STEP 2 Complete the Proxy Form

- A.** Fill in your name and particulars
- B.** You may fill in the details of the appointee or leave the relevant section blank. The Chairman of the EGM will be the appointee if the relevant section is left blank.
- C.** Indicate the number of Shares you hold
- D.** Indicate your vote in the box labelled FOR, AGAINST or ABSTAIN
- E.** Individual shareholders are required to sign the Proxy Form and fill in the date. Corporate shareholders are required to either execute the Proxy Form under its common seal or arrange for the Proxy Form to be signed by a duly authorised officer or attorney, and fill in the date.

STEP 3 Submit the Completed Proxy Form



If submitted by post, lodge the Proxy Form at the Share Registrar's office at Boardroom Corporate & Advisory Services Pte. Ltd., 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632



If submitted electronically, submit the Proxy Form via email to the Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at srs.teamd@boardroomlimited.com

The Proxy Form must be received by the Share Registrar by 2.00 p.m. on 29 November 2023

SRS Investors

SRS Investors may (a) vote at the EGM if they are appointed as proxies by their respective SRS Operators, and should contact their respective SRS Operators if they have any queries regarding their appointment as proxies; or (b) specify their voting instructions to their respective SRS Operators or arrange for their votes to be submitted with their respective SRS Operators, and should approach their respective SRS Operators as soon as possible and by the time and date as specified by their respective SRS Operators to ensure their votes are submitted.

Relevant Intermediaries

Shareholders who hold their Shares through a relevant intermediary (as defined under Section 181 of the Singapore Companies Act), and who wish to attend the EGM, should approach their respective relevant intermediaries through which they hold such Shares as soon as possible in order to make the necessary arrangements for them to participate in the EGM.

Important Dates and Times¹

Resumption of trading on the SGX-ST (after lifting of the Trading Suspension)	4 December 2023, 9.00 a.m.
Expected Completion Date	8 December 2023
Expected Redemption Payment Date and Redemption Completion Date	8 December 2023
Expected date and time of the crediting of the Consideration Shares, Base PIPE Shares and the Special Bonus PIPE Shares	8 December 2023 before market opens at 9.00 a.m.
Expected date and time of the crediting of the Special Bonus NRS Shares and the Additional Warrants to Non-Redeeming Shareholders and the crediting of the Additional Warrants to Vertex SPV	8 December 2023, before market opens at 9.00 a.m.
Expected trading date under the new name "17LIVE Group Limited"	8 December 2023

**YOUR
VOTE
COUNTS**



¹ The dates set out in the above timetable are indicative only and may be subject to change. The Company will make further announcements on the SGXNET on the exact dates and times of such events.

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CORPORATE INFORMATION

Current Board of Directors	:	Mr. Chua Kee Lock (Non-Executive Chairman) Mr. Jiang Honghui (Executive Director and CEO) Ms. Anupama Sawhney (Non-Executive Director) Dr. Steve Lai Mun Fook (Independent Director) Mr. Low Seow Juan (Independent Director) Mr. Tan Hup Foi (Independent Director)
Proposed New Board of Directors on Completion of the Proposed Transactions	:	Mr. Phua Jiexian Joseph (Non-Executive Director and Chairman) Mr. Lien Chien-Lin (Executive Director and CEO) Mr. Akio Tanaka (Non-Executive Director) Mr. Tan Hup Foi (Independent Non-Executive Director) Dr. Steve Lai Mun Fook (Independent Non-Executive Director) Mr. Hideto Mizuno (Independent Non-Executive Director) Ms. Chen Xiuling (Independent Non-Executive Director)
Company Secretary	:	Ms. Eunice Hooi Lai Fann (a member of the Institute of Singapore Chartered Accountants)
Registered Office of the Company	:	c/o Maples Corporate Services Limited PO Box 309 Ugland House Grand Cayman KY1-1104 Cayman Islands
Principal Place of Business of the Company	:	250 North Bridge Road #11-01 Raffles City Tower Singapore 179101
Registered Office of the Target Company	:	c/o Harneys Fiduciary (Cayman) Limited 4th Floor, Harbour Place 103 South Church Street P.O. Box 10240 Grand Cayman KY1-1002 Cayman Islands
Principal Place of Business of the Target Group	:	2-12-28, Kita-Aoyama, Minato City, Tokyo, Japan
New Principal Place of Business of the Enlarged Group after Completion	:	2-12-28, Kita-Aoyama, Minato City, Tokyo, Japan

CORPORATE INFORMATION

Share Registrar : Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue
#14-07
Keppel Bay Tower
Singapore 098632

Sole Issue Manager to the Company : DBS Bank Ltd.
12 Marina Boulevard
Marina Bay Financial Centre Tower 3
Singapore 018982

Joint Financial Advisers and Joint Placement Agents to the Company : DBS Bank Ltd.
12 Marina Boulevard
Marina Bay Financial Centre Tower 3
Singapore 018982

UBS AG, Singapore Branch
9 Penang Road
Singapore 238459

Legal Advisers to the Company : ***as to Singapore law***
Eng and Co. LLC
7 Straits View
#11-01 Marina One East Tower
Singapore 018936

as to Cayman Islands law
Maples and Calder (Singapore) LLP
1 Raffles Place
#36-01 One Raffles Place
Singapore 048616

as to Japan law
Nishimura & Asahi (Gaikokuho Kyodo Jigyo)
Otemon Tower,
1-1-2 Otemachi
Chiyoda-ku
Tokyo 100-8124, Japan

Nishimura & Asahi (Singapore) LLP
79 Robinson Road #14-01
Singapore 068897

as to Taiwan law
Lin & Partners, Attorneys-at-Law
11/F, No. 2, Sec. 1, Dunhua S. Road
Songshan Dist.,
Taipei 10506, Taiwan (Republic of China)

CORPORATE INFORMATION

		<p><i>as to Hong Kong law</i> Deacons 5th Floor Alexandra House 18 Chater Road Central, Hong Kong</p>
Legal Advisers to the Joint Financial Advisers	:	<p><i>as to Singapore law</i> WongPartnership LLP 12 Marina Boulevard Level 28 Marina Bay Financial Centre Tower 3 Singapore 018982</p> <p><i>as to U.S. law</i> Freshfields Bruckhaus Deringer Singapore Pte. Ltd. 10 Collyer Quay 42-01 Ocean Financial Centre Singapore 049315</p>
Legal Advisers to the Target Company	:	<p><i>as to Hong Kong law, Japan law, Taiwan law, United States law and Singapore law as Global Lead Counsel</i> K&L Gates LLP 44th Floor, Edinburgh Tower The Landmark, 15 Queen's Road Central Hong Kong</p> <p><i>as to Singapore law</i> Rajah & Tann Singapore LLP 9 Straits View #06-07 Marina One West Tower Singapore 018937</p> <p><i>as to Cayman Islands law</i> Harney Westwood & Riegels 3501, The Centre, 99 Queen's Road Central, Hong Kong</p>
Independent Auditor to the Company	:	<p>KPMG LLP 12 Marina View #15-01 Asia Square Tower 2 Singapore 018961</p> <p>Partner-in-charge: Mr. Gerald Low (a member of the Institute of Singapore Chartered Accountants)</p>

CORPORATE INFORMATION

Independent Auditor and Reporting Accountant to the Target Group	:	Ernst & Young LLP One Raffles Quay North Tower, Level 18 Singapore 048583 Partner-in-charge: Ms. Sharon Peh (a member of the Institute of Singapore Chartered Accountants)
Independent Reporting Accountant to the Enlarged Group	:	Ernst & Young LLP One Raffles Quay North Tower, Level 18 Singapore 048583 Partner-in-charge: Ms. Sharon Peh (a member of the Institute of Singapore Chartered Accountants)
Independent Business Valuer to the Company	:	Frost & Sullivan Limited Unit 3006, 30/F Two Exchange Square 8 Connaught Place, Central, Hong Kong
Independent Market Research Consultant to the Target Company	:	Frost & Sullivan (Singapore) Pte Ltd 9 Battery Road #15-01 MYP Centre Singapore 049910

DEFINITIONS

In this Circular, the following definitions apply throughout, unless the context requires otherwise:

Companies within the Enlarged Group

“17LIVE Cayman” or “Target Company”	:	17LIVE Inc., an exempted company incorporated under the laws of the Cayman Islands
“17LIVE HK”	:	17LIVE Ltd., a limited liability company incorporated under the laws of Hong Kong
“17LIVE Japan”	:	17LIVE Japan Inc., a company incorporated under the laws of Japan
“17LIVE Taiwan”	:	17LIVE (Taiwan) Limited, a company incorporated under the laws of Taiwan
“17LIVE SEA”	:	17LIVE (SEA) Pte. Ltd., a company incorporated under the laws of Singapore
“17LIVE USA”	:	17LIVE (USA) Corp., a company incorporated under the laws of the United States
“Company” or “VTAC”	:	Vertex Technology Acquisition Corporation Ltd, an exempted company incorporated under the laws of the Cayman Islands
“Enlarged Group”	:	The enlarged group of companies comprising the Company and the Target Group immediately following Completion
“HandsUp”	:	HandsUp Inc., a company incorporated under the laws of Taiwan
“Liontrek”	:	Liontrek Entertainment India Private Limited, a company incorporated under the laws of India
“NEI”	:	Next Entertainment Inc., a company incorporated under the laws of Taiwan
“Target Group”	:	17LIVE Cayman, 17LIVE Japan and its subsidiaries, namely, 17LIVE HK, 17LIVE SEA, 17LIVE USA, NEI, Wave, HandsUp, 17LIVE Taiwan and Liontrek
“Wave”	:	Wave Inc., a company incorporated under the laws of Taiwan

Other Companies, Organisations and Entities

“17LIVE Holdco” or “Vendor”	:	17LIVE Holding Limited, an exempted company incorporated under the laws of the Cayman Islands
“ACRA”	:	The Accounting and Corporate Regulatory Authority of Singapore
“Authority”	:	Monetary Authority of Singapore

DEFINITIONS

“CDP”	:	The Central Depository (Pte) Limited
“CS”	:	Credit Suisse (Singapore) Limited
“DBS”	:	DBS Bank Ltd.
“Escrow Agent”	:	Citibank, N.A., Singapore Branch
“FFMC”	:	Fullerton Fund Management Company Ltd.
“Ichi Nana Inc.”	:	Ichi Nana Inc., a BVI business company incorporated under the laws of the British Virgin Islands
“Ichi Nana Inc. Taiwan Branch”	:	Ichi Nana Inc. Taiwan Branch, a company incorporated under the laws of Taiwan
“IMR Consultant”	:	Frost & Sullivan (Singapore) Pte Ltd
“Independent Auditor”	:	KPMG LLP
“Independent Business Valuer”	:	Frost & Sullivan Limited
“Innoven”	:	Innoven Capital Singapore Pte. Ltd.
“Joint Financial Advisers” or “Joint Placement Agents”	:	Collectively, DBS and UBS
“Machipopo”	:	Machipopo K.K., a company incorporated under the laws of Japan
“NEBJ”	:	Next Entertainment Science & Technology (Beijing) Co., Ltd., a company incorporated under the laws of the PRC
“NEGH”	:	Next Entertainment Global Holding, an exempted company incorporated under the laws of the Cayman Islands
“NEHK”	:	Next Entertainment (Hong Kong) Limited, a limited liability company incorporated under the laws of Hong Kong
“NETW”	:	Next Entertainment Limited Taiwan Branch, a company incorporated under the laws of Taiwan
“Pavilion”	:	Pav Investments Pte. Ltd.
“SGX-ST” or the “Exchange”	:	Singapore Exchange Securities Trading Limited
“Share Registrar”	:	Boardroom Corporate & Advisory Services Pte. Ltd.
“Sole Issue Manager”	:	DBS

DEFINITIONS

“Sponsor” or “Vertex”	:	Vertex Venture Holdings Ltd
“Sponsor Group”	:	The Sponsor and its subsidiaries
“Stabilising Manager”	:	Credit Suisse (Singapore) Limited
“Temasek”	:	Temasek Holdings (Private) Limited
“UBS”	:	UBS AG, Singapore Branch
“Tembusu”	:	Tembusu Capital Pte. Ltd.
“Venezio”	:	Venezio Investments Pte. Ltd.
“Vertex Captive Funds”	:	The 9 funds wholly-owned and managed by Vertex as at the Latest Practicable Date
“Vertex Network Funds”	:	The 20 global network funds managed by Vertex Ventures Israel, Vertex Ventures USA, Vertex Ventures China, Vertex Ventures SEA & India and Vertex Growth through a partnership model as at the Latest Practicable Date
“Vertex Funds”	:	Vertex Legacy Continuation Fund Pte. Ltd., Vertex Ventures SEA Fund III Pte. Ltd. and Vertex Growth Fund Pte. Ltd.
“Vertex Growth”	:	Refers to all the GPs managing Vertex Growth (SG) LP and Vertex Growth II (SG) LP
“Vertex SPV”	:	Vertex Co-Investment Fund Pte. Ltd.
“Vertex Ventures China”	:	Refers to all the GPs managing the Vertex Network Funds in China
“Vertex Ventures Israel”	:	Refers to all the GPs managing the Vertex Network Funds in Israel
“Vertex Ventures SEA & India”	:	Refers to all the GPs managing the Vertex Network Funds in Southeast Asia and India
“Vertex Ventures USA”	:	Refers to all the GPs managing the Vertex Network Funds in the USA
“VVMPL”	:	Vertex Venture Management Pte. Ltd.
“Warrant Agent”	:	Boardroom Corporate & Advisory Services Pte. Ltd., or such other person as may be appointed as such from time to time by the Company pursuant to the Warrant Agreement

DEFINITIONS

General

“1H FY2022”	:	The six-month financial period ended 30 June 2022
“1H FY2023”	:	The six-month financial period ended 30 June 2023
“17LIVE Cayman ESOP”	:	The share incentive plans of the Target Company, as amended from time to time
“17LIVE Cayman Shareholders”	:	The holders of shares in the share capital of the Target Company prior to the Restructuring
“17LIVE RSUs”	:	17LIVE Unvested RSUs and 17LIVE Vested RSUs
“17LIVE Unvested RSUs”	:	The 3,027,215 outstanding unvested RSUs to acquire shares in the capital of the Target Company issued pursuant to an award granted under the 17LIVE Cayman ESOP
“17LIVE Unvested RSU Holders”	:	Holders of the 17LIVE Unvested RSUs
“17LIVE Vested RSUs”	:	The 18,349,125 outstanding vested RSUs to acquire shares in the capital of the Target Company issued pursuant to an award granted under the 17LIVE Cayman ESOP
“17LIVE Vested RSU Holders”	:	Holders of the 17LIVE Vested RSUs
“17LIVE Warrants”	:	The 562,802 warrants issued by the Target Company which, as at the Latest Practicable Date, have been exercised and converted into 562,802 Sale Shares
“17LIVE Warrant Holders”	:	Holders of the 17LIVE Warrants
“30-day Redemption Period”	:	The period starting on a date not less than 30 days prior to the Warrant Redemption Date, to the Warrant Redemption Date
“Actual Special Bonus Shares”	:	Has the meaning ascribed to it in Section 29.2 titled <i>“Material Contracts – The Company – Deed of Waiver”</i> of this Circular
“Additional Warrants”	:	The 0.2 of one Warrant per Share to be issued to the Non-Redeeming Shareholders and Vertex SPV at or around Completion for each Share held as at the Redemption Record Date
“AGM”	:	The annual general meeting of the Company

DEFINITIONS

- “Allotted EIS Shares”** : Has the meaning ascribed to it in Section 29.2 titled *“Material Contracts – The Company – Deed of Waiver”* of this Circular
- “Announcement”** : The announcement on the Proposed Business Combination made by the Company on SGXNET on the Announcement Date
- “Announcement Date”** : 2 October 2023, being the date of the Announcement
- “Associate”** : (a) In relation to any director, CEO, 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; or
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30.0% or more; and
- (b) In relation to 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 in 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, save that:
- in respect of Temasek (for the purpose of Section 23.7 titled *“Enlarged Group Corporate and Shareholding Structure – Moratorium”* of this Circular only), “associates” includes only the following:
- (A) the direct and indirect wholly-owned subsidiaries of Temasek whose boards of directors or equivalent governing bodies comprise employees and nominees of (1) Temasek; (2) Temasek Pte. Ltd.; and/or (3) any direct and indirect wholly-owned subsidiaries of Temasek Pte. Ltd.

DEFINITIONS

For the avoidance of doubt, save for Section 23.7 titled “*Enlarged Group Corporate and Shareholding Structure – Moratorium*” of this Circular, references to “associate” in respect of Temasek elsewhere in this Circular means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in 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

“Associated Company”	:	In relation to a company, means a company in which at least 20% but not more than 50% of its shares are held by the first mentioned company
“Audit Committee”	:	The audit committee of the Company as at the Latest Practicable Date
“Base PIPE Shares”	:	Up to 2,000,000 new Shares to be allotted and issued to the PIPE Investors pursuant to the PIPE Financing
“Basic Sale Shares”	:	The 250,481,652 issued shares in the capital of the Target Company
“BC Deadline”	:	24 months from the Listing Date
“Board” or “Directors”	:	The board of directors of the Company as at the date of this Circular, unless where the context requires, means the board of directors of the Company for the time being
“Business Day”	:	A day (excluding Saturdays, Sundays and public holidays) on which banks generally are open in Singapore for the transaction of normal banking business
“CAT”	:	Copyright Act of Japan, as may be amended, varied or supplemented from time to time
“Cayman Companies Act”	:	The Companies Act (As Revised) of the Cayman Islands
“CEO”	:	Chief Executive Officer
“CFO”	:	Chief Financial Officer
“CG Code”	:	The Code of Corporate Governance 2018, as may be amended, varied or supplemented from time to time
“Circular”	:	This circular to the Shareholders dated 9 November 2023

DEFINITIONS

“Company ESOP” or “Company Employee Share Option Plan”	:	The share incentive scheme established or to be established by the Company for the allotment and issuance of up to 2,114,891 ESOP Shares, being equivalent to the aggregate of (a) 1,799,777 ESOP Shares (calculated based on (i) 3,027,215 17LIVE Unvested RSUs divided by (ii) the Exchange Ratio and rounded to the nearest whole number), and (b) up to 315,114 ESOP Shares to be issued pursuant to the Company ESOP
“Company ESOP Rules”	:	The rules of the Company ESOP as set out in Appendix H to this Circular
“Company Transaction Expenses”	:	Any out-of-pocket fees and expenses payable by the Company or any of its affiliates (whether or not billed or accrued for) as a result of or in connection with the negotiation, documentation and consummation of the Proposed Business Combination and the transactions contemplated in the SPA or any of the other Transaction Documents (as defined in the SPA), including (a) all fees, costs, expenses, brokerage fees, commissions, finders’ fees and disbursements of the Joint Financial Advisers and the Sole Issue Manager, investment banks, data room administrators, attorneys, accountants and other advisers and service providers, including consultants and public relations firms, and (b) any and all filing fees payable by the Company or its affiliates to any governmental authority in connection with the Proposed Business Combination, the transactions contemplated in the SPA or any of the other Transaction Documents (as defined in the SPA)
“Completion”	:	The completion of the Proposed Transactions
“Completion Date”	:	The date on which Completion takes place
“Completion Remaining Escrow Amount”	:	The amount held in the Escrow Account as at the Completion Date
“Conditional Resolutions”	:	The conditional resolutions in this Circular, being: <ul style="list-style-type: none">(a) Ordinary Resolution 10: Proposed Change of the Company’s Independent Auditor;(b) Ordinary Resolution 11: Proposed appointment of Mr. Phua Jiexian Joseph as a new Director upon Completion;(c) Ordinary Resolution 12: Proposed appointment of Mr. Lien Chien-Lin as a new Director upon Completion;(d) Ordinary Resolution 13: Proposed appointment of Mr. Akio Tanaka as a new Director upon Completion;

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- (e) Ordinary Resolution 14: Proposed appointment of Mr. Hideto Mizuno as a new Director upon Completion; and
 - (f) Ordinary Resolution 15: Proposed appointment of Ms. Chen Xiuling as a new Director upon Completion
- “Conditions Precedent”** and each a **“Condition Precedent”** : The conditions precedent of the SPA as set out in Section 5.10 titled *“Proposed Business Combination – Conditions Precedent”* of this Circular
- “Consideration Shares”** : 160,162,651 new Shares in the aggregate, comprising:
- (a) in respect of the Basic Sale Shares, 148,918,937 Consideration Shares to be allotted and issued to the Vendor (or if the Vendor so nominates, to the Vendor Shareholders) on the Completion Date;
 - (b) in respect of the 17LIVE Vested RSUs, 10,909,111 Consideration Shares to be allotted and issued to the 17LIVE Vested RSU Holders on the Completion Date; and
 - (c) in respect of the 17LIVE Warrants, 334,603 Consideration Shares to be allotted and issued to the 17LIVE Warrant Holders on the Completion Date
- “Controlling Shareholder”** : As defined in the Mainboard Rules, a person who:–
- (a) holds directly or indirectly 15% or more of the total voting rights in the company. The SGX-ST may determine that a person who satisfies this paragraph is not a Controlling Shareholder; or
 - (b) in fact exercises control over a company
- “Converted RSU Award”** : Has the meaning ascribed to it in Section 12.1 titled *“Proposed Adoption of the Company Employee Share Option Plan – Rationale for the Company ESOP”* of this Circular
- “Converted Shares”** : Up to 41,606,000 Shares to be issued, credited as fully paid, upon the exercise of the Warrants in accordance with the Warrant Agreement, including where the context admits, such new Shares arising from the exercise of any further Warrants which may be issued pursuant to the terms and conditions of the Warrants as set out in the Warrant Agreement

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“Cornerstone Units”	:	The aggregate of 22.2 million Units which the Cornerstone Investors (as defined in the Prospectus) have subscribed for at the Offering Price pursuant to the Cornerstone Subscription Agreements (as defined in the Prospectus)
“CPA”	:	Consumer Protection Act of Taiwan
“CTO”	:	Chief Technology Officer
“Deed of Waiver”	:	The deed of waiver entered into by the Sponsor in favour of the Company pursuant to which the Sponsor agrees to waive its rights to the allotment and issuance of a certain number of Promote Shares
“Draft OTT Law”	:	The draft Law Governing Management of Provision of Internet Audio and Video Services (网际网路视听服务管理法草案) in Taiwan
“Earnout Framework”	:	The earnout framework where the Earnout Shares are allotted and issued to the Earnout Shareholders in two tranches on the applicable Earnout Vesting Date subject to and based on the Financial Targets for Earnout achieved
“Earnout Record Date”	:	In respect of each Earnout Vesting Date, a date that is three Market Days before such Earnout Vesting Date
“Earnout Shares”	:	Up to 24,408,000 new Shares to be allotted and issued to the Earnout Shareholders subject to and based on the Financial Targets for Earnout achieved
“Earnout Shareholders”	:	Each Vendor Shareholder that remains as a record holder of Shares as at the applicable Earnout Record Date (being nominated, by and at the discretion of the Vendor, to receive the Earnout Shares)
“Earnout Vesting Date”	:	Each of 30 April 2024 and 30 August 2024, as applicable
“EGM”	:	The extraordinary general meeting of the Company, notice of which is set out in the Notice of EGM
“EIS” or “Executive Incentive Scheme”	:	The share incentive scheme established or to be established by the Company for the allotment and issuance of up to 2,550,000 EIS Shares in favour of the Key Executives to be vested over a three-year period following Completion, subject to and based on the Financial Targets for EIS achieved
“EIS Rules”	:	The rules of the EIS as set out in Appendix I to this Circular
“EIS Shares”	:	Up to 2,550,000 new Shares to be allotted and issued pursuant to the Executive Incentive Scheme

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“EIS Vesting Date”	:	Each of 30 April 2024, 30 April 2025 and 30 April 2026, as applicable
“Election Period”	:	The period for the Redemption starting on 9 November 2023, being the date of the Notice of EGM, and ending on 28 November 2023 at 2.00 p.m., being 72 hours prior to the commencement of the EGM
“Enlarged Group’s Management Team”	:	The Proposed Executive Director and the Proposed Executive Officers
“Enlarged Share Capital”	:	<p>The enlarged issued and paid-up share capital of the Company upon Completion after Redemption (if any), the allotment and issuance of the Consideration Shares, the Base PIPE Shares and the Special Bonus Shares, but before the allotment and issuance of the Earnout Shares, the EIS Shares and the ESOP Shares, and including the existing issued and paid-up Shares of the Company as at Completion, being:</p> <ul style="list-style-type: none">(a) 207,529,251 Shares, being the enlarged issued and paid-up share capital of the Company assuming that there is No Redemption and that the total proceeds raised from the PIPE Financing is S\$10.0 million; and(b) 174,962,651 Shares, being the enlarged issued and paid-up share capital of the Company assuming that there is Maximum Redemption and that the total proceeds raised from the PIPE Financing is S\$10.0 million. <p>For the avoidance of doubt, the Enlarged Share Capital does not include the Promote Shares to be allotted and issued to Vertex SPV as such Promote Shares will only be allotted and issued to Vertex SPV after Completion based on the vesting schedule set out in Section 29.2 titled “<i>Material Contracts – The Company – Promote Shares Deed of Undertaking</i>” of this Circular.</p>
“Entity at Risk”	:	<p>Means:</p> <ul style="list-style-type: none">(a) the issuer;(b) a subsidiary of the issuer that is not listed on the SGX-ST or an approved exchange; or(c) an associated company of the issuer that is not listed on the SGX-ST or an approved exchange, provided that the listed group, or the listed group and its interested person(s), has control over the associated company.
“EPS”	:	Earnings per share

DEFINITIONS

“Escrow Account”	:	The escrow account established and maintained by the Company with the Escrow Agent containing the proceeds from the Offering, the issuance of the Cornerstone Units, the Sponsor IPO Investment Units and the Additional Units (including interest accrued from time to time thereon)
“ESOP Shares”	:	The new Shares to be allotted and issued pursuant to the Company ESOP
“Eurozone”	:	The economic region formed by those member countries of the European Union that have adopted the euro as their primary currency and sole legal tender
“Exchange Ratio”	:	Means 1.682, which is equal to the number of Sale Shares divided by the number of Consideration Shares and rounded to the third decimal place
“Executive Director”	:	An executive director of the Company as at the date of this Circular, unless where the context requires, means an executive director of the Company for the time being
“Executive Officer”	:	An executive officer of the Company as at the date of this Circular from time to time, unless where the context requires, means an executive officer of the Company for the time being, who is also a key executive as defined under the SFR
“Existing Warrants”	:	The 0.3 of one Warrant per Share which was issued to all Shareholders at the completion of the Offering
“FEFTA”	:	Foreign Exchange and Foreign Trade Act of Japan, as may be amended, varied or supplemented from time to time
“FIL”	:	Statute for Investment by Foreign Nationals of Taiwan, as may be amended, varied or supplemented from time to time
“Final Adjusted Maximum Promote Shares”	:	The maximum number of Promote Shares that the Sponsor is entitled to prior to 30 April 2026, being equivalent in number to the Original Maximum Promote Shares after deducting the Actual Special Bonus Scheme Shares and the Allotted EIS Shares for the EIS Vesting Dates being 30 April 2024, 30 April 2025 and 30 April 2026
“Financial Targets for Earnout”	:	The financial targets and key performance indicators as set out in Appendix J of this Circular
“Financial Targets for EIS”	:	The financial targets and key performance indicators for the management of the Enlarged Group to be agreed by the Company and the Target Company and recorded in an addendum to the Sale and Purchase Agreement to be entered into prior to Completion

DEFINITIONS

“Foreign Source Income Exemption”	:	The foreign source income exemption regime for passive income as set out in the Inland Revenue (Amendment) (Taxation on Specified Foreign-sourced Income) Ordinance 2022 (the Amendment Ordinance) of Hong Kong
“Founder”	:	The founder as defined in the SPA, namely, Phua Jiexian Joseph
“founding shareholder”	:	Person who founded and sponsored the establishment of the Company, i.e. the Sponsor
“Fullerton”	:	Fullerton (Private) Limited
“Fully Enlarged Share Capital”	:	<p>The aggregate of the Enlarged Share Capital and the enlarged issued and paid-up share capital of the Company after the allotment and issuance of the Earnout Shares, the EIS Shares and the ESOP Shares, the vesting of the Promote Shares and the exercise of the Public Warrants and the Private Placement Warrants, being:</p> <p>(a) up to 253,978,925 Shares, being the fully enlarged issued and paid-up share capital of the Company assuming that there is No Redemption and that the total proceeds raised from the PIPE Financing is S\$10.0 million; and</p> <p>(b) up to 222,235,372 Shares, being the fully enlarged issued and paid-up share capital of the Company assuming that there is Maximum Redemption and that the total proceeds raised from the PIPE Financing is S\$10.0 million.</p>
“FY”	:	In respect of the Company, the Target Company and the Enlarged Group (as the case may be), the financial year ended or ending 31 December
“Gatefold”	:	The gatefold cover to this Circular
“GPs”	:	The general partners that manage the respective Vertex funds
“Group EBITDA”	:	With respect to a financial period, the earnings before interest, taxes, depreciation and amortisation of the Target Group as shown in the audited or reviewed consolidated financial statements of the Target Group for that applicable financial period; and for the avoidance of doubt, “Group EBITDA” shall not include (i) any liabilities in relation to the classification of the Target Company’s preference share class or warrants; (ii) Vendor and Target Company Transaction Expenses or Company Transaction Expenses; and (iii) any amounts paid by the Target Group pursuant to the share repurchase agreement dated 10 November 2020

DEFINITIONS

“Group Operating Revenue”	:	With respect to a financial period, the operating revenue of the Target Group as shown in the audited or reviewed consolidated financial statements of the Target Group for that applicable financial period
“Hong Kong”	:	The Hong Kong Special Administrative Region of the PRC
“IASB”	:	International Accounting Standards Board
“IAS”	:	International Accounting Standards
“IFRIC Interpretations”	:	Interpretations issued by the International Financial Reporting Interpretations Committee
“IFRS”	:	International Financial Reporting Standards
“IMR Report”	:	The report titled “ <i>Independent Market Research on the Media and Entertainment Industry with a Focus on the Interactive Video Streaming Platform, V-Liver, and Live Commerce Industries</i> ” dated 23 October 2023 prepared by the IMR Consultant for the Target Company
“Initial Adjusted Maximum Promote Shares”	:	The maximum number of Promote Shares that the Sponsor is entitled to prior to 30 April 2026, being equivalent in number to the Original Maximum Promote Shares after deducting the Actual Special Bonus Shares and 2,550,000, which is the maximum number of EIS Shares that may be allotted and issued by the Company
“initial business combination”	:	An initial acquisition of an operating business or assets under Rule 210(11)(m)(iii) of the Listing Manual (such acquisition in the form of a merger, share exchange, asset acquisition, share purchase, reorganisation, or such other similar business combination methods
“Interested Person”	:	Means: (a) a Director, CEO, or Controlling Shareholder of the Company; or (b) an associate of any such Director, CEO, or Controlling Shareholder.
“Interested Person Transaction”	:	A transaction between an Entity at Risk and an Interested Person
“Issue Price”	:	S\$5.00 per Share
“IVAS”	:	The Institute of Valuers and Appraisers, Singapore
“Key Executives”	:	The members of the management team and the members of the Proposed New Board of the Enlarged Group who will be entitled to the allotment and issuance of the EIS Shares

DEFINITIONS

- “Key Resolutions”** : The key resolutions in this Circular, being:
- (a) Ordinary Resolution 1: Proposed Business Combination between the Company and 17LIVE Inc. by way of an acquisition by the Company of the entire issued and paid-up share capital of 17LIVE Inc. from the Vendor for the Purchase Consideration;
 - (b) Ordinary Resolution 2: Proposed allotment and issuance of 160,162,651 Consideration Shares at the Issue Price of S\$5.00 in partial satisfaction of the Purchase Consideration for the Proposed Business Combination;
 - (c) Ordinary Resolution 3: Proposed allotment and issuance of up to 24,408,000 Earnout Shares at the Issue Price of S\$5.00 to the Earnout Shareholders in partial satisfaction of the Purchase Consideration for the Proposed Business Combination, subject to the satisfaction of the Financial Targets for Earnout;
 - (d) Ordinary Resolution 4: Proposed allotment and issuance of up to 2,000,000 Base PIPE shares at the Issue Price of S\$5.00 to the PIPE Investors;
 - (e) Ordinary Resolution 5: Proposed allotment and issuance of up to 3,760,600 Special Bonus Shares at the Issue Price of S\$5.00 to the Non-Redeeming Shareholders and the PIPE Investors;
 - (f) Ordinary Resolution 6: Proposed Adoption of the Executive Incentive Scheme;
 - (g) Ordinary Resolution 7: Proposed allotment and issuance of up to 2,550,000 EIS Shares at the Issue Price of S\$5.00 to the Key Executives, subject to the satisfaction of the Financial Targets for EIS;
 - (h) Ordinary Resolution 8: Proposed Adoption of the Company Employee Share Option Plan;
 - (i) Ordinary Resolution 9: Proposed allotment and issuance of up to 2,114,891 ESOP Shares pursuant to the Company Employee Share Option Plan;
 - (j) Special Resolution 1: Proposed Change of the Company’s Name to “17LIVE Group Limited”; and
 - (k) Special Resolution 2: Proposed Adoption of the New Memorandum and Articles of Association

DEFINITIONS

“Latest Practicable Date”	:	31 October 2023, being the latest practicable date prior to the date of this Circular
“Liquidation”	:	An event wherein if the Company has not consummated an initial business combination within 24 months from the Listing Date (or such period as may be extended pursuant to approvals from SGX-ST and the Shareholders, such extension up to no more than 12 months and subject to an overall maximum time frame of 36 months from the Listing Date), the Company will: (i) cease all operations except for the purpose of winding up; (ii) to afford the Company with sufficient time for liaison with the Escrow Agent and the Share Registrar and in accordance with applicable law, as promptly as reasonably possible but not more than 10 Market Days thereafter, redeem the Shares, at a per-Share price, on a pro-rata basis, payable in cash, equal to the aggregate amount then on deposit in: (a) the Escrow Account, including interest earned on the funds held in the Escrow Account and not previously released to the Company to pay the Company’s income taxes or operating expenses, if any (less any liquidation expenses); and (b) such other bank accounts held by the Company, divided by the number of the then-outstanding Shares (which for the avoidance of doubt, includes the Shares held by Venezia and the Sponsor but does not include the Promote Shares), which redemption will completely extinguish Shareholders’ rights as Shareholders (including the right to receive further liquidation distributions, if any); and (iii) as promptly as reasonably possible following such redemption, subject to the remaining Shareholders and the Board of Directors, liquidate and dissolve, subject in the case of clauses (ii) and (iii), to the Company’s obligations under applicable law to provide for claims of creditors and the requirements of other applicable law and in accordance with the Memorandum and Articles of Association
“Listing”	:	Listing of the issued Units (including the Additional Units), the Offering Units and the Cornerstone Units (as defined in the Prospectus), as well as all the Company’s Shares and Warrants on the Mainboard of the SGX-ST
“Listing Application”	:	The application for listing and quotation of the Consideration Shares, the Earnout Shares, the EIS Shares, the ESOP Shares, the PIPE Shares and the Special Bonus Shares on the Mainboard
“Listing Date”	:	The date of the Listing, i.e. 20 January 2022
“Listing Manual”	:	The listing manual of the SGX-ST as amended, modified or supplemented from time to time
“Long Stop Date”	:	20 January 2024 (or such other date as the parties may agree in writing)
“LP”	:	Limited partner

DEFINITIONS

“LPD Remaining Escrow Amount”	:	The amount held in the Escrow Account as at the Latest Practicable Date
“Mainboard”	:	The Mainboard of the SGX-ST
“Mainboard Rules”	:	The SGX-ST listing rules for the Mainboard
“Management and Placement Agreement”	:	The management and placement agreement or similar agreement entered into by the Company and the Joint Financial Advisers (and/or their respective affiliates, as the case may be) in connection with the role of the Joint Financial Advisers to the Proposed Business Combination and the Joint Placement Agents to the PIPE Financing, as the case may be
“Management Team”	:	The Executive Directors and Executive Officers of the Company as at the date of this Circular, unless where the context requires, means the Executive Directors and Executive Officers of the Company for the time being
“Management Warrantors”	:	The management warrantors as defined in the SPA, namely Lien Chien-Lin, Ng Jing Shen and Kenta Masuda
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“Maximum Allocation”	:	Has the meaning given to it in Section 10.2 titled <i>“Proposed Adoption of the Executive Incentive Scheme – Overview of the EIS”</i> of this Circular
“Maximum Redemption”	:	The scenario where all Shareholders (save for Vertex SPV and Venezia) exercise their Redemption Right
“Memorandum and Articles of Association” or “M&AA”	:	The Memorandum and Articles of Association of the Company, as amended or modified from time to time
“MOEA”	:	Ministry of Economic Affairs of Taiwan
“NAV”	:	Net asset value
“New Pension Scheme”	:	The new labour pension system under the Labour Pension Act of Taiwan
“New Memorandum and Articles of Association” or “New M&AA”	:	The new amended and restated memorandum and articles of association proposed to be adopted by the Company, the terms of which are set out in Appendix D to this Circular
“No Redemption”	:	The scenario where none of the Shareholders (including Vertex SPV and Venezia) exercise their Redemption Right
“Nominating Committee”	:	The nominating committee of the Company as at the Latest Practicable Date

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“Non-Redeeming Shareholders”	:	Existing Shareholders (other than Vertex SPV) who hold Shares as at the Redemption Record Date and who will be entitled to the Special Bonus NRS Shares and the Additional Warrants based on the Shares held as at the Redemption Record Date
“Notice of EGM”	:	The notice of extraordinary general meeting accompanying this Circular
“NPAT”	:	Net profit after tax
“NTA”	:	Net tangible assets
“OFAC”	:	Officer of Foreign Assets Controls of the United States Department of Treasury
“Offering” or “Company’s initial public offering”	:	The Company’s (a) international placement of 11.2 million Offering Units to investors, including institutional and other investors in Singapore and outside the United States in reliance on Regulation S and (b) offer of 0.6 million Offering Units to the public in Singapore for subscription at the Offering Price, subject to and on the terms and conditions set out in the Prospectus
“Offering Price”	:	The offering price of S\$5.00 per Offering Unit
“Offering Units”	:	The 11.8 million Units issued and offered by the Company in the Offering and the 1,606,000 Units issued by the Company pursuant to the Over-allotment Option
“Original Maximum Promote Shares”	:	The up to 10,401,500 Promote Shares that the Sponsor is entitled to the allotment and issuance of pursuant to the Promote Shares Deed of Undertaking
“Other Shareholders’ IPO Units”	:	The Units allotted and issued to Shareholders other than Vertex SPV and Venezia at the Company’s initial public offering
“Over-allotment Option”	:	The over-allotment option granted by the Company to the Joint Global Coordinators, Joint Bookrunners and Joint Underwriters (each as defined in the Prospectus) in connection with the Offering, which was exercised by Credit Suisse as the Stabilising Manager in part in respect of 1,606,000 Units (the “Additional Units”) (out of the 2,360,000 Units which had been over-allotted in connection with the Offering) on 15 February 2022 at the Offering Price solely for the purpose of covering the over-allotment of Units
“Period Under Review”	:	The period comprising FY2020, FY2021, FY2022 and 1H FY2023

DEFINITIONS

“Permitted Transferees”	:	(a) the Company’s officers or directors, any affiliates or family members of any of the Company’s officers or directors, any affiliate of the Sponsor or to any member(s) of the Sponsor, any affiliates of such members and funds and accounts advised by such members; (b) in the case of an individual, by gift to a member of such individual’s immediate family or to a trust, the beneficiary of which is a member of such individual’s immediate family, an affiliate of such individual or to a charitable organisation; (c) in the case of an individual, by virtue of the laws of descent and distribution upon death of such person; (d) in the case of an individual, pursuant to a qualified domestic relations order; (e) by private sales or transfers made in connection with the consummation of an initial business combination at prices no greater than the price at which the securities were originally purchased; (f) in the event of the Company’s liquidation prior to consummation of the Company’s initial business combination; (g) by virtue of the laws of Singapore upon liquidation or dissolution of the Sponsor; (h) in the event of the Company’s liquidation, merger, share capital or capital stock exchange, reorganisation or other similar transaction which results in all of the Shareholders having the right to exchange their Shares for cash, securities or other property subsequent to the Company’s completion of its initial business combination; or (i) to surrender to the Company for no value for cancellation in connection with the consummation of the Company’s initial business combination
“PDPA” or “Personal Data Protection Act”	:	Personal Data Protection Act 2012 of Singapore, as may be amended, varied or supplemented from time to time
“PIPE”	:	Private investment in public equity
“PIPE Financing”	:	Financing by way of strategic placement of new Shares to the PIPE Investors whether before or after the execution of the SPA, to be completed contemporaneously with Completion, pursuant to the PIPE Subscription Agreements
“PIPE Investors”	:	Private investors who will be subscribing for Base PIPE Shares pursuant to the terms and conditions of the PIPE Subscription Agreements
“PIPE Shares”	:	The Base PIPE Shares and the Special Bonus PIPE Shares
“PIPE Subscription Agreements”	:	The subscription agreements for the PIPE Financing entered into between the Company and the PIPE Investors, pursuant to which the PIPE Investors agreed to subscribe for the PIPE Shares
“POFMA”	:	Protection from Online Falsehoods and Manipulation Act 2019 of Singapore, as may be amended, varied or supplemented from time to time

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“PPIA”	:	Act on the Protection of Personal Information of Japan, as may be amended, varied or supplemented from time to time
“PRC”	:	The People’s Republic of China; for the purpose of this circular only, excluding Taiwan, and the special administrative regions of Hong Kong and Macau and the term “Chinese” has a correlative meaning
“Private Placement Warrants”	:	The up to 20.0 million Warrants to be subscribed by Vertex SPV pursuant to the Private Placement Warrants Purchase Agreement, wherein 16.0 million Warrants were purchased on the close of the Offering and up to 4.0 million Warrants will be purchased at any time during the period commencing the date of the close of the Offering to the date of the initial business combination, based on the Warrant Exercise Price of S\$5.75 (subject to adjustment) at a price of S\$0.50 per Warrant, in a private placement that closed concurrently with the closing of the Offering. As at the Latest Practicable Date, the number of Private Placement Warrants purchased is 16.0 million and to the best of the knowledge of the Company and subject to Completion, no additional Private Placement Warrants are intended to be purchased by Vertex SPV
“Private Placement Warrants Purchase Agreement”	:	The private placement warrants purchase agreement dated 6 January 2022 entered into between the Company and the Sponsor in relation to the purchase of the Private Placement Warrants by Vertex SPV
“Promote Shares”	:	The 10,401,500 Shares to be allotted and issued by the Company to Vertex SPV upon Completion subject to certain vesting conditions pursuant to the Promote Shares Deed of Undertaking
“Promote Shares Deed of Undertaking”	:	The deed of undertaking dated 6 January 2022 entered into between the Company and the Sponsor in relation to the issue and allotment of the Promote Shares to Vertex SPV
“Proposed Adoption of the Company ESOP”	:	The proposed adoption of the Company ESOP
“Proposed Adoption of the EIS”	:	The proposed adoption of the EIS
“Proposed Adoption of the New Memorandum and Articles of Association”	:	The proposed adoption of the New Memorandum and Articles of Association
“Proposed Allotment and Issuance of the Base PIPE Shares”	:	The proposed allotment and issuance of the Base PIPE Shares to the PIPE Investors at the Issue Price pursuant to the terms of the PIPE Subscription Agreements
“Proposed Allotment and Issuance of the Consideration Shares”	:	The proposed allotment and issuance of the Consideration Shares to the Vendor (or if the Vendor so nominates, to the Vendor Shareholders) at the Issue Price

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“Proposed Allotment and Issuance of the Earnout Shares”	:	The proposed allotment and issuance of the Earnout Shares to the Earnout Shareholders at the Issue Price
“Proposed Allotment and Issuance of the EIS Shares”	:	The proposed allotment and issuance of the EIS Shares to the Key Executives at the Issue Price
“Proposed Allotment and Issuance of the ESOP Shares”	:	The proposed allotment and issuance of the ESOP Shares pursuant to the Company ESOP
“Proposed Allotment and Issuance of the Special Bonus Shares”	:	The proposed allotment and issuance of the Special Bonus NRS Shares to the Non-Redeeming Shareholders and the proposed allotment and issuance of the Special Bonus PIPE Shares to the PIPE Investors at the Issue Price
“Proposed Business Combination”	:	The proposed business combination between the Company and the Target Company by way of an acquisition by the Company of the entire issued and paid-up share capital of the Target Company from the Vendor pursuant to the terms and subject to the conditions of the SPA
“Proposed Change of the Company’s Independent Auditor”	:	The proposed change of the Company’s Independent Auditor from KPMG LLP to Ernst & Young LLP
“Proposed Change of Company’s Name”	:	The proposed change of name of the Company from “Vertex Technology Acquisition Corporation Ltd” to “17LIVE Group Limited”
“Proposed Directors” or “Proposed New Board”	:	The directors proposed to be appointed to the Board, being the Proposed Executive Director, the Proposed Non-Executive Directors, and the Proposed Independent Directors
“Proposed Executive Director”	:	Mr. Lien Chien-Lin
“Proposed Executive Officers”	:	Mr. Lien Chien-Lin, Mr. Ng Jing Shen and Mr. Kenta Masuda
“Proposed Independent Directors”	:	Mr. Tan Hup Foj, Dr. Steve Lai Mun Fook, Mr. Hideto Mizuno and Ms. Chen Xiuling
“Proposed Management Team”	:	The Proposed Directors and the Proposed Executive Officers
“Proposed New Audit Committee”	:	The new audit committee of the Company to be constituted upon Completion
“Proposed New Nominating Committee”	:	The new nominating committee of the Company to be constituted upon Completion

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“Proposed New Remuneration Committee”	:	The new remuneration committee of the Company to be constituted upon Completion
“Proposed Non-Executive Directors”	:	Mr. Phua Jiexian Joseph and Mr. Akio Tanaka
“Proposed Transactions”	:	The transactions being tabled for Shareholders’ approval as set out in the Notice of EGM, including the Proposed Business Combination, the Proposed Allotment and Issuance of the Consideration Shares, the Proposed Allotment and Issuance of the Earnout Shares, the Proposed Allotment and Issuance of the Base PIPE Shares, the Proposed Allotment and Issuance of the Special Bonus Shares, the Proposed Adoption of the EIS, the Proposed Allotment and Issuance of the EIS Shares, the Proposed Adoption of the Company ESOP, the Proposed Allotment and Issuance of the ESOP Shares, the Proposed Change of the Company’s Name and the Proposed Adoption of the New Memorandum and Articles of Association
“Prospectus”	:	The prospectus dated 13 January 2022 issued by the Company in connection with the Offering and the Listing
“Proxy Form”	:	The proxy form in respect of the EGM as set out in this Circular
“PSA”	:	Payment Services Act of Japan, as may be amended, varied or supplemented from time to time
“Public Shareholders”	:	Shares held by persons other than: (a) directors, CEO, Substantial Shareholders or Controlling Shareholders of the Company or its subsidiary companies; (b) Associates of the persons in paragraph (a); and (c) founding shareholders and the Management Team of the Company, and their Associates
“Public Warrants”	:	Warrants issued to the holders of Shares that comprise the Offering Units, the Cornerstone Units and the Sponsor IPO Investment Units
“Purchase Consideration”	:	Up to S\$922.9 million (equivalent to approximately US\$680.6 million), being the aggregate of (a) S\$800.8 million (equivalent to approximately US\$590.6 million) and (b) up to S\$122.0 million (equivalent to approximately US\$90.0 million), subject to the Financial Targets for Earnout being achieved

DEFINITIONS

“Redeeming Shareholders”	:	Shareholders who have validly exercised their Redemption Right (other than Vertex SPV and Venezia, being Shareholders who are not entitled to exercise their Redemption Right)
“Redeeming Shares”	:	Shares in respect of which the relevant Shareholder has validly exercised their Redemption Right
“Redemption”	:	An event wherein the Shareholders (save for Vertex SPV and Venezia) may in accordance with the Memorandum and Articles of Association redeem all or a portion of their Shares upon the Company’s initial business combination’s completion at a per-Share price equal to the Redemption Price
“Redemption Completion Date”	:	8 December 2023
“Redemption Limit”	:	A maximum of 15% of the Shares in the aggregate
“Redemption Payment Date”	:	8 December 2023
“Redemption Price”	:	The aggregate amount on deposit in the Escrow Account calculated as of two Market Days before Completion, including interest earned on the funds held in the Escrow Account and not previously released to the Company to pay the Company’s income taxes or operating expenses, if any, but net of any taxes payable on the interest earned on the funds held in the Escrow Account, divided by the number of outstanding Shares as at date falling two Market Days before Completion (which for the avoidance of doubt, includes the Shares held by Venezia and the Sponsor but not including the Promote Shares)
“Redemption Record Date”	:	The expected record date for determining the Non-Redeeming Shareholders who are entitled to the Special Bonus NRS Shares and Additional Warrants, being a date that is two Market Days before the date of the EGM, subject to changes as may be announced on SGXNET
“Redemption Right”	:	The right of Shareholders (save for Vertex SPV and Venezia) to elect to redeem all or a portion of their Shares at a per-Share price equal to the Redemption Price
“Redemption Shares”	:	The number of new Shares to be allotted and issued upon redemption of the Warrants on a “cashless basis”

DEFINITIONS

“Reference Price”	:	Following the completion of the Offering and Listing, means S\$5.00, and shall be adjusted proportionately to account for any changes in the Company’s equity securities by way of rights issue, sub-division of Shares, combination or reclassification or through merger, consolidation, reorganisation, recapitalisation or business combination or by any other means where the Company shall appoint an independent financial adviser to consider whether any adjustment to the prevailing Reference Price is appropriate and has been proportionately adjusted and if such independent financial adviser shall determine that any adjustment is appropriate, the Reference Price shall be adjusted accordingly
“Reference Value”	:	The last reported sales price of the Shares for any 20 Market Days within the 30 Market-Day period ending on the third Market Day prior to the date on which notice of the redemption is given
“Register of Members”	:	The register of members of the Company
“Remuneration Committee”	:	The remuneration committee of the Company as at the Latest Practicable Date
“Request Form”	:	The request form to be submitted by Shareholders who wish to request for a printed copy of the Circular, to be despatched to Shareholders on or around the date of this Circular
“Restructuring”	:	The corporate restructuring to be undertaken by the Target Company prior to Completion, pursuant to which the 17LIVE Cayman Shareholders will transfer their respective shares in 17LIVE Cayman to the Vendor in consideration for the allotment and issuance of shares by the Vendor to the 17LIVE Cayman Shareholders
“Resulting Issuer”	:	The post-Proposed Business Combination entity that trades on the SGX-ST upon Completion
“ROC Act”	:	Act Governing Relationships between the People of the Taiwan Area and the Mainland Area of Taiwan and the regulations promulgated thereunder, as may be amended, varied or supplemented from time to time
“RSUs”	:	Restricted share units
“Sale Shares”	:	269,393,579 shares in the capital of the Target Company, being the aggregate of (a) the 250,481,652 Basic Sale Shares, (b) the 18,349,125 17LIVE Vested RSUs which have been converted into shares in the capital of the Target Company and (c) all shares allotted and issued by the Target Company pursuant to the exercise and conversion of the 17LIVE Warrants, being 562,802 shares in the capital of the Target Company, all of which comprise 100% of the issued and paid-up share capital of the Target Company

DEFINITIONS

“SCTA”	:	Specified Commercial Transactions Act of Japan, as may be amended, varied or supplemented from time to time
“Securities Account”	:	The securities account maintained by a depositor with CDP but does not include a securities sub-account maintained with a depository agent
“Securities and Futures Act” or “SFA”	:	Securities and Futures Act 2001 of Singapore, as may be amended, varied or supplemented from time to time
“Settlement Date”	:	The date and time on which the PIPE Shares are issued, which is to be decided and agreed upon between the PIPE Investor and the Company and shall be on or around the Completion Date
“SFR”	:	Securities and Futures (Offers of Investments) (Securities and Securities Based Derivatives Contracts) Regulations 2018, as may be amended, varied or supplemented from time to time
“SGXNET”	:	Singapore Exchange Network, the corporate announcement system maintained by the SGX-ST for the submission of announcements by listed companies
“Share Exchange”	:	The share exchange in relation to Share Exchange Agreement
“Share Exchange Agreement”	:	The share exchange agreement entered into by the Target Company, its shareholders named therein and the holders of outstanding warrants issued by the Target Company named therein dated 7 November 2023
“Share Redemption Form”	:	The share redemption form to be submitted by Shareholders in order to exercise their Redemption Right, to be despatched to Shareholders on or around the date of this Circular
“Shareholder Letter”	:	The letter to Shareholders dated 9 November 2023 directing Shareholders on where to access, view, download and print the Circular, to be despatched to Shareholders on or around the date of this Circular
“Shareholders”	:	Registered holders of Shares in the Register of Members, except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such shares, mean the Depositors whose direct Securities Accounts maintained with CDP are credited with Shares
“Shares”	:	Ordinary shares in the capital of the Company
“Singapore Companies Act”	:	Companies Act 1967 of Singapore, as may be amended, varied or supplemented from time to time
“Singapore Take-over Code”	:	The Singapore Code on Take-overs and Mergers, as may be amended, varied or supplemented from time to time

DEFINITIONS

“Southeast Asia”	:	Singapore, Malaysia, Thailand, Indonesia and the Philippines
“SPA” or “Sale and Purchase Agreement”	:	The conditional sale and purchase agreement dated 2 October 2023 (as may be amended, supplemented, or otherwise modified from time to time) entered into among the Company, the Vendor, the Target Company, the Management Warrantors and the Founder in relation to the Proposed Business Combination
“SPAC”	:	Special purpose acquisition company
“Special Bonus NRS Shares”	:	The new Shares to be allotted and issued pursuant to Non-Redeeming Shareholders pursuant to the Special Bonus Scheme
“Special Bonus PIPE Shares”	:	The new Shares to be allotted and issued to PIPE Investors pursuant to the Special Bonus Scheme
“Special Bonus Scheme”	:	The scheme for the allotment and issuance of 0.1 new Shares, allotted as fully paid up and issued to (a) the Non-Redeeming Shareholders for every existing Share held by the Non-Redeeming Shareholders as at the Redemption Record Date (rounded downwards to the nearest integer), and (b) the PIPE Investors for every Base PIPE Share subscribed for by the PIPE Investors pursuant to the terms and conditions of the PIPE Subscription Agreements (rounded downwards to the nearest integer)
“Special Bonus Shares”	:	The Special Bonus NRS Shares and the Special Bonus PIPE Shares
“Sponsor IPO Investment Units”	:	The 6.0 million Units allotted and issued by the Company to Vertex SPV at the Offering Price, at the same time but separate from the Offering pursuant to the Sponsor Subscription Agreement
“Sponsor Subscription Agreement”	:	The securities subscription agreement dated 6 January 2022 entered into between the Company and the Sponsor in relation to the issue and allotment of the Sponsor IPO Investment Units by Vertex SPV
“SPR”	:	Singapore permanent residents
“SRS”	:	Supplementary Retirement Scheme
“SRS Investors”	:	Shareholders who have purchased Shares using their funds in the SRS
“SRS Operators”	:	Approved banks in which SRS Investors hold their accounts under the SRS
“Subsidiary Holdings”	:	Shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Singapore Companies Act

DEFINITIONS

“Substantial Shareholder”	:	A person which has an interest in one or more voting shares of a company and the total votes attached to such share(s), are not less than 5% of the total votes attached to all the voting shares in the company
“Summary Valuation Letter”	:	The summary valuation letter prepared by the Independent Business Valuer in respect of the independent business valuation of the Target Company as set out in Appendix M to this Circular
“Target Company’s business”	:	The Target Company’s business in live streaming, details of which are set out in Section 14 titled “ <i>Information on the Target Company</i> ” of this Circular
“Target Group’s management”	:	The executive directors and executive officers of the Target Company as at the date of this Circular, including Mr. Phua Jiexian Joseph, Mr. Lien Chien-Lin, Mr. Kenta Masuda and Mr. Ng Jing Shen
“Target Shareholders’ Agreement”	:	The amended and restated shareholders’ agreement entered into by the Target Company and the shareholders of the Target Company named therein dated 4 April 2023
“TBA”	:	Telecommunications Business Act of Japan, as may be amended, varied or supplemented from time to time
“Trading Suspension”	:	A period of four Market Days commencing on 28 November 2023, 9.00 a.m., during which trading of the Company’s securities will be suspended
“Transfer of NEHK”	:	The acquisition of the 100% equity interests in NEHK by 17LIVE Japan from NEGH
“Treasury Shares”	:	Has the meaning ascribed to it in Section 4 of the Singapore Companies Act
“Units”	:	Units in the Company, comprising one ordinary share and 0.3 of one Warrant per Share issued at the completion of the Offering, with an additional right to the Additional Warrants which will be issued to the Non-Redeeming Shareholders and Vertex SPV
“U.S.”	:	The United States of America, its territories and possessions, any state of the United States and the District of Columbia
“U.S. Federal Reserve”	:	The Federal Reserve System of the U.S.
“V-Liver Operating Revenue”	:	With respect to a financial period, the operating revenue of the Target Group attributable to the V-Liver business, including, without limitation, net revenue generated from live streaming, games, live commerce, events and concerts and merchandising featuring V-Livers, as shown in the audited or reviewed consolidated financial statements of the Target Group for that applicable financial period

DEFINITIONS

“Valuation Benchmark Date”	:	30 June 2023
“Valuation Report”	:	The full valuation report dated 9 November 2023 prepared by the Independent Business Valuer in respect of the independent business valuation of the Target Company
“Vendor and Target Company Transaction Expenses”	:	Any out-of-pocket fees and expenses payable by the Vendor, the Target Company or any of their respective subsidiaries or affiliates (whether or not billed or accrued for) as a result of or in connection with the negotiation, documentation and consummation of the Proposed Business Combination and the transactions contemplated in the SPA or any of the other Transaction Documents (as defined in the SPA), including (a) all fees, costs, expenses, brokerage fees, commissions, finders’ fees and disbursements of financial advisers, investment banks, data room administrators, attorneys, accountants and other advisers and service providers, including consultants and public relations firms, and (b) any and all filing fees payable by the Vendor, the Target Company or any of their respective subsidiaries or affiliates to any governmental authority in connection with the Proposed Business Combination, the transactions contemplated in the SPA or any of the other Transaction Documents (as defined in the SPA)
“Vendor Shareholders”	:	The holders of shares in the share capital of the Vendor after the Restructuring
“Waived Promote Shares”	:	The number of Promote Shares that the Sponsor waives its right to the allotment and issuance of pursuant to the Deed of Waiver
“Warrant Agreement”	:	The warrant agency agreement and deed poll dated 6 January 2022 entered into between the Company and the Warrant Agent appointing, amongst others, the Warrant Agent, as the same may be modified from time to time by the parties thereto, and includes any other agreement (whether made pursuant to the terms of the Warrant Agreement or otherwise) appointing further or other warrant agents or amending or modifying the terms of any such appointment
“Warrant Conditions”	:	The terms and conditions in respect of the Warrants pursuant to the Warrant Agreement as detailed in the section titled “ <i>Appendix E – Terms and Conditions of the Warrants</i> ” of the Prospectus
“Warrant Exercise Form”	:	The warrant exercise forms for scripless Warrants and scrip-based Warrants to be completed and submitted by Warranholders to the Warrant Agent for the exercise of their Warrants for Shares, copies of which will be published on the Resulting Issuer’s corporate website post-Completion

DEFINITIONS

“Warrant 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
“Warrant Exercise Price”	:	S\$5.75 payable for each whole Share on the exercise of a Warrant, subject to the adjustments as described in the Warrant Conditions
“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 to the extent then held by Vertex SPV or its Permitted Transferees), 5:00 p.m., Singapore time on the Warrant Redemption Date as provided in the Warrant Conditions
“Warrant Redemption Date”	:	The date fixed by the Company where the Company elects to redeem the Warrants
“Warrantholders”	:	Registered holders of the Warrants except that where the registered holder is CDP, the term “Warrantholders” shall mean the Depositors whose Securities Accounts with CDP are credited with the Warrants
“Warrants”	:	Warrants in registered form issued by the Company and, where the context so admits, such additional warrants as may be required or permitted to be issued by the Company pursuant to the terms and conditions of the Warrant Agreement (any such additional warrants to rank <i>pari passu</i> with the warrants issued in connection with the Offering and the Private Placement Warrants Purchase Agreement and for all purposes to form part of the same series), each such Warrant entitling its holder to subscribe for one converted share at the Warrant Exercise Price during the Warrant Exercise Period, subject to the Warrant Conditions

Currencies and Units of Measurement

“JPY”	:	Japanese yen
“HK\$” or “HKD”	:	Hong Kong dollars
“INR”	:	Indian rupees
“NT\$” or “NTD”	:	New Taiwan dollars
“RMB”	:	Renminbi
“S\$” or “SGD”	:	Singapore dollars and cents
“sq m”	:	Square metres

DEFINITIONS

“**US\$**” or “**USD**” : United States dollars

“**%**” or “**per cent.**” : Per centum or percentage

Any capitalised terms in Section 10 of this Circular relating to the EIS which are not defined in this section of this Circular shall have the meanings ascribed to them as stated in Appendix I to this Circular.

Any capitalised terms in Section 12 of this Circular relating to the Company ESOP which are not defined in this section of this Circular shall have the meanings ascribed to them as stated in Appendix H to this Circular.

The terms “**subsidiary**”, “**subsidiary entity**”, “**related corporation**”, “**related entity**” and “**substantial shareholder**” shall have the meaning ascribed to them in the SFA, SFR, the Singapore Companies Act and/or the Mainboard Rules, as the case may be respectively.

The term “**entity**” includes a corporation, an unincorporated association, a partnership and the government of any state, but does not include a trust as defined in the SFA.

The terms “**depositor**”, “**depository agent**” and “**depository register**” shall have the same meanings ascribed to them respectively in Section 81SF of the SFA.

Any reference in this Circular to any enactment is a reference to that enactment for the time being amended or re-enacted. Any word defined under the Mainboard Rules, the Singapore Companies Act, SFA, SFR, the Singapore Take-over Code or any statutory modification thereof and used in this Circular shall, where applicable, have the same meaning ascribed to it under the Mainboard Rules, the Singapore Companies Act, SFA, SFR, the Singapore Take-over Code or any statutory modification thereto, as the case may be, unless the context requires otherwise.

Any reference in this Circular to “**Rule**” or “**Chapter**” is a reference to the relevant rule or chapter in the Mainboard Rules, unless otherwise stated.

Any reference in this Circular to Shares and/or new Shares being issued and allotted to a person includes issuance and allotment to CDP for the account of that person.

Any reference to a time of day in this Circular shall be a reference to Singapore time, unless otherwise stated.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. Unless the context otherwise requires, any references to persons shall include individuals, bodies corporate (wherever incorporated), unincorporated associations and partnerships.

The headings in this Circular are inserted for convenience only and shall be ignored in the event of inconsistency with this Circular.

DEFINITIONS

Any discrepancies between the figures listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them. Unless otherwise provided in this Circular, all foreign currency conversions are calculated based on the following exchange rates, being exchange rates as at the Latest Practicable Date (save for the “SGD:USD” exchange rate, which is the exchange rate used in the SPA and not the exchange rate as at the Latest Practicable Date):

SGD:USD ¹	:	1.356
SGD:JPY	:	110.38
SGD:HKD	:	5.72
SGD:NTD	:	23.73
SGD:INR	:	60.91

¹ For reference only, the “SGD:USD” exchange rate as at the Latest Practicable Date is 1.37.

GLOSSARY OF TECHNICAL TERMS

To facilitate a better understanding of the Target Company, the following glossary provides a description of some of the technical terms and abbreviations commonly used in the Target Company's industry. The terms and their assigned meanings may not correspond to standard industry or common meanings or usages of these terms.

"17LIVE"	:	The live streaming platform created and operated by the Target Company under the brand name "17LIVE" accessible via internet browsers or a mobile application named "17LIVE"
"AI"	:	Artificial intelligence
"AMPU"	:	Average monthly paying users within a given period
"Android"	:	Android Operating System, the mobile operating system developed and operated by Google
"APK"	:	Android Package
"Apps" or "applications"	:	Mobile applications
"AR"	:	Augmented reality
"Army subscriber"	:	A user of 17LIVE who pays a monthly subscription fee to enjoy special privileges
"Asia"	:	Japan, Taiwan, Hong Kong and Southeast Asia
"Average Daily View Duration Per DAU"	:	Average duration, in minutes, that a DAU views content during a specified day
"Average Revenue Per Spending User" or "ARPPU"	:	Average monthly spend revenue per spender
"Average Revenue Per User" or "ARPU"	:	Average monthly spend revenue per user
"B2B"	:	Business-to-business
"B2B2C"	:	Business-to-business-to-consumer
"CAGR" or "Compound Annual Growth Rate"	:	Annual growth rate over a specified period of time
"CDN"	:	Content Distribution Network
"Contracted MAS"	:	A MAS who has entered into a contract with the Target Group as of that specified period

GLOSSARY OF TECHNICAL TERMS

“Contracted Streamer”	:	A live streamer, identified by a unique streamer ID, who has entered into a contract with the Target Group as of that specified period; for the avoidance of doubt, “Contracted Streamer” includes human voice actors behind V-Livers
“COVID-19 pandemic”	:	The pandemic caused by the Coronavirus disease 2019, an infectious disease caused by the SARS-CoV-2 virus
“daily active user” or “DAU”	:	A User, identified by a unique ID, who has logged into 17LIVE at least once during the specified day
“EBITDA”	:	Earnings before interest, taxes, depreciation and amortisation
“Game Penetration Rate”	:	Game spenders as a percentage of total spenders on 17LIVE
“Game spender”	:	A User, identified by a unique ID, who has spent virtual points on game activities within a specified month
“Games”	:	Games offered within 17LIVE
“Google Play”	:	Google Play store, the application store developed and operated by Google
“HandsUp”	:	A platform in Japan that allows merchants to sell their products through live streaming
“in-app games”	:	Games offered within 17LIVE
“iOS App Store”	:	The application store developed and operated by Apple
“Liver”	:	Live streamer, a type of influencer which creates online content and broadcasts real time through a live stream to an audience
“monthly active streamer” or “MAS”	:	A live streamer, identified by a unique streamer ID, who has conducted a stream on 17LIVE at least once during the specified month
“monthly active user” or “MAU”	:	A User, identified by a unique ID, who has logged into 17LIVE at least once during the specified month
“OrderPally”	:	A B2B live commerce matching and order management SaaS platform connecting merchants and users in Taiwan
“PGC”	:	Professionally generated content
“PUGC”	:	Professionally curated user generated content

GLOSSARY OF TECHNICAL TERMS

“Quality MAU”	:	A User, identified by a unique ID, who has consecutively viewed a specified live streamer’s content over 320 times in total; a user’s cumulative view record will be reset if they miss five consecutive live streams from the specified live streamer and only a stream that lasts more than 30 minutes will be considered valid and will count towards the viewing total
“R&D”	:	Research and development
“ROI”	:	Return on investment
“RPG”	:	Role playing games
“S+ latency technology”	:	The technology that balances the connection loads among computers that perform data computation at the edge of a network
“SaaS”	:	Software as a service
“spender”	:	A user, identified by a unique ID, who has spent virtual points on 17LIVE within a specified month
“Spend Rate”	:	Spenders as a percentage of MAU
“Spend revenue”	:	Total virtual points spent by all spenders on 17LIVE within a specified month
“Users”	:	Users of the Target Group’s platforms, including 17LIVE, HandsUp, OrderPally and Wave
“V-Liver” or “V-Liver live streamer”	:	Virtual live streamer, a type of live streamer which comprises of computer-generated characters designed to resemble real people
“V-Liver proprietary IP”	:	The intellectual property rights in relation to V-Liver
“V-Liver MAS”	:	A Contracted Streamer, identified by a unique streamer ID, who has streamed at least one V-Liver broadcast during the specified month
“V-Liver Spend Rate”	:	V-Liver spenders as a percentage of V-Liver viewers
“V-Liver spender”	:	A User, identified by a unique ID, who has spent virtual points on V-Livers within a specific month
“V-Liver viewer”	:	A User, identified by a unique ID, who has watched at least one V-Liver stream during the specified month

GLOSSARY OF TECHNICAL TERMS

- “virtual gifting” or “virtual gifts”** : The gifting of virtual gifts which are purchased using virtual points in the context of live streaming
- “virtual point”** : The virtual currency used on 17LIVE, enabling users to engage with specific features, including (i) virtual gifting, where virtual points serve as a medium for users to acquire virtual gifts on 17LIVE. These virtual gifts can subsequently be gifted to live streamers or users within the 17LIVE community; and (ii) games as certain games or interactive activities on 17LIVE may require the use of virtual points to participate
- “Wave”** : An audio-centric live streaming and social platform launched by the Target Group

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements contained in this Circular, statements made in the press releases and oral statements that may be made by the Company, the Target Group, the Enlarged Group, the Vendor or each of their respective directors, key executives or employees acting on the Company's or the Target Group's or the Enlarged Group's or the Vendor's behalf, that are not statements of historical fact, constitute "forward-looking statements". You can identify some of these statements by words that have a bias towards, or are forward-looking such as "anticipate", "believe", "could", "estimate", "expect", "forecast", "if", "intend", "may", "plan", "possible", "probable", "project", "will", "would" and "should" or similar words. However, you should note that these words are not the exclusive means of identifying forward-looking statements. All statements regarding the Company's, the Target Group's, the Enlarged Group's and the Vendor's expected financial position, business strategies, plans and prospects are forward-looking statements.

These forward-looking statements, including without limitation, statements as to:

- revenue and profitability;
- trends in demand and costs;
- expected industry prospects and trends;
- planned strategy and anticipated expansion plans; and
- any other matters discussed in this Circular,

regarding matters that are not historical facts, are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's, the Target Group's, the Enlarged Group's and the Vendor's actual future results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by these forward-looking statements. These risks, uncertainties and other factors include, *inter alia*, the following:

- (i) changes in political, social and economic conditions, the regulatory environment, laws and regulations and interpretation thereof in the jurisdictions where the Enlarged Group conducts business or expects to conduct business;
- (ii) changes in currency exchange rates;
- (iii) changes in interest rates;
- (iv) the risk that the Enlarged Group may be unable to realise its anticipated growth strategies and expected internal growth;
- (v) changes in customers' preferences and needs;
- (vi) changes in competitive conditions and the Enlarged Group's ability to compete under such conditions;
- (vii) changes in the Enlarged Group's future capital needs and the availability of financing and capital to fund such needs; and
- (viii) other factors whether within or beyond the Enlarged Group's control.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

Some of these risk factors are discussed in greater detail in Section 18 titled “*Management’s Discussion and Analysis of Results of Financial Position and Results of Operations of the Target Group*” and Section 16 titled “*Risk Factors*” of this Circular. All forward-looking statements by or attributable to the Company, the Target Group, the Enlarged Group and the Vendor, or persons acting on the Company’s, the Target Group’s, the Enlarged Group’s or the Vendor’s behalf, contained in this Circular are expressly qualified in their entirety by such facts. These forward-looking statements are applicable only as of the date of this Circular.

Given the risks and uncertainties that may cause the Company’s, the Target Group’s, the Enlarged Group’s and the Vendor’s actual future results, performance or achievements to be materially different from that expected, expressed or implied by the forward-looking statements in this Circular, you are advised not to place undue reliance on these statements. Neither the Company, the Target Group, the Enlarged Group, the Vendor and the Joint Financial Advisers nor any other person represents or warrants that the Company’s, the Target Group’s, the Enlarged Group’s and the Vendor’s actual future results, performance or achievements will be as discussed in those statements.

The Company’s, the Target Group’s, the Enlarged Group’s and the Vendor’s actual future results may differ materially from those anticipated in these forward-looking statements as a result of the risks faced by the Company, the Target Group, the Enlarged Group and the Vendor. The Company, the Target Group, the Enlarged Group, the Vendor and the Joint Financial Advisers disclaim any responsibility to update or publicly announce any revisions to any of those forward-looking statements to reflect future developments, events or circumstances, even if new information becomes available or other events occur in the future. The Company, the Target Group, the Enlarged Group and the Vendor are however, subject to the provisions of the SFA and the Mainboard Rules regarding corporate disclosure.

MARKET AND INDUSTRY DATA

This Circular contains and refers to the IMR Report regarding the market and the competitive environment in which the Target Group operates. Please refer to Appendix F titled “*Independent Market Research Report*” of this Circular for the IMR Report. The purpose of the IMR Report is to provide a true and fair view of the industry in which the Target Group operates in and its competitive position in these markets. Projected data in the IMR Report was forecasted from historical data analysis plotted against macroeconomic data with reference to specific industry-related factors, within the limitations of, among others, secondary statistics and primary research, and it does not purport to be exhaustive. The Company, the Target Group, the Sole Issue Manager and the Joint Financial Advisers have not independently verified the industry data and other information on which any third party research, including the IMR Report, is based or the external sources on which the Target Group’s own estimates are based. Accordingly, the Company, the Target Group, the Sole Issue Manager and the Joint Financial Advisers accept no responsibility for the accuracy of information presented in this Circular from third party studies on the industry environment, development, growth rates, trends and competitive conditions (other than the correct replication of such information) or the accuracy of the information on which the Target Group’s own estimates are based. Market data and statistics are inherently predictive and speculative and may not necessarily reflect actual or future market conditions and may not necessarily be indicative of the Target Group’s future operations. The use of such data involves risks and uncertainties and is subject to change based on various factors, including those discussed immediately above. There is no assurance that the business strategies and growth prospects of the Target Group will materialise.

INDICATIVE TIMETABLE

The following indicative timetable assumes that approval for all the resolutions proposed at the EGM is obtained on 1 December 2023 and Completion takes place by 8 December 2023.

Last date and time to purchase Shares to be entitled to the Special Bonus NRS Shares and the Additional Warrants	:	27 November 2023, before close of trading at 5.00 pm
Last date and time to purchase Shares to be entitled to the Redemption Right	:	
Commencement of the Trading Suspension	:	28 November 2023, 9.00 a.m.
Last date and time to elect for Redemption and submit the Share Redemption Form	:	28 November 2023, 2.00 p.m.
Last date and time for lodgement of Proxy Form	:	29 November 2023, 2.00 p.m.
Redemption Record Date	:	29 November 2023
Date and time of EGM and announcement of level of Redemption	:	1 December 2023, 2.00 p.m.
Resumption of trading on the SGX-ST (after lifting of the Trading Suspension)	:	4 December 2023, 9.00 a.m.
Expected Completion Date	:	8 December 2023
Expected Redemption Payment Date and Redemption Completion Date	:	8 December 2023
Expected date and time of the crediting of the Consideration Shares, Base PIPE Shares and the Special Bonus PIPE Shares	:	8 December 2023, before market opens at 9.00 a.m.
Expected date and time of the crediting of the Special Bonus NRS Shares and the Additional Warrants to Non-Redeeming Shareholders and the crediting of the Additional Warrants to Vertex SPV	:	8 December 2023, before market opens at 9.00 a.m.
Expected trading date under the new name "17LIVE Group Limited"	:	8 December 2023

The dates set out in the above timetable are indicative only and may be subject to change. The Company will make further announcements on the SGXNET on the exact dates and times of such events.

LETTER TO SHAREHOLDERS

VERTEX TECHNOLOGY ACQUISITION CORPORATION LTD

(Incorporated as an exempted company in the Cayman Islands)
(Company Registration No. 378671)

Board of Directors:

Mr. Chua Kee Lock (Non-Executive Chairman)
Mr. Jiang Honghui (Executive Director and CEO)
Ms. Anupama Sawhney (Non-Executive Director)
Dr. Steve Lai Mun Fook (Independent Director)
Mr. Low Seow Juan (Independent Director)
Mr. Tan Hup Foi (Independent Director)

Registered Office:

c/o Maples Corporate Services Limited
PO Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

LETTER TO SHAREHOLDERS

Date: 9 November 2023

To: The Shareholders of Vertex Technology Acquisition Corporation Ltd

Dear Sir/Madam

- 1. PROPOSED BUSINESS COMBINATION BETWEEN THE COMPANY AND 17LIVE INC. BY WAY OF AN ACQUISITION BY THE COMPANY OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF 17LIVE INC. FROM THE VENDOR FOR THE PURCHASE CONSIDERATION;**
- 2. PROPOSED ALLOTMENT AND ISSUANCE OF 160,162,651 CONSIDERATION SHARES AT THE ISSUE PRICE OF S\$5.00 IN PARTIAL SATISFACTION OF THE PURCHASE CONSIDERATION FOR THE PROPOSED BUSINESS COMBINATION;**
- 3. PROPOSED ALLOTMENT AND ISSUANCE OF UP TO 24,408,000 EARNOUT SHARES AT THE ISSUE PRICE OF S\$5.00 TO THE EARNOUT SHAREHOLDERS IN PARTIAL SATISFACTION OF THE PURCHASE CONSIDERATION FOR THE PROPOSED BUSINESS COMBINATION, SUBJECT TO THE SATISFACTION OF THE FINANCIAL TARGETS FOR EARNOUT;**
- 4. PROPOSED ALLOTMENT AND ISSUANCE OF UP TO 2,000,000 BASE PIPE SHARES AT THE ISSUE PRICE OF S\$5.00 TO THE PIPE INVESTORS;**
- 5. PROPOSED ALLOTMENT AND ISSUANCE OF UP TO 3,760,600 SPECIAL BONUS SHARES AT THE ISSUE PRICE OF S\$5.00 TO THE NON-REDEEMING SHAREHOLDERS AND THE PIPE INVESTORS;**
- 6. PROPOSED ADOPTION OF THE EXECUTIVE INCENTIVE SCHEME;**
- 7. PROPOSED ALLOTMENT AND ISSUANCE OF UP TO 2,550,000 EIS SHARES AT THE ISSUE PRICE OF S\$5.00 TO THE KEY EXECUTIVES, SUBJECT TO THE SATISFACTION OF THE FINANCIAL TARGETS FOR EIS;**
- 8. PROPOSED ADOPTION OF THE COMPANY EMPLOYEE SHARE OPTION PLAN;**

LETTER TO SHAREHOLDERS

9. **PROPOSED ALLOTMENT AND ISSUANCE OF UP TO 2,114,891 ESOP SHARES PURSUANT TO THE COMPANY EMPLOYEE SHARE OPTION PLAN;**
10. **PROPOSED CHANGE OF THE COMPANY’S NAME TO “17LIVE GROUP LIMITED”;**
11. **PROPOSED ADOPTION OF THE NEW MEMORANDUM AND ARTICLES OF ASSOCIATION;**
12. **PROPOSED CHANGE OF THE COMPANY’S INDEPENDENT AUDITOR;**
13. **PROPOSED APPOINTMENT OF MR. PHUA JIEXIAN JOSEPH AS A NEW DIRECTOR UPON COMPLETION;**
14. **PROPOSED APPOINTMENT OF MR. LIEN CHIEN-LIN AS A NEW DIRECTOR UPON COMPLETION;**
15. **PROPOSED APPOINTMENT OF MR. AKIO TANAKA AS A NEW DIRECTOR UPON COMPLETION;**
16. **PROPOSED APPOINTMENT OF MR. HIDETO MIZUNO AS A NEW DIRECTOR UPON COMPLETION; AND**
17. **PROPOSED APPOINTMENT OF MS. CHEN XIULING AS A NEW DIRECTOR UPON COMPLETION.**

1. INTRODUCTION

On 2 October 2023, the Company announced that it had, on the same day, entered into the Sale and Purchase Agreement with the Vendor and the Warrantors in relation to the Proposed Business Combination between the Company and the Target Company by way of an acquisition by the Company of 100% of the issued and paid-up share capital of the Target Company from the Vendor for the Purchase Consideration, to be satisfied by (a) the allotment and issuance of the Consideration Shares at the Issue Price to the Vendor (or, if the Vendor so nominates, to the Vendor Shareholders) and (b) subject to the satisfaction of the Financial Targets for Earnout, the allotment and issuance of the Earnout Shares at the Issue Price to the Earnout Shareholders.

Based on the foregoing, the Proposed Business Combination will result in a reverse takeover of the Company as defined under Chapter 10 of the Mainboard Rules. In accordance with Chapter 10 of the Mainboard Rules, the Proposed Business Combination will be subject to, amongst others, the approval of the Shareholders at the EGM to be convened.

In connection with the Proposed Business Combination, the Company has applied for waivers from compliance from specific provisions of the Mainboard Rules and has on 8 November 2023 been granted certain waivers. Please refer to Section 2.2 titled “*Submissions to the SGX-ST – Waiver from Compliance with Specific Provisions of the Mainboard Rules*” of this Circular for details.

The purpose of this Circular is to provide you with information relating to and to seek your approval for the Proposed Transactions at the forthcoming EGM. Specifically, approvals by way of ordinary resolution will be sought for the Proposed Business Combination, the Proposed Allotment and Issuance of the Consideration Shares, the Proposed Allotment and Issuance of the Earnout Shares, the Proposed Allotment and Issuance of the Base PIPE Shares, the Proposed Allotment and Issuance of the Special Bonus Shares, the Proposed

LETTER TO SHAREHOLDERS

Adoption of the EIS, the Proposed Allotment and Issuance of the EIS Shares, the Proposed Adoption of the Company ESOP and the Proposed Allotment and Issuance of the ESOP Shares, and approvals by way of special resolution will be sought for the Proposed Change of the Company's Name and the Proposed Adoption of the New Memorandum and Articles of Association. In addition, approval by way of ordinary will be sought for the Proposed Change of the Company's Independent Auditor.

A copy of the Notice of EGM is provided with this Circular. Shareholders should note that certain of the resolutions to be presented at the EGM are conditional upon the passing of certain other resolutions. Shareholders are advised to refer to Section 3.13 titled "*Summary of the Proposed Transactions – Inter-conditionality of Resolutions*" of this Circular for further details on the inter-conditionality of these resolutions.

The Company has appointed DBS as its Sole Issue Manager in respect of the Proposed Transactions and DBS and UBS as its Joint Financial Advisers in respect of the Proposed Transactions and its Joint Placement Agents in respect of the PIPE Financing.

This Circular has been prepared solely for the purposes set out herein and may not be relied upon by any persons (other than the Shareholders to whom this Circular is despatched by the Company) or for any other purpose.

The SGX-ST assumes no responsibility for the accuracy of any of the statements made, reports contained, or opinions expressed in this Circular.

2. SUBMISSIONS TO THE SGX-ST

2.1 Approval-in-principle

An application was made to the SGX-ST for the approval of the listing of and quotation for the Consideration Shares, the Earnout Shares, the EIS Shares, the ESOP Shares and the Special Bonus Shares.

On 8 November 2023, the SGX-ST granted their approval-in-principle for the listing of and quotation for up to 194,996,142 new Shares (being the Consideration Shares, the Earnout Shares, the EIS Shares, the ESOP Shares and the Special Bonus Shares) on the Mainboard of the SGX-ST, subject to, *inter alia*, the following conditions:

- (a) compliance with the Exchange's listing requirements;
- (b) Shareholders' approval being obtained for the Proposed Business Combination and for all other resolutions set out in the Notice of EGM;
- (c) compliance with the shareholding spread requirements under Rule 210(1)(a) of the Mainboard Rules;
- (d) compliance with Rules 113(2) and 210(5)(a) of the Mainboard Rules which require that:
 - (i) for two years after listing or such other time frame imposed by the Exchange, the Resulting Issuer must prominently include a statement that the reverse take-over

LETTER TO SHAREHOLDERS

of its Shares was sponsored by DBS in all announcements made by it (on SGXNET or otherwise) and in all information documents issued by it to Shareholders; and

- (ii) as a pre-quotations disclosure requirement, the Resulting Issuer must release a statement via SGXNET or in this Circular identifying for each Proposed Director, whether the person has prior experience as a director of an issuer listed on the Exchange or if he has other relevant experience, and if so, provide details of his directorships and other relevant experience. If the Proposed Director has no prior experience as a director of an issuer listed on the Exchange and has no other relevant experience, the Resulting Issuer must confirm that (A) the person has undertaken training as prescribed by the Exchange; or (B) as stated in Practice Note 2.3 of the Mainboard Rules that such Proposed Director will attend the mandatory training by the end of the first year of the Resulting Issuer's listing;
- (e) submission of the following documents:
- (i) a written undertaking from the Resulting Issuer that reviews by the Proposed New Board or the relevant committee of the Resulting Issuer's key financial, operational, compliance and information technology risk areas and the outcome of these reviews must be disclosed in the annual report or where the findings are material, immediately announced via SGXNET;
 - (ii) a written undertaking by the Resulting Issuer of the following:
 - (A) the commissioning of an annual internal controls audit by a suitable and qualified professional accounting firm until such time the Proposed New Audit Committee is satisfied that the Resulting Issuer's internal controls are robust and effective enough to mitigate the Resulting Issuer's internal control weaknesses. Prior to the decommissioning of this annual audit, the Proposed New Board is required to report to the Exchange on how the key internal control weaknesses have been rectified, and the basis for the decision to decommission the annual internal controls audit;
 - (B) thereafter, such audits may be initiated by the Proposed New Audit Committee as and when it deems fit to satisfy itself that the Resulting Issuer's internal controls remain robust and effective; and
 - (C) upon completion of the internal controls audit, appropriate disclosure must be made via SGXNET on any material, price-sensitive internal controls weaknesses and any follow-up to be taken by the Proposed New Board; and
- (f) various other undertakings, confirmations and documents from the Resulting Issuer, the Sole Issue Manager and/or the Resulting Issuer's directors and executive officers.

The approval in-principle granted by the SGX-ST for the listing of and quotation for the Consideration Shares, the Earnout Shares, the Special Bonus Shares, the EIS Shares and the ESOP Shares is not an indication of the merits of the Consideration Shares, the Earnout Shares, the Special Bonus Shares, the EIS Shares and the ESOP Shares, the Company, the Target Group or the Enlarged Group.

LETTER TO SHAREHOLDERS

The application for the listing of and quotation for the PIPE Shares on the Mainboard of the SGX-ST will be submitted in due course.

For completeness, the Company had obtained the conditional approval of the SGX-ST for the listing of and quotation for up to 22,800,000 Public Warrants on 24 December 2021, subject to the conditions set out in the SGX-ST's letter dated 24 December 2021, all of which have been fulfilled prior to the Listing.

2.2 Waiver from Compliance with Specific Provisions of the Mainboard Rules

Waiver from Compliance with Rule 609(b) of the Mainboard Rules

Pursuant to Rule 609(b) of the Mainboard Rules, the pro forma income statement or statement of comprehensive income is required to be presented for the latest three financial years and for the most recent interim period as if the restructured group had been in existence at the beginning of the period reported on.

The Company applied to the SGX-ST for a waiver from the requirement under Rule 609(b) of the Mainboard Rules for the proforma income statement or statement of comprehensive income for the latest three financial years and for the most recent interim period to be included in this Circular. Instead, the Company proposed to include the proforma income statements of comprehensive income for only the latest financial year (i.e. FY2022) and for the most recent interim period (i.e. 1H FY2023), with relevant adjustments to reflect the impact of the proposed Enlarged Group structure, as if the Proposed Business Combination had been completed as of the beginning of the earliest period presented (i.e. 1 January 2022), and to include the proforma statement of financial position as of the end of the latest financial year (i.e. FY2022) and the most recent interim period (i.e. 1H FY2023), with relevant adjustments to reflect the impact of the proposed Enlarged Group structure, as if the Proposed Business Combination had been completed as of the relevant balance sheet dates, in this Circular, for the reasons set out below:

The Company was incorporated on 21 July 2021, listed on the SGX-ST on 20 January 2022 and has a financial year end of 31 December. As a SPAC that was incorporated for the purpose of effecting an initial business combination, the Company does not currently have any revenue-generating business or operations prior to Completion. Given the Company's nature as a SPAC and its short period of existence, the Company is of the view that it would not be meaningful or helpful to investors for the proforma statement of comprehensive income for the latest three financial years (i.e. FY2020, FY2021 and FY2022) to be presented in the Circular. In particular, the Company would not have any financial statements for FY2020 as it was only incorporated in 2021, and the Company was primarily dormant for FY2021 given that the Company's initial public offering was only completed in January 2022.

Pursuant to a letter dated 8 November 2023 (the "**SGX Letter**"), the SGX-ST granted a waiver of Rule 609(b) of the Mainboard Rules, subject to adequate disclosures in the Circular of the following:

- (a) the audited financial statements of the Target Group for FY2020, FY2021, FY2022 and 1H FY2023;
- (b) the pro forma income statements of comprehensive income for FY2022 and 1H FY2023;

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- (c) the pro forma statement of financial position as of the end of the FY2022 and 1H FY2023;
- (d) the reason(s) for seeking the waiver of Rule 609(b) of the Mainboard Rules; and
- (e) a written confirmation from the Resulting Issuer that the waiver of Rule 609(b) of the Mainboard Rules does not contravene any laws and regulations governing the Resulting Issuer and its constituent documents.

Waiver from Compliance with Rule 210(11)(h)(iii) of the Mainboard Rules

Pursuant to Rule 210(11)(h)(iii) of the Mainboard Rules, following the Completion of the Proposed Business Combination, all equity securities of (a) the founding shareholders and the Management Team and their Associates; and (b) the Controlling Shareholders of the Resulting Issuer and their Associates, and executive directors of the Resulting Issuer with an interest in 5% or more of the issued share capital of the Resulting Issuer, will be subject to the moratorium requirements in Rules 227, 228, and 229 of the Mainboard Rules (in accordance with the Resulting Issuer's compliance with Rules 210(2)(a), (b) or (c) of the Mainboard Rules, or Rule 210(8) of the Mainboard Rules, or Rule 210(9) of the Mainboard Rules) from the Completion Date.

The Company applied to the SGX-ST for a waiver from the requirement under Rule 210(11)(h)(iii) of the Mainboard Rules in respect of Fullerton, Tembusu and Temasek for the following reasons:

- (a) in respect of Fullerton, the Company is of the view that a moratorium in respect of Fullerton's indirect shareholding in the Sponsor is not required as the Sponsor is an independently-managed Temasek portfolio company. Temasek is not involved in the business or operational decisions of the Sponsor, including its decisions in relation to the Target Group and the Company. Accordingly, given the definition of "associates" in respect of Temasek as set out in the section titled "*Definitions*" of this Circular, the Sponsor will not be deemed to be an "associate" of Temasek. Further, Fullerton will not have any direct interest in any Shares in the Resulting Issuer. Fullerton's interest in the Shares of the Resulting Issuer arises only indirectly through the Sponsor, which in turn wholly owns Vertex Master Fund I Pte. Ltd., which in turn wholly owns Vertex SPV. In addition, the Sponsor has agreed to provide a moratorium in respect of its effective interest in the Shares of the Resulting Issuer which Vertex SPV will hold following Completion, as well as a moratorium in respect of the Sponsor's interest in Vertex SPV. Accordingly, the Company is of the view that the moratoriums provided by the Sponsor and Vertex SPV are sufficient for the purpose of complying with Listing Rule 210(11)(h)(iii);
- (b) in respect of Tembusu, the Company is of the view that Tembusu should not be required to provide a moratorium in respect of Innoven's and FFMC's respective direct interests in the Resulting Issuer, as such interests are only held through its indirect shareholdings in Seviara Holdings Pte. Ltd. Each of Seviara Holdings Pte. Ltd., Innoven and FFMC is an independently managed Temasek portfolio company and Temasek is not involved in the business or operational decisions of these entities, including their decisions in relation to the Target Group and the Company. Given the definition of "associates" in respect of Temasek as set out in the section titled "*Definitions*", Seviara Holdings Pte. Ltd., and consequently, Innoven and FFMC, will not be deemed to be "associates" of Temasek. Accordingly, the Company is of the view

LETTER TO SHAREHOLDERS

that Tembusu should not be required to provide a moratorium in respect of its indirect interest in the Resulting Issuer, where such indirect interest arises from the aggregate of the direct interests of Innoven and FFMC in the Resulting Issuer.

- (c) in respect of Temasek, the Company is of the view that Temasek should not be required to provide a moratorium in respect of its effective interests in the Resulting Issuer. Temasek is a global investment company headquartered in Singapore. Temasek owns and manages a net portfolio value of S\$382 billion as at 31 March 2023. Companies in Temasek's portfolio are guided and managed by their respective boards and managements, including FFMC, Seviora, Vertex SPV, the Vertex Funds, the Sponsor, Innoven and Pavilion. Temasek is not involved in the business or operational decisions of these entities, including their decisions in relation to the Target Group and the Company. This is in line with Temasek's overall governance policy with respect to its portfolio companies to promote sound corporate governance by supporting high calibre, experienced and diverse boards to complement management leadership, and leveraging its wide network of contacts to suggest qualified individuals for consideration by the respective boards.

Pursuant to the SGX Letter, the SGX-ST granted a waiver of Rule 210(11)(h)(iii) of the Mainboard Rules in respect of:

- (a) Fullerton in relation to its effective shareholding interests in the Resulting Issuer held through the Sponsor, subject to adequate disclosures in the Circular of the reason(s) for seeking the waiver and a written confirmation from the Resulting Issuer that the waiver does not contravene any laws and regulations governing the Resulting Issuer and its constituent documents;
- (b) Tembusu in relation to its effective shareholding interests in the Resulting Issuer held through Innoven and FFMC, subject to adequate disclosures in the Circular of:
- (i) the reason(s) for seeking the waiver;
 - (ii) the reason(s) why FFMC and Innoven would not be considered to be "associates" of Temasek;
 - (iii) a written confirmation from the Resulting Issuer that the waiver of Rule 210(11)(h)(iii) of the Mainboard Rules in respect of Tembusu's effective interests in the Resulting Issuer held through Innoven and FFMC does not contravene any laws and regulations governing the Resulting Issuer and its constituent documents; and
- (c) Temasek in relation to its effective shareholding interests in the Resulting Issuer, subject to adequate disclosures in the Circular on the reason(s) for seeking the waiver and a written confirmation from the Resulting Issuer that the waiver does not contravene any laws and regulations governing the Resulting Issuer and its constituent documents.

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3. SUMMARY OF THE PROPOSED TRANSACTIONS

3.1 Proposed Business Combination

(a) The Proposed Business Combination

Pursuant to the SPA, the Company will acquire the entire issued and paid-up share capital of the Target Company of up to S\$922.9 million (equivalent to approximately US\$680.6 million), to be satisfied by:

- (i) the allotment and issuance of the Consideration Shares at the Issue Price to the Vendor (or if the Vendor so nominates, to the Vendor Shareholders) on Completion, amounting to S\$800.8 million (equivalent to approximately US\$590.6 million); and
- (ii) subject to the satisfaction of the Financial Targets for Earnout, the allotment and issuance of the Earnout Shares at the Issue Price to the Earnout Shareholders on the Earnout Vesting Date, amounting to S\$122.0 million (equivalent to approximately US\$90.0 million).

Please refer to Section 5 titled “*Proposed Business Combination*” of this Circular for further details.

Accordingly, a change of control will arise immediately upon Completion. Please refer to Section 23.5 titled “*Enlarged Group Corporate and Shareholding Structure – Changes in Shareholding Structure*” of this Circular for further details.

(b) Relative Figures under Rule 1006 of the Mainboard Rules

Pursuant to Rule 1015 of the Mainboard Rules, Shareholders’ approval, amongst others, must be obtained for a “very substantial acquisition” or “reverse takeover” as defined in Chapter 10 of the Mainboard Rules. Rule 1006 of the Mainboard Rules sets out the computations for relative figures, and where any of the relative figures is 100% or more, or if the transaction is one which will result in the change in control of a listed company, such a transaction is a “very substantial acquisition” or “reverse takeover”.

The relative figures for the Proposed Business Combination using the bases of comparison set out in Rule 1006 of the Mainboard Rules are as follows:

Rules	Bases	Relative Figures
Rule 1006(a)	Net asset value of the assets to be disposed of, compared with the Company’s net asset value	Not applicable ⁽¹⁾
Rule 1006(b)	Net profits attributable to the Target Company, compared with the Company’s net profits	(3,976%) ⁽²⁾

LETTER TO SHAREHOLDERS

Rules	Bases	Relative Figures
Rule 1006(c)	Aggregate value of the Purchase Consideration given for the Proposed Business Combination, compared with the Company's market capitalisation based on the total number of issued shares excluding Treasury Shares	467% ⁽³⁾
Rule 1006(d)	Number of equity securities issued by the Company as Purchase Consideration for the Proposed Business Combination, compared with the number of equity securities of the Company in issue	444% ⁽⁴⁾
Rule 1006(e)	Aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Company's proved and probable reserves	Not applicable ⁽⁵⁾

Notes:

- (1) Rule 1006(a) of the Mainboard Rules is not applicable to an acquisition of assets.
- (2) Computed based on the Target Company's net loss before tax for 1H FY2023 of approximately US\$115.3 million and the Company's unaudited net profit before tax for 1H FY2023 of approximately S\$4.0 million (equivalent to approximately US\$2.9 million).
- (3) Computed based on (i) the Purchase Consideration of approximately S\$922.9 million (equivalent to approximately US\$680.6 million), and (ii) the Company's market capitalisation of approximately S\$197.7 million (computed based on the Company's issued ordinary share capital of 41,606,000 Shares and the volume weighted average price of the Shares of S\$4.7517 on 29 September 2023, being the last full market day on which the Company's Shares were traded prior to the date of the SPA). The Company does not have any Treasury Shares. For the avoidance of doubt, the Company's issued ordinary share capital of 41,606,000 Shares does not include the Promote Shares to be allotted and issued to Vertex SPV as such Promote Shares will only be allotted and issued to Vertex SPV after Completion in accordance with the vesting schedule set out in Section 29.2 titled "*Material Contracts – The Company – Promote Shares Deed of Undertaking*" of this Circular.
- (4) Based on 160,162,651 Consideration Shares and up to 24,408,000 Earnout Shares and the Company's issued ordinary share capital of 41,606,000 Shares. For the avoidance of doubt, the Company's issued ordinary share capital of 41,606,000 Shares does not include the Promote Shares to be allotted and issued to Vertex SPV as such Promote Shares will only be allotted and issued to Vertex SPV after Completion in accordance with the vesting schedule set out in Section 29.2 titled "*Material Contracts – The Company – Promote Shares Deed of Undertaking*" of this Circular.
- (5) Rule 1006(e) of the Mainboard Rules is not applicable as the Company is not a mineral, oil and gas company.

Notwithstanding the negative relative figure computed under Rule 1006(b) of the Mainboard Rules, the relative figures computed under Rules 1006(c) and 1006(d) of the Mainboard Rules exceed 100%. Accordingly, the Proposed Business Combination constitutes a "very substantial acquisition" or "reverse takeover" pursuant to Chapter 10 of the Mainboard Rules. In addition, as the Vendor and/or the Vendor Shareholders (if so nominated by the Vendor) will hold approximately 77.2% of the Enlarged Share Capital of the Company upon Completion (assuming that there is No Redemption and that the total proceeds raised from the PIPE Financing is S\$10.0 million) and approximately 91.5% of the Enlarged Share Capital of the Company upon Completion (assuming that there is Maximum Redemption and that the total proceeds raised from the PIPE Financing is S\$10.0 million), a change in control of the Company

LETTER TO SHAREHOLDERS

will arise immediately upon Completion. Accordingly, the Proposed Business Combination is subject to, *inter alia*, the approval of the Shareholders at the EGM and the approval of the SGX-ST pursuant to Rule 1015 of the Mainboard Rules.

3.2 Proposed Allotment and Issuance of the Consideration Shares

In partial satisfaction of the Purchase Consideration for the Proposed Business Combination, and pursuant to the SPA, the Company shall allot and issue 160,162,651 Consideration Shares at the Issue Price to the Vendor (or if the Vendor so nominates, to the Vendor Shareholders) on Completion.

Assuming that there is No Redemption and that the total proceeds raised from the PIPE Financing is S\$10.0 million, on Completion, the Vendor and/or the Vendor Shareholders shall collectively hold 160,162,651 Shares, representing approximately 77.2% of the Enlarged Share Capital.

Assuming that there is Maximum Redemption and that the total proceeds raised from the PIPE Financing is S\$10.0 million, on Completion, the Vendor and/or the Vendor Shareholders shall collectively hold 160,162,651 Shares, representing approximately 91.5% of the Enlarged Share Capital.

Please refer to Section 5.1 titled “*Proposed Business Combination – Purchase Consideration*” and Section 6 titled “*Proposed Allotment and Issuance of the Consideration Shares*” of this Circular for further details.

3.3 Proposed Allotment and Issuance of the Earnout Shares

In partial satisfaction of the Purchase Consideration for the Proposed Business Combination, and pursuant to the SPA, the Company shall allot and issue up to 24,408,000 Earnout Shares at the Issue Price to the Earnout Shareholders in two tranches on the Earnout Vesting Dates (starting in 30 April 2024), subject to the Financial Targets for Earnout achieved by the Target Group.

Assuming that there is No Redemption and that the total proceeds raised from the PIPE Financing is S\$10.0 million, on the last Earnout Vesting Date, the Earnout Shareholders shall collectively hold up to 184,570,651 Shares, representing approximately 72.7% of the Fully Enlarged Share Capital.

Assuming that there is Maximum Redemption and that the total proceeds raised from the PIPE Financing is S\$10.0 million, on the last Earnout Vesting Date, the Earnout Shareholders shall collectively hold up to 184,570,651 Shares, representing approximately 83.1% of the Fully Enlarged Share Capital.

Please refer to Section 5.1 titled “*Proposed Business Combination – Purchase Consideration*” and Section 5.2 titled “*Proposed Business Combination – The Earnout Framework*” of this Circular for further details.

3.4 Proposed Allotment and Issuance of the Base PIPE Shares

In connection with the Proposed Business Combination, the Company shall allot and issue up to 2,000,000 Base PIPE Shares at the Issue Price to the PIPE Investors on Completion

LETTER TO SHAREHOLDERS

by way of a private placement in accordance with Section 272B, Section 274 and Section 275 of the SFA pursuant to the terms of the PIPE Subscription Agreements.

Assuming that there is No Redemption and that the total proceeds raised from the PIPE Financing is S\$10.0 million, on Completion, the PIPE Investors shall collectively hold up to 2,200,000 Shares (comprising the Base PIPE Shares and the Special Bonus PIPE Shares), representing approximately 1.1% of the Enlarged Share Capital.

Assuming that there is Maximum Redemption and that the total proceeds raised from the PIPE Financing is S\$10.0 million, on Completion, the PIPE Investors shall collectively hold up to 2,200,000 Shares (comprising the Base PIPE Shares and the Special Bonus PIPE Shares), representing approximately 1.3% of the Enlarged Share Capital.

Please refer to Section 5.4 titled “*Proposed Business Combination – PIPE Financing*” of this Circular for further details.

3.5 Proposed Allotment and Issuance of the Special Bonus Shares

Assuming that there is No Redemption and that the total proceeds raised from the PIPE Financing is S\$10.0 million, in connection with the Proposed Business Combination, the Company shall allot and issue up to 3,760,600 Special Bonus Shares at the Issue Price on Completion, comprising (a) up to 3,560,600 Special Bonus Shares to be allotted and issued to the Non-Redeeming Shareholders, and (b) up to 200,000 Special Bonus PIPE Shares to be allotted and issued to the PIPE Investors. On Completion, the Non-Redeeming Shareholders as well as Vertex SPV (being a Shareholder who is not entitled to exercise the Redemption Right) shall collectively hold up to 45,166,600 Shares, representing approximately 21.8% of the Enlarged Share Capital, and the PIPE Investors shall collectively hold up to 2,200,000 Shares, representing approximately 1.1% of the Enlarged Share Capital.

Assuming that there is Maximum Redemption, and that the total proceeds raised from the PIPE Financing is S\$10.0 million, in connection with the Proposed Business Combination, the Company shall allot and issue up to 800,000 Special Bonus Shares at the Issue Price on Completion, comprising (a) up to 600,000 Special Bonus Shares to be allotted and issued to Venezia (being a Shareholder who is not entitled to exercise the Redemption Right), and (b) up to 200,000 Special Bonus PIPE Shares to be allotted and issued to the PIPE Investors. On Completion, Vertex SPV and Venezia (being Shareholders who are not entitled to exercise the Redemption Right) shall collectively hold up to 12,600,000 Shares, representing approximately 7.2% of the Enlarged Share Capital, and the PIPE Investors shall collectively hold up to 2,200,000 Shares, representing approximately 1.3% of the Enlarged Share Capital.

Please refer to Section 5.3 titled “*Proposed Business Combination – Special Bonus Scheme*” of this Circular for further details.

3.6 Proposed Adoption of the Executive Incentive Scheme

The Company proposes to seek Shareholders’ approval to adopt the EIS in connection with the Proposed Business Combination, pursuant to which 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 subject to and based on the Financial Targets for EIS achieved.

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Please refer to Section 10 titled “*Proposed Adoption of the Executive Incentive Scheme*” and Section 11 titled “*Proposed Allotment and Issuance of the EIS Shares*” of this Circular for further details.

3.7 Proposed Allotment and Issuance of the EIS Shares

In connection with the Proposed 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.

Assuming that there is No Redemption and that the total proceeds raised from the PIPE Financing is S\$10.0 million, on the last EIS Vesting Date, the Key Executives shall collectively hold up to 2,550,000 Shares, representing approximately 1.0% of the Fully Enlarged Share Capital.

Assuming that there is Maximum Redemption and that the total proceeds raised from the PIPE Financing is S\$10.0 million, on the last EIS Vesting Date, the Key Executives shall collectively hold up to 2,550,000 Shares, representing approximately 1.1% of the Fully Enlarged Share Capital.

Please refer to Section 10 titled “*Proposed Adoption of the Executive Incentive Scheme*” of this Circular for further details.

3.8 Proposed Adoption of the Company Employee Share Option Plan

The Company proposes to seek Shareholders’ approval to adopt the Company ESOP in connection with the Proposed Business Combination, pursuant to which the Company shall allot and issue the ESOP Shares.

Please refer to Section 12 titled “*Proposed Adoption of the Company Employee Share Option Plan*” and Section 13 titled “*Proposed Allotment and Issuance of the ESOP Shares*” of this Circular for further details.

3.9 Proposed Allotment and Issuance of the ESOP Shares

In connection with the Proposed Business Combination, the Company shall allot and issue up to 2,114,891 ESOP Shares in accordance with the Company ESOP.

Please refer to Section 12 titled “*Proposed Adoption of the Company Employee Share Option Plan*” of this Circular for further details.

3.10 Proposed Change of the Company’s Name

Pursuant to the SPA and subject to the passing of the special resolution at the EGM, the Company’s name shall, conditional upon and concurrent with Completion, be changed from “Vertex Technology Acquisition Corporation Ltd” to “17LIVE Group Limited”. The proposed name change is to reflect the change of the business activities of the Enlarged Group to that of the Target Company’s Business following Completion.

Please refer to Section 32 titled “*Proposed Change of the Company’s Name*” of this Circular for further details.

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3.11 Proposed Adoption of the New Memorandum and Articles of Association

Subject to the passing of the special resolution at the EGM, the Company proposes to adopt the New Memorandum and Articles of Association with effect from Completion for consistency with the prevailing provisions of the Mainboard Rules and to remove obsolete SPAC provisions that would no longer apply following Completion.

Please refer to Section 33 titled “*Proposed Adoption of the New Memorandum and Articles of Association*” of this Circular for further details.

3.12 Proposed Appointment of the Proposed Directors

Upon Completion, the Company proposes to appoint the Proposed Directors who are as follows:

- (a) Mr. Phua Jiexian Joseph (*Non-Executive Director and Chairman*);
- (b) Mr. Lien Chien-Lin (*Executive Director and CEO*);
- (c) Mr. Akio Tanaka (*Non-Executive Director*);
- (d) Mr. Hideto Mizuno (*Independent Non-Executive Director*); and
- (e) Ms. Chen Xiuling (*Independent Non-Executive Director*)

Please refer to Section 24 titled “*Proposed Directors and Executive Officers of the Enlarged Group*” of this Circular for details on the working experience and qualifications of the Proposed Directors.

3.13 Inter-conditionality of Resolutions

Shareholders should note that:

- (a) **Ordinary Resolutions 1 to 9 as well as Special Resolutions 1 and 2 (“Key Resolutions”)** are inter-conditional. This means that if any of the Key Resolutions is not passed, the other Key Resolutions would not be passed; and
- (b) **Ordinary Resolutions 10, 11, 12, 13, 14 and 15 are conditional upon the passing of the Key Resolutions (“Conditional Resolutions”).**

In particular, Shareholders should note that:

- (a) The following resolutions (collectively, the “**Key Resolutions**”) are inter-conditional as the subject matter of the Key Resolutions will facilitate the conduct of business of the Enlarged Group upon Completion:
 - Ordinary Resolution 1: Proposed Business Combination between the Company and 17LIVE Inc. by way of an acquisition by the Company of the entire issued and paid-up share capital of 17LIVE Inc. from the Vendor for the Purchase Consideration;

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- Ordinary Resolution 2: Proposed allotment and issuance of 160,162,651 Consideration Shares at the Issue Price of S\$5.00 in partial satisfaction of the Purchase Consideration for the Proposed Business Combination;
- Ordinary Resolution 3: Proposed allotment and issuance of up to 24,408,000 Earnout Shares at the Issue Price of S\$5.00 to the Earnout Shareholders in partial satisfaction of the Purchase Consideration for the Proposed Business Combination, subject to the satisfaction of the Financial Targets for Earnout;
- Ordinary Resolution 4: Proposed allotment and issuance of up to 2,000,000 Base PIPE Shares at the Issue Price of S\$5.00 to the PIPE Investors;
- Ordinary Resolution 5: Proposed allotment and issuance of up to 3,760,600 Special Bonus Shares at the Issue Price of S\$5.00 to the Non-Redeeming Shareholders and the PIPE Investors;
- Ordinary Resolution 6: Proposed adoption of the Executive Incentive Scheme;
- Ordinary Resolution 7: Proposed allotment and issuance of up to 2,550,000 EIS Shares at the Issue Price of S\$5.00 to the Key Executives, subject to the satisfaction of the Financial Targets for EIS;
- Ordinary Resolution 8: Proposed adoption of the Company Employee Share Option Plan;
- Ordinary Resolution 9: Proposed allotment and issuance of up to 2,114,891 ESOP Shares pursuant to the Company Employee Share Option Plan;
- Special Resolution 1: Proposed Change of the Company's Name to "17LIVE Group Limited"; and
- Special Resolution 2: Proposed Adoption of the New Memorandum and Articles of Association.

This means that if any one of these Key Resolutions is not passed, the other Key Resolutions would not be passed.

(b) Each of the remaining resolutions is conditional upon the passing of the Key Resolutions ("**Conditional Resolutions**"):

- Ordinary Resolution 10: Proposed Change of the Company's Independent Auditor
- Ordinary Resolution 11: Proposed appointment of Mr. Phua Jiexian Joseph as a new Director upon Completion;
- Ordinary Resolution 12: Proposed appointment of Mr. Lien Chien-Lin as a new Director upon Completion;
- Ordinary Resolution 13: Proposed appointment of Mr. Akio Tanaka as a new Director upon Completion;

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- Ordinary Resolution 14: Proposed appointment of Mr. Hideto Mizuno as a new Director upon Completion; and
- Ordinary Resolution 15: Proposed appointment of Ms. Chen Xiuling as a new Director upon Completion.

This means that if any of the Key Resolutions is not passed, the Conditional Resolutions would not be passed. If any of the Key Resolutions is not passed, the Proposed Business Combination will not complete and KPMG LLP will continue to be the Independent Auditor of the Company.

4. RATIONALE FOR THE PROPOSED BUSINESS COMBINATION

4.1 Requirement for the Completion of an Initial Business Combination

The Company is a special purpose acquisition company incorporated for the purpose of effecting an initial business combination. Pursuant to Rule 210(11)(m)(i) of the Mainboard Rules, the Company is required to complete an initial business combination within 24 months from the Listing Date (the “**BC Deadline**”). Where the Company has entered into a legally binding agreement for an initial business combination before the end of the 24-months period, the Company will have up to not more than 12 months from the BC Deadline to complete the initial business combination, subject to an overall maximum timeframe of 36 months from the date of the Listing, provided that: (a) such an extension is permitted by and in accordance with the Company’s Memorandum and Articles of Association and all laws and regulations in respect of the Cayman Islands applicable to the Company; (b) SGX-ST is notified of such an extension in a timely manner; (c) the extension is announced via SGXNET by the Company in a timely manner; and (d) in the announcement referred to in (c), the Company confirms that: (i) there is no material adverse change to the Company’s financial position since the date of the Prospectus; (ii) the extension is permitted by and in accordance with all laws and regulations in respect of the Cayman Islands applicable to the Company; and (iii) the Company will provide quarterly updates to investors on the Company’s progress in meeting the key milestones in completing the initial business combination via SGXNET.

The initial business or asset acquired pursuant to the initial business combination must have a fair market value of at least 80.0% of the amount in the Escrow Account at the time of entry into the binding agreement for the initial business combination transaction, excluding any amount held in the Escrow Account representing deferred underwriting commissions and any taxes payable on the income earned on the escrowed funds. Where the Company intends to consummate multiple concurrent acquisitions or mergers as part of the initial business combination, there must be at least one initial acquisition which satisfies the requirement of having a fair market value constituting at least 80.0% of the amount held in the Escrow Account at the time of entry into the binding agreements for the initial business combination transactions, and such concurrent transactions must be in separate resolutions and conditional upon the initial acquisition and completed simultaneously on or around the same day within the permitted time frame.

4.2 The Company’s Acquisition Mandate

The Company had stated in the Prospectus that its goal is to identify and collaborate with a technology company that has the potential to improve people’s lives by transforming businesses, markets and economies. The Company seeks to work with its target company

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to expand into new markets, recruit top-tier management talent, access global capital markets, and execute a business plan to help the Company grow by targeting best-in-class disruptive and transformational technologies, focusing the Company's search on high-growth targets having a proven business model that can be scaled regionally and globally, and generating value beyond capital by acquiring a target company that is well-placed to benefit from having access to the Sponsor's global network of industry-leading companies and investor ecosystem.

Consistent with the Company's business strategy, the Company had stated in the Prospectus that it intends to acquire one or more businesses that may, among others, display the following characteristics:

- (a) **Technology-driven Businesses.** The Company will seek businesses with next-generation disruptive technologies, in particular, companies with a core technological focus with highly-differentiated products in its market and is ready to take its business to the next stage of its life cycle. In identifying potential business combination targets, the Company intends to focus on six investment themes that will be at the forefront of technology transformation, and in which the Sponsor's ecosystem has deep domain expertise: (i) cyber security and enterprise solutions; (ii) artificial intelligence; (iii) consumer internet and technologies; (iv) financial technologies; (v) autonomous driving and new-energy vehicles; and (vi) biomedical technologies and digital healthcare. The Company believes that the Company has the advantage of the Sponsor's and the Management Team's understanding of the technology market and proven investment track record in technology-driven businesses. The Company also believes that these types of businesses present stronger growth trajectories than traditional businesses. As such, the Company intends to focus on businesses with a core technological focus that is disruptive and transformational.
- (b) **Fast-growing Scalable Businesses.** The Company will look for scalable acquisition targets that have strong growth potential underpinned by multiple growth drivers and steady revenue streams. As the Sponsor is an experienced venture capital investor, the Company believes such businesses will synergise well with the Management Team's expertise, and will provide the Company with avenues to add value to such businesses success by tapping on the Company's proprietary Vertex ecosystem. The Company also intends to leverage on the Sponsor's expertise and specialisation in scaling businesses in order to help propel them into their next stage of growth. In addition, the Vertex ecosystem includes the Vertex Network Funds, the Vertex Captive Funds, and the network of industry partners established by the Sponsor in Asia as well as in other parts of the world. The Sponsor intends to continue to support the target company by tapping into this ecosystem, for new business development opportunities, greater talent sourcing network and global investor network expansion.
- (c) **Businesses at an Inflection Point.** The Company intends to identify potential targets that are at an inflection point of their growth journey. These could be businesses that are revenue generating with a proven product, service or business model, but possibly in need of additional growth capital, management experience or global partnerships for further growth. The Company intends to leverage on the global capabilities of Vertex ecosystem to help the target company realise its growth potential.

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- (d) **Strong Management Teams.** The Company seeks companies with established, innovative and tenacious management teams with intentions to drive growth while building a sustainable and resilient business. The Company intends to support the management teams to execute their vision, leveraging on the Company's experience of nurturing investee companies.
- (e) **Cross-border Potential with Market Leadership.** The Company intends to leverage on the Sponsor's global network and deep local knowledge to scale the target company's operations across borders and develop anchor customers in new regions and expand its portfolio rapidly in order to maintain or achieve market leadership.
- (f) **Appropriate Valuation.** The Company intends to leverage on the Sponsor's strong experience in venture capital investing to adopt a disciplined and valuation-centric approach to selecting an acquisition target. The Company will only invest in targets that it believes are attractively priced relative to its peers which would provide upside potential and benefit from public market access. In assessing the valuation of a prospective target in determining their suitability for the Company's initial business combination, the Management Team, with the support of the Sponsor, will access Vertex's global pool of portfolio companies and their market intelligence to have better assessment of the valuation metrics and trends in different industries and geographies to allow the Company to benchmark a prospective target's valuation against similar players globally.

The criteria set forth are not intended to be exhaustive. Any evaluation relating to the merits of a particular initial business combination may be based, to the extent relevant, on these general guidelines as well as on other considerations, factors and criteria that the Management Team may deem relevant.

For as long as the Company remains on the Official List of the SGX-ST Mainboard, any proposed change of acquisition mandate for the initial business combination must be approved by special resolution by a majority of at least 75.0% of the votes cast by Shareholders at a general meeting to be convened.

4.3 The Company's Assessment of the Target Group

In sourcing for potential business combination targets, the Company has the advantage of being able to closely track the progress of investee companies within the Vertex Network Funds which are potential business combination targets. As a limited partner, Vertex has the benefit of receiving proprietary insights on a regular basis on the performance, growth and market outlook of the investee companies within the Vertex Network Funds, with direct access to the management teams of these companies. In identifying and evaluating the Target Company as an acquisition target for the initial business combination, the Management Team, with the support of the Sponsor, leveraged their access to Vertex's global pool of portfolio companies (in particular, in countries where companies of a similar nature to the Target Company operate, such as companies that the Vertex Funds had invested in) and their market intelligence to gain better assessment of the valuation metrics and trends in different industries and geographies, which allowed the Company to benchmark the Target Company's valuation against similar players globally.

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The Company had assessed the suitability of the Target Group against the criteria set out in the Prospectus and had ultimately selected the Target Company as an acquisition target for the initial business combination in accordance with the Company's acquisition mandate. In particular, the Company had considered the following:

- (a) the Target Group operates a technology-driven business in the consumer internet and technologies industry, which is one of the industries in which the Sponsor and the Management Team has deep expertise and a proven track record. The Sponsor and the Management Team's expertise and track record are attributable to the Sponsor's previous investment (through the Vertex Network Funds) in consumer technology companies which in turn provided the Management Team with opportunities to acquire operational experience in managing consumer technology companies;
- (b) the Target Group operates a scalable business (i.e. the Liver live streaming business) with strong growth potential as evidenced by its multiple growth drivers (namely, V-Liver live streaming, live commerce and in-app games, in addition to the core Liver live streaming business);
- (c) the Target Group operates businesses at an inflection point, such as the V-Liver live streaming business. Please refer to Section 14.3 titled "*Information on the Target Company – Business Overview – The Target Group's Business Lines – V-Liver*" of this Circular for further details;
- (d) the Target Company is led by a strong management team with professional expertise in various areas such as consumer technology and product development, cross-border business operations, finance and corporate management. Please refer to Section 24.2 titled "*Proposed Directors and Executive Officers – Experience of the Proposed Directors*" and Section 24.5 titled "*Proposed Directors and Executive Officers – Experience of the Proposed Executive Officers*" of this Circular for further details; and
- (e) the Target Group presents cross-border potential with market leadership. While the Target Group currently operates mainly in Japan and Taiwan, its platforms are available to live streamers and users from the U.S., Hong Kong, Singapore and other Southeast Asian countries. Although the Target Group's operating revenues from these markets are currently not significant, the Target Group expects them to become future growth drivers, and there is potential for the Target Group's operations to be scaled up and expanded across these regions, given that the Target Group's core expertise and knowledge can be readily exported into countries where similar content and services (for example, V-Liver content) are already being consumed.

Please refer to Section 14.16 titled "*Information on the Target Company – Competitive Strengths*" of this Circular as well as the section titled "*Proposed Business – Business Strategies and Future Plans – Sourcing of Potential Business Combination Targets*" of the Prospectus for further details.

Accordingly, subject to Shareholders' approval, the Company intends to complete the Proposed Business Combination with the Target Company before the BC Deadline, i.e. 20 January 2024.

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5. PROPOSED BUSINESS COMBINATION

5.1 Purchase Consideration

The Purchase Consideration for the Proposed Business Combination shall be satisfied by a combination of the following:

- (a) the allotment and issuance of 160,162,651 Consideration Shares in the aggregate at the Issue Price, comprising:
 - (i) in respect of the Basic Sale Shares, 148,918,937 Consideration Shares to be allotted and issued to the Vendor (or if the Vendor so nominates, to the Vendor Shareholders) on the Completion Date;
 - (ii) in respect of the 17LIVE Vested RSUs, 10,909,111 Consideration Shares to be allotted and issued to the 17LIVE Vested RSU Holders on the Completion Date; and
 - (iii) in respect of the 17LIVE Warrants, 334,603 Consideration Shares to be allotted and issued to the 17LIVE Warrant Holders on the Completion Date; and
- (b) subject to the satisfaction of the Financial Targets for Earnout by the Target Group, the allotment and issuance of the Earnout Shares at the Issue Price by the Company to the Vendor (or, if the Vendor so nominates, to the relevant Vendor Shareholder) on each applicable Earnout Vesting Date.

For the avoidance of doubt, the Company will not receive any proceeds from the allotment and issuance of the Consideration Shares and the Earnout Shares.

The Purchase Consideration was arrived at after arms' length negotiations between the Company and the Vendor, and on a willing-buyer and willing-seller basis, taking into consideration, the earnings and business prospects of the Target Company. Please refer to Section 5.8 titled "*Proposed Business Combination – Valuation of the Target Company*" of this Circular for further details.

The Issue Price for each Consideration Share and Earnout Share represents a premium of 5.3% to the volume-weighted average price of S\$4.75 per Share, based on trades done on the Shares on the Mainboard on the full market day preceding the date of the SPA, being 29 September 2023.

5.2 Earnout Framework

In partial satisfaction of the Purchase Consideration for the Proposed Business Combination, and pursuant to the SPA, the Company shall allot and issue the Earnout Shares at the Issue Price to the Earnout Shareholders, in two tranches on the Earnout Vesting Dates (i.e. 30 April 2024 and 30 August 2024), subject to the Financial Targets for Earnout for the relevant Earnout Vesting Date achieved by the Target Group. The Financial Targets for Earnout for each Earnout Vesting Date are set out in Appendix J to this Circular.

The Earnout Shares shall be allotted and issued to each Earnout Shareholder on a *pro rata* basis by reference to the formula set out in Appendix J to this Circular. The Earnout Shareholders are Vendor Shareholders who have been nominated by and at the discretion

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of the Vendor to receive the Earnout Shares and who remain as record holders of the Consideration Shares as at the applicable Earnout Record Date. If the Vendor nominates all the Vendor Shareholders to receive the Earnout Shares, and all such Vendor Shareholders remain as record holders of the Consideration Shares as at the applicable Earnout Record Date, then the Earnout Shareholders will comprise all the Vendor Shareholders.

Assuming that there is No Redemption and that the total proceeds raised from the PIPE Financing is S\$10.0 million, on the last Earnout Vesting Date, the Earnout Shareholders shall collectively hold up to 184,570,651 Shares, representing approximately 72.7% of the Fully Enlarged Share Capital.

Assuming that there is Maximum Redemption and that the total proceeds raised from the PIPE Financing is S\$10.0 million, on the last Earnout Vesting Date, the Earnout Shareholders shall collectively hold up to 184,570,651 Shares, representing approximately 83.1% of the Fully Enlarged Share Capital.

Rationale for the Earnout Framework

The main objective of the Earnout Framework is to incentivise the Earnout Shareholders, being a group of Shareholders with a relatively substantial shareholding in the Enlarged Group, to hold on to the Consideration Shares they received at Completion and not dispose of the same up to at least the Earnout Record Dates.

In addition, the Earnout Framework serves to achieve the following objectives:

First, the Earnout Framework serves to incentivise the Enlarged Group to work towards achieving higher revenue targets in the near future and in particular reflects the importance of the Target Group's V-Liver business as the core driver of the Enlarged Group's business, thereby driving business growth and enhancing shareholder value. Please refer to Section 14.3 titled "*Information on the Target Company – Business Overview – V-Liver*" of this Circular for further details. To this end, the Company has prescribed certain targets for the total V-Liver Operating Revenue that the Enlarged Group is required to achieve by the respective Earnout Vesting Dates in order for the Earnout Shares to vest (subject to the Enlarged Group achieving the pre-determined "Group Operating Revenue" figure for the relevant period as a pre-condition).

Second, the adoption of the Earnout Framework serves to incentivise the Enlarged Group to work towards sustainable profitability. By tying the allotment and issuance of the Earnout Shares to the Group EBITDA achieved, the Company seeks to ensure that while the Enlarged Group pursues revenue growth through the various initiatives including the V-Liver business, it also maintains a strong focus on the bottom line, thereby balancing both growth and profitability. Please refer to Section 18 titled "*Management's Discussion and Analysis of Financial Position and Results of Operations of the Target Group*" of this Circular for further details.

Third, the Earnout Framework which provides for a portion of Earnout Shares to vest based on the financial results of the Enlarged Group up to the six months ending 30 June 2024, serves to align the long-term behaviour of the Proposed Management Team with the interests of the Shareholders by deterring the use of short-term strategies that may temporarily boost the Company's performance at the expense of the Company's long-term growth and profitability.

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5.3 Special Bonus Scheme

In connection with the Proposed Business Combination, the Company will allot and issue (a) 0.1 new Shares (the “**Special Bonus NRS Shares**”) at the Issue Price, allotted as fully paid up, to the Non-Redeeming Shareholders for every existing Share held by the Non-Redeeming Shareholders as at the Redemption Record Date (rounded downwards to the nearest integer), and (b) 0.1 new Shares (the “**Special Bonus PIPE Shares**”) at the Issue Price, allotted as fully paid up, to the PIPE Investors for every Base PIPE Share subscribed for by the PIPE Investors in connection with the Proposed Business Combination pursuant to the terms and conditions of the PIPE Subscription Agreements (rounded downwards to the nearest integer) (the “**Special Bonus Scheme**”) (the Special Bonus NRS Shares and the Special Bonus PIPE Shares collectively referred to as the “**Special Bonus Shares**”). The Special Bonus Shares will be allotted and issued at Completion.

Assuming that there is No Redemption and that the total proceeds raised from the PIPE Financing is S\$10.0 million, in connection with the Proposed Business Combination, the Company shall allot and issue up to 3,760,600 Special Bonus Shares at the Issue Price on Completion, comprising (a) up to 3,560,600 Special Bonus Shares to be allotted and issued to the Non-Redeeming Shareholders, and (b) up to 200,000 Special Bonus PIPE Shares to be allotted and issued to the PIPE Investors. On Completion, the Non-Redeeming Shareholders as well as Vertex SPV (being a Shareholder who is not entitled to exercise the Redemption Right) shall collectively hold up to 45,166,600 Shares, representing approximately 21.8% of the Enlarged Share Capital, and the PIPE Investors shall collectively hold up to 2,200,000 Shares, representing approximately 1.1% of the Enlarged Share Capital.

Assuming that there is Maximum Redemption, and that the total proceeds raised from the PIPE Financing is S\$10.0 million, in connection with the Proposed Business Combination, the Company shall allot and issue up to 800,000 Special Bonus Shares at the Issue Price on Completion, comprising (a) up to 600,000 Special Bonus Shares to be allotted and issued to Venezia (being a Shareholder who is not entitled to exercise the Redemption Right), and (b) up to 200,000 Special Bonus PIPE Shares to be allotted and issued to the PIPE Investors. On Completion, Vertex SPV and Venezia (being Shareholders who are not entitled to exercise the Redemption Right) shall collectively hold up to 12,600,000 Shares, representing approximately 7.2% of the Enlarged Share Capital, and the PIPE Investors shall collectively hold up to 2,200,000 Shares, representing approximately 1.3% of the Enlarged Share Capital.

All Non-Redeeming Shareholders (including Venezia) who are not Non-Qualifying Shareholders as at the Redemption Record Date will be eligible for Special Bonus NRS Shares based on the Shares they hold at the Redemption Record Date.

Please refer to Section 42.2 titled “*Important Notice to Shareholders and Actions to be Taken – Redemption – Procedures for Non-Redeeming Shareholders*” of this Circular for further information on the procedures in respect of the entitlements of the Non-Redeeming Shareholders.

Rationale for the Special Bonus Scheme

There are two objectives of the Special Bonus Scheme. First, it provides an incentive for the existing Shareholders to remain as Shareholders and not opt to redeem their Shares at or

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prior to the Redemption Record Date. Second, the Special Bonus Scheme also provides an incentive for private investors to participate in the PIPE Financing.

5.4 PIPE Financing

The Company intends to carry out a placement exercise for the allotment and issuance of up to 2,000,000 Base PIPE Shares at the Issue Price to the PIPE Investors on Completion by way of a private placement in accordance with Section 272B, Section 274 and Section 275 of the SFA pursuant to the terms of the PIPE Subscription Agreements. The Company intends to raise up to approximately S\$10.0 million from the PIPE Financing.

Assuming that there is No Redemption and that the total proceeds raised from the PIPE Financing is S\$10.0 million, on Completion, the PIPE Investors shall collectively hold up to 2,200,000 Shares (comprising the Base PIPE Shares and the Special Bonus PIPE Shares), representing approximately 1.1% of the Enlarged Share Capital.

Assuming that there is Maximum Redemption and that the total proceeds raised from the PIPE Financing is S\$10.0 million, on Completion, the PIPE Investors shall collectively hold up to 2,200,000 Shares (comprising the Base PIPE Shares and the Special Bonus PIPE Shares), representing approximately 1.3% of the Enlarged Share Capital.

Based on the PIPE Subscription Agreements, the Base PIPE Shares will not be placed to any person who is a Director, a Proposed Director or a Substantial Shareholder of the Target Company or the Enlarged Group (as the case may be), or any other person in the categories set out in Rule 812(1) of the Mainboard Rules. Please refer to Section 23.5 titled “*Enlarged Group Corporate and Shareholding Structure – Changes in Shareholding Structure*” of this Circular for shareholding effects of, among other things, the PIPE Financing on the shareholding of the existing Shareholders.

The Company has appointed DBS and UBS as the placement agents for the PIPE Financing. The final terms of the PIPE Financing (including the placement commission) are set out in the Management and Placement Agreement.

Terms of the PIPE Financing

The Base PIPE Shares will be issued on Completion and upon their allotment and issuance, be credited as fully paid-up and free from all encumbrances and will rank *pari passu* in all respects with the existing issued Shares save for any rights, benefits, dividends and entitlements the record date of which is before Completion.

The PIPE Financing shall be subject to, *inter alia*, the following conditions being fulfilled:

- (a) the receipt of approvals from the SGX-ST approving, among others, the Listing, the Proposed Business Combination and the PIPE Financing and all such approvals from the SGX-ST remaining in full force and effect on the Settlement Date, such approvals not having been revoked or amended and, where such approvals are subject to conditions, to the extent that any conditions are required to be fulfilled on or before the Settlement Date, they are so fulfilled;
- (b) where necessary, the approval of the Shareholders for the allotment and issue of the PIPE Shares to the PIPE Investors being obtained at the EGM;

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- (c) all consents and approvals (if any) required under any and all applicable laws for, among others, the Listing, the Proposed Business Combination and the PIPE Financing and to give effect to the transactions contemplated under the PIPE Subscription Agreement being obtained;
- (d) the respective representations, warranties and undertakings of the PIPE Investors in the PIPE Subscription Agreement remaining true and accurate at all times until the Settlement Date;
- (e) as at the Settlement Date, the allotment and issue of the PIPE Shares, the obligation of the PIPE Investors to subscribe for the PIPE Shares and pay for the Base PIPE Shares, and the carrying out of any transaction contemplated by, or the compliance with the terms of the PIPE Subscription Agreements, not being prohibited by any law, rule, regulation, ordinance, order, judgment or decree of or undertaking to any court, government body, statutory authority or regulatory, administrative or supervisory body (including without limitation, any relevant stock exchange or securities council), whether in Singapore or any other relevant jurisdiction;
- (f) the entry into the Management and Placement Agreement and the SPA by the parties thereto; and
- (g) the Management and Placement Agreement and the SPA not having been terminated pursuant to their respective terms on or prior to the Settlement Date, and all the relevant conditions under the Management and Placement Agreement and the SPA having been satisfied or waived in accordance with its terms.

Use of Proceeds from the PIPE Financing

The Enlarged Group expects to receive net proceeds of up to approximately S\$10.0 million from the issuance of the Base PIPE Shares.

Shareholders should note that the actual number of Base PIPE Shares to be issued will depend on various factors such as market conditions, as well as potential PIPE Investors' interest in the Shares of the Company upon Completion, and there is no certainty or assurance that the Company will be able to place out all or any of the Base PIPE Shares.

Please refer to Section 22.3 titled "*Use of Proceeds – Use of Proceeds Raised from the PIPE Financing and the Completion Remaining Escrow Amount*" of this Circular for details on the use of proceeds.

Information on the PIPE Investors

Prior to Completion, each of the PIPE Investors will enter into a PIPE Subscription Agreement with the Company to subscribe for an aggregate of up to 2,000,000 Base PIPE Shares at the Issue Price, conditional upon the Management and Placement Agreement having been entered into and not having been terminated pursuant to its terms on or prior to the Completion Date.

The Company will make an announcement on SGXNET by 21 November 2023 setting out the actual amount of proceeds raised from the PIPE Financing and the actual number of Base PIPE Shares allotted and issued to the PIPE Investors.

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5.5 Executive Incentive Scheme

In connection with the Proposed 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 subject to and based on the Financial Targets for EIS achieved for the relevant EIS Vesting Date.

Please refer to Section 5.1 titled “*Proposed Business Combination – Purchase Consideration*” and Section 10 titled “*Proposed Adoption of the Executive Incentive Scheme*” of this Circular for further details.

5.6 Company ESOP

In connection with the Proposed Business Combination, the Company shall allot and issue up to 2,114,891 ESOP Shares in accordance with the Company ESOP.

Please refer to Section 3.9 titled “*Summary of the Proposed Transactions – Proposed Allotment and Issuance of the ESOP Shares*” and Section 12 titled “*Proposed Adoption of the Company Employee Share Option Plan*” of this Circular for further details.

5.7 Sponsor’s Waiver of Promote Shares

Pursuant to the Promote Shares Deed of Undertaking, the Sponsor is entitled to the allotment and issuance of up to 10,401,500 Promote Shares (“**Original Maximum Promote Shares**”) in favour of Vertex SPV for a nominal consideration of S\$25,000 following the completion of the Company’s initial business combination, such Promote Shares (a) to be vested over a certain period subject to certain terms and conditions as set out below, and (b) to constitute no less than 20.0% of the issued and paid-up share capital of the Company on a fully diluted basis immediately following the Listing. The Promote Shares will vest, and be allotted and issued in favour of Vertex SPV, based on the following schedule:

- (a) 49.0% of the Promote Shares (rounded down to the nearest whole number) on the date falling 12 months after the completion of the initial business combination (“**Tranche 1 Promote Shares**”);
- (b) 17.0% of the Promote Shares (rounded down to the nearest whole number) on the date during the 10 calendar years following the date of completion of the initial business combination upon the Return to Shareholders (as defined below) exceeding 20% (“**Tranche 2 Promote Shares**”);
- (c) 17.0% of the Promote Shares (rounded down to the nearest whole number) 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% (“**Tranche 3 Promote Shares**”); and
- (d) 17.0% of the Promote Shares (rounded down to the nearest whole number) 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% (“**Tranche 4 Promote Shares**”).

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For the purpose of this paragraph, “**Return to Shareholders**” means the sum of (i) the appreciation of the per-Share trading price of the Shares following the initial business combination (measured as the excess above S\$5.00 (the “**Reference Price**”) of the average of the twenty (20) highest daily closing market prices for such shares over any period of 30-consecutive Market Days that commences after the completion of the initial business combination), and (ii) the cash or fair market value (as applicable) of each dividend or distribution that has been declared and paid by the Company on the Shares (measured on a per-Share basis as of the date such dividend or distribution was declared) following the initial business combination, with such sum expressed as a percentage of the Reference Price.

To minimise dilution arising from the EIS and the Special Bonus Scheme, the Sponsor has entered into the Deed of Waiver in favour of the Company, pursuant to which the Sponsor agreed to waive its right to the allotment and issuance of up to 6,310,600 Promote Shares (the “**Waived Promote Shares**”) to Vertex SPV. The Waived Promote Shares will go towards the allotment and issuance of (a) up to 2,550,000 EIS Shares, (b) up to 3,560,600 Special Bonus NRS Shares (to be allotted and issued to the Non-Redeeming Shareholders, assuming that none of them redeem their shares as at the Redemption Record Date), and (c) up to 200,000 Special Bonus PIPE Shares (to be allotted and issued to the PIPE Investors, assuming that the total proceeds raised from the PIPE Financing is S\$10.0 million). If the number of EIS Shares and/or Special Bonus Shares to be allotted and issued by the Company fall below the respective figures specified above, the number of Promote Shares that the Sponsor will waive its right to will be reduced by the corresponding number. As the level of Redemption will only be known on or around the Redemption Record Date, the exact number of Waived Promote Shares, being equivalent to the aggregate of the Allotted EIS Shares and the Actual Special Bonus Shares, will only be determined on or around the Redemption Record Date. Please refer to Section 29.2 titled “*Material Contracts – The Company – Deed of Waiver*” of this Circular for details on how the number of Waived Promote Shares will be determined. The Company will make an announcement on SGXNET to disclose the number of Initial Adjusted Maximum Promote Shares and the number of Final Adjusted Maximum Promote Shares as and when the same are determined. The vesting schedule for the allotment and issuance of the Final Adjusted Maximum Promote Shares to Vertex SPV will also be included in such announcement.

In respect of the Waived Promote Shares, it is intended that Vertex SPV waives its right to the allotment and issuance of the Tranche 4 Promote Shares first. If the number of Waived Promote Shares exceeds the total number of Tranche 4 Promote Shares, Vertex SPV will then waive its right to the allotment and issuance of such number of Tranche 3 Promote Shares as may be necessary. If the number of Waived Promote Shares exceeds the total number of Tranche 3 Promote Shares and Tranche 4 Promote Shares, Vertex SPV will then waive its right to the allotment and issuance of such number of Tranche 2 Promote Shares as may be necessary. If the number of Waived Promote Shares exceeds the total number of Tranche 2 Promote Shares, Tranche 3 Promote Shares and Tranche 4 Promote Shares, Vertex SPV will then waive its right to the allotment and issuance of such number of Tranche 1 Promote Shares as may be necessary. Please refer to Section 29.2 titled “*Material Contracts – The Company – Deed of Waiver*” of this Circular for further details.

For information on the impact of the waiver of the Promote Shares, please refer to Section 23.6 titled “*Enlarged Group Corporate and Shareholding Structure – Dilution Effect Resulting from the Proposed Transactions and the Exercise of the Warrants*” of this Circular.

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5.8 Valuation of the Target Company

The Company has commissioned Frost & Sullivan Limited (the “**Independent Business Valuer**”) to undertake an independent business valuation to evaluate the market value of 100.0% of the equity interest in the Target Company.

The Independent Business Valuer is of the opinion that the market value of 100.0% of the equity interest in the Target Company as of 30 June 2023 is in the range of US\$697.2 million to US\$750.6 million, with a median of US\$723.9 million.

The Independent Business Valuer used a combination of the multiple-based valuation and discounted cash flow (“**DCF**”) analysis to determine the value of the Target Company, considering:

- (1) **Multiple-based valuation:** Multiple-based valuation is a valuation method used to determine the implied value of the Target Group by considering the market valuation of comparable listed companies as of the Valuation Benchmark Date. Under the multiple-based valuation method, the Independent Business Valuer considered the Target Company’s industry positioning, product offerings, geographic presence and other factors, and thereafter identified key comparable companies, which comprises leading global V-Liver agencies and leading interactive live streaming platforms with significant presence in Japan and/or rest of Asia.

The Independent Business Valuer believes that price-to-sales (“**P/S**”) ratio and enterprise value-to-EBITDA (“**EV/EBITDA**”) are most suitable to evaluate the Target Company. P/S is commonly used to value live streaming platforms as many comparable publicly traded companies in the live streaming and V-liver industries are still unprofitable or at an early stage of profitability. EV/EBITDA was also employed as the Target Company has generated positive EBITDA since 2020 with an increasing emphasis on profitability.

To derive the implied equity value of the Target Company, the Independent Business Valuer referenced the price-to-sales ratio and the enterprise value-to-EBITDA multiple on historical financial performance for the 12 months period ended on the Valuation Benchmark Date. The equity value of the Target Company was determined by referencing the valuation multiples of comparable publicly traded companies within the same industry.

Based on multiple-based valuation, the Independent Business Valuer has concluded an implied equity value of the Target Company of US\$697.2 million to US\$750.6 million.

- (2) **Discounted cash flow analysis:** DCF represents the present value of the projected future benefits (including the present value of the terminal value) of the Target Company. The Independent Business Valuer independently forecasted and projected the future cash flows of the Target Company based on its evaluation of the Target Company’s operating metrics and financial performance and by discounting these cash flows at an appropriate discount rate. The Independent Business Valuer leveraged the Target Company’s historical operating and financial performance as disclosed in this Circular, specifically the historical operating metrics (namely, MAU, Spend Rate and ARPPU) and the development plans of the Target Company for each of its business segments. Furthermore, as the relevant financial information is

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available for each business segment, the Independent Business Valuer was able to understand and analyse each business segment and model the financial forecast accordingly.

Based on the DCF valuation, the Independent Business Valuer has concluded an implied equity value of the Target Company of US\$666.0 million to US\$769.0 million.

The Independent Business Valuer had relied on the following general key valuation assumptions in the DCF analysis:

- (a) unless otherwise specified in the Valuation Report, abnormal factors that may affect the assessed value, such as existing or potential mortgages, guarantees, and unique transaction structure, have not been considered;
- (b) there have been no significant changes in the current relevant laws and policies, industrial policies, and the national macroeconomic situation;
- (c) the political, economic, and social environment in the region where the assessed subject is located has remained stable, and there have been no significant adverse impacts caused by uncontrollable and unforeseeable factors; and
- (d) there have been no major changes in taxation policies, tax rates, and other policies applicable to the assessed subject, and the credit policies, interest rates, and exchange rates have remained relatively stable.

In addition to the above assumptions, the Independent Business Valuer had also relied on business segment-specific assumptions in its financial projections in relation to the respective business segments of the Target Company.

All forecasts and/or financial projections in relation to the Target Company (including its cash flows, earnings, profits and business) made and/or referred to above, in the Summary Valuation Letter and the Valuation Report were independently derived by the Independent Business Valuer, and none of these forecasts and/or financial projections are/were provided or endorsed by the Company or the Target Company.

Please refer to Appendix M titled "*Summary Valuation Letter*" of this Circular for further information on the above valuation methodologies and assumptions.

Assuming that there is No Redemption, the Independent Business Valuer's opinion of the market value of 100.0% of the equity interest in the Target Company as set out above represents approximately 453.5% to 488.3% of the LPD Remaining Escrow Amount (net of taxes payable on the income earned on the funds held in the Escrow Account), with a median of 470.9%.

Assuming that there is 50% Redemption, the Independent Business Valuer's opinion of the market value of 100.0% of the equity interest in the Target Company as set out above represents approximately 704.3% to 758.3% of the LPD Remaining Escrow Amount (net of taxes payable on the income earned on the funds held in the Escrow Account), with a median of 731.3%.

Assuming that there is Maximum Redemption, the Independent Business Valuer's opinion of the market value of 100.0% of the equity interest in the Target Company as set out above

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represents approximately 1,575.7% to 1,696.4% of the LPD Remaining Escrow Amount (net of taxes payable on the income earned on the funds held in the Escrow Account), with a median of 1,636.0%.

For completeness, as at the Latest Practicable Date, the total amount of tax payable by the Company on the interest earned on the funds held in the Escrow Account is S\$552,780. This amount will be fully paid out of the interest earned on the funds held in the Escrow Account.

While the Independent Business Valuer is not a member of a professional business valuation body or association, is not registered with IVAS as a Chartered Valuer and Appraiser and is not regulated by any valuation industry related authority, the Independent Business Valuer's independent valuation has been performed in line with recognised valuation standards (such as the International Valuation Standards). The Independent Business Valuer has also complied with the disclosure requirements under Practice Note 2 (Minimum Disclosure Requirements for Summary Valuation Letters) issued by IVAS in the preparation of the independent business valuation.

5.9 Status of the Consideration Shares, the Earnout Shares, the EIS Shares, the ESOP Shares, the PIPE Shares and the Special Bonus Shares

The issuance and allotment of the Consideration Shares, the Earnout Shares, the EIS Shares, the ESOP Shares, the PIPE Shares and the Special Bonus Shares is subject to, *inter alia*, the listing and quotation notice thereof on Mainboard having been obtained from the SGX-ST. The Consideration Shares, the Earnout Shares, the EIS Shares, the ESOP Shares, the PIPE Shares and the Special Bonus Shares, upon its issuance and allotment, will be credited as fully paid-up and free from all encumbrances and will rank *pari passu* in all respects with the then existing Shares, save for any rights, benefits, dividends and entitlements attached the record date of which is before the Completion Date.

5.10 Conditions Precedent

Completion of the Proposed Business Combination is conditional upon, amongst others, the following conditions precedent being satisfied or waived on or before Completion ("**Conditions Precedent**", and each, a "**Condition Precedent**"):

- (a) the Company having obtained Shareholders' approval at the EGM for the Proposed Transactions;
- (b) the Company having obtained the approval of the SGX-ST for Completion of the Proposed Business Combination pursuant to the terms of the SPA and where such approval is subject to conditions, the compliance by the Target Company and (where relevant) the Company to the satisfaction of the SGX-ST with all the conditions imposed by the SGX-ST;
- (c) the Company having obtained the approval of SGX-ST for the listing and quotation of the Consideration Shares, the PIPE Shares, the Special Bonus Shares, the Earnout Shares, the ESOP Shares and the EIS Shares on the SGX-ST and where such approval is subject to conditions, the compliance by the Target Company and (where relevant) the Company to the satisfaction of the SGX-ST with all the conditions imposed by the SGX-ST;

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- (d) the Target Company having rectified or resolved the issues identified through the legal, financial and tax due diligence conducted by the Company to the reasonable satisfaction of the Company in its sole and absolute discretion;
- (e) the Company having delivered evidence satisfactory to the Vendor that the Completion Remaining Escrow Amount shall be no less than S\$60.0 million; and
- (f) other conditions precedent customarily included for transactions of a similar nature.

Please refer to Appendix K titled “*Terms and Conditions of the SPA*” of this Circular for further details.

5.11 Other Salient Terms of the SPA

(a) Representations, Warranties and Undertakings

(a) Vendor and Target Company’s Representations and Warranties

The Vendor and the Target Company shall provide customary representations and warranties to the Company.

(b) Management Warrantors’ Representations and Warranties

The Management Warrantors shall provide customary representations and warranties to the Company.

(c) Company’s Representations and Warranties

The Company shall provide customary representations and warranties to the Vendor and the Target Company.

Please refer to Appendix K titled “*Terms and Conditions of the SPA*” of this Circular for further details.

5.12 Shareholders’ Approval

The resolution to seek Shareholders’ approval for the Proposed Business Combination is set out in Ordinary Resolution 1 in the Notice of EGM.

The resolutions to seek Shareholders’ approval for (a) the Proposed Allotment and Issuance of the Consideration Shares, (b) the Proposed Allotment and Issuance of the Earnout Shares, (c) the Proposed Allotment and Issuance of the Base PIPE Shares, (d) the Proposed Allotment and Issuance of the Special Bonus Shares, (e) the Proposed Adoption of the EIS, (f) the Proposed Allotment and Issuance of the EIS Shares, (g) the Proposed Adoption of the Company ESOP and (h) the Proposed Allotment and Issuance the ESOP Shares are set out in Ordinary Resolutions 2, 3, 4, 5, 6, 7, 8 and 9 in the Notice of EGM.

For the avoidance of doubt, there are no side voting arrangements or agreements, written or otherwise, entered into by the Company and/or its founding shareholder with other Shareholders in respect of any of the resolutions to be passed in the Notice of EGM.

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6. PROPOSED ALLOTMENT AND ISSUANCE OF THE CONSIDERATION SHARES

In partial satisfaction of the Purchase Consideration for the Proposed Business Combination, and pursuant to the SPA, the Company shall allot and issue 160,162,651 Consideration Shares at the Issue Price to the Vendor (or if the Vendor so nominates, to the Vendor Shareholders) on Completion.

Assuming that there is No Redemption and that the total proceeds raised from the PIPE Financing is S\$10.0 million, on Completion, the Vendor and/or the Vendor Shareholders shall collectively hold 160,162,651 Shares, representing approximately 77.2% of the Enlarged Share Capital.

Assuming that there is Maximum Redemption and that the total proceeds raised from the PIPE Financing is S\$10.0 million, on Completion, the Vendor and/or the Vendor Shareholders shall collectively hold 160,162,651 Shares, representing approximately 91.5% of the Enlarged Share Capital.

Please refer to Section 5.1 titled “*Proposed Business Combination – Purchase Consideration*” of this Circular for further details.

7. PROPOSED ALLOTMENT AND ISSUANCE OF THE EARNOUT SHARES

In partial satisfaction of the Purchase Consideration for the Proposed Business Combination, and pursuant to the SPA, the Company shall allot and issue up to 24,408,000 Earnout Shares at the Issue Price to the Earnout Shareholders in two tranches on the Earnout Vesting Dates (starting in 30 April 2024), subject to the Financial Targets for Earnout achieved by the Target Group.

Assuming that there is No Redemption and that the total proceeds raised from the PIPE Financing is S\$10.0 million, on the last Earnout Vesting Date, the Earnout Shareholders shall collectively hold up to 184,570,651 Shares, representing approximately 72.7% of the Fully Enlarged Share Capital.

Assuming that there is Maximum Redemption and that the total proceeds raised from the PIPE Financing is S\$10.0 million, on the last Earnout Vesting Date, the Earnout Shareholders shall collectively hold up to 184,570,651 Shares, representing approximately 83.1% of the Fully Enlarged Share Capital.

Please refer to Section 5.1 titled “*Proposed Business Combination – Purchase Consideration*” and Section 5.2 titled “*Proposed Business Combination – The Earnout Framework*” of this Circular for further details.

8. PROPOSED ALLOTMENT AND ISSUANCE OF THE BASE PIPE SHARES

In connection with the Proposed Business Combination, the Company shall allot and issue up to 2,000,000 Base PIPE Shares at the Issue Price to the PIPE Investors on Completion by way of a private placement in accordance with Section 272B, Section 274 and Section 275 of the SFA pursuant to the terms of the PIPE Subscription Agreements.

Assuming that there is No Redemption and that the total proceeds raised from the PIPE Financing is S\$10.0 million, on Completion, the PIPE Investors shall collectively hold up to

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2,200,000 Shares (comprising the Base PIPE Shares and the Special Bonus PIPE Shares), representing approximately 1.1% of the Enlarged Share Capital.

Assuming that there is Maximum Redemption and that the total proceeds raised from the PIPE Financing is S\$10.0 million, on Completion, the PIPE Investors shall collectively hold up to 2,200,000 Shares (comprising the Base PIPE Shares and the Special Bonus PIPE Shares), representing approximately 1.3% of the Enlarged Share Capital.

Please refer to Section 5.4 titled “*Proposed Business Combination – PIPE Financing*” of this Circular for further details.

9. PROPOSED ALLOTMENT AND ISSUANCE OF THE SPECIAL BONUS SHARES

Assuming that there is No Redemption and that the total proceeds raised from the PIPE Financing is S\$10.0 million, in connection with the Proposed Business Combination, the Company shall allot and issue up to 3,760,600 Special Bonus Shares at the Issue Price on Completion, comprising (a) up to 3,560,600 Special Bonus Shares to be allotted and issued to the Non-Redeeming Shareholders, and (b) up to 200,000 Special Bonus PIPE Shares to be allotted and issued to the PIPE Investors. On Completion, the Non-Redeeming Shareholders as well as Vertex SPV (being a Shareholder who is not entitled to exercise the Redemption Right) shall collectively hold up to 45,166,600 Shares, representing approximately 21.8% of the Enlarged Share Capital, and the PIPE Investors shall collectively hold up to 2,200,000 Shares, representing approximately 1.1% of the Enlarged Share Capital.

Assuming that there is Maximum Redemption, and that the total proceeds raised from the PIPE Financing is S\$10.0 million, in connection with the Proposed Business Combination, the Company shall allot and issue up to 800,000 Special Bonus Shares at the Issue Price on Completion, comprising (a) up to 600,000 Special Bonus Shares to be allotted and issued to Venezia (being a Shareholder who is not entitled to exercise the Redemption Right), and (b) up to 200,000 Special Bonus PIPE Shares to be allotted and issued to the PIPE Investors. On Completion, Vertex SPV and Venezia (being Shareholders who are not entitled to exercise the Redemption Right) shall collectively hold up to 12,600,000 Shares, representing approximately 7.2% of the Enlarged Share Capital, and the PIPE Investors shall collectively hold up to 2,200,000 Shares, representing approximately 1.3% of the Enlarged Share Capital.

Please refer to Section 5.3 titled “*Proposed Business Combination – Special Bonus Scheme*” of this Circular for further details.

10. PROPOSED ADOPTION OF THE EXECUTIVE INCENTIVE SCHEME

The Company proposes to adopt an executive share incentive scheme, known as the Executive Incentive Scheme or EIS. The EIS will commence and take effect only upon Completion, subject to Shareholders’ approval being obtained at the EGM. Shareholders’ approval will be sought at the EGM for the proposed adoption of the EIS (including the allotment and issuance of the EIS Shares subject to and based on the Financial Targets for EIS achieved). The detailed EIS Rules are set out in Appendix I to this Circular and comply with the requirements as set out in Chapter 8, Part VIII of the Mainboard Rules. Capitalised terms used throughout this section, unless otherwise defined in the section titled “*Definitions*” of this Circular or in this Section 10, shall bear the meanings as defined in Appendix I to this Circular. A summary of the EIS Rules is set out below.

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10.1 Rationale for the EIS

The purpose of adopting the EIS is to incentivise the Key Executives to achieve the key performance targets (i.e. the Financial Targets for EIS) by providing them with an opportunity to participate in the equity of the Enlarged Group so as to motivate them to greater dedication, loyalty and higher standards of performance, and to give recognition to their contributions and services. The EIS is proposed on the basis that it is important to retain staff whose contributions are essential to the well-being and continued operations of the Enlarged Group and to give recognition to the Proposed Directors and the Proposed Directors and the key employees of the Enlarged Group who have contributed to the growth and profitability of the Enlarged Group.

The Proposed New Board believes that the EIS will be more effective than pure cash bonuses in motivating the Key Executives of the Enlarged Group to work towards pre-determined goals.

The objectives of the EIS are as follows:

- to motivate the Key Executives to optimise their performance standards and efficiency and to maintain a high level of contribution to the Enlarged Group and create value for Shareholders;
- to retain the Key Executives whose contributions are essential to the long-term growth and profitability of the Enlarged Group;
- to instill loyalty to, and a stronger sense of identification by the Key Executives with the prosperity of the Enlarged Group; and
- to align the interests of the Key Executives with the interests of Shareholders.

The duration of the EIS will serve to align the Key Executives' performance goals with the corresponding performance cycle of the Enlarged Group, and the strategies and objectives for the Enlarged Group over the short to medium term. The EIS thus seeks to focus the Key Executives on short to medium term critical performance targets, to develop a reward-for-performance culture in the Enlarged Group, and to encourage the Key Executives to continuously improve their performance. As the actual number of EIS Shares which the Key Executives will receive under the EIS will depend ultimately on the extent to which they achieve the Financial Target for EIS set for the relevant EIS Vesting Date, this creates a strong incentive for the Key Executives to focus on assigned tasks and to excel.

10.2 Overview of the EIS

Pursuant to the terms of the EIS, each of the Key Executives shall be allocated a certain number of EIS Shares to be approved by the Proposed New Remuneration Committee immediately following Completion (the "**Maximum Allocation**"), which shall be represented by RSU awards granted immediately following Completion under an award agreement to each Key Executive, and each Key Executive shall be entitled to be allotted and issued a certain proportion of the Maximum Allocation, as and when the vesting condition under each of the Financial Targets for EIS set out in the SPA is satisfied. The total number of EIS Shares to be allocated under the EIS shall be 2,550,000 Shares. The actual number of EIS Shares to be allotted and issued to the Key Executives will be subject to the Key Executives remaining in the employment of the Company as at the EIS Vesting Date and the fulfilment of the Financial Targets for EIS set out in the vesting conditions.

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The Financial Targets for EIS as well as the list of Key Executives and their respective Maximum Allocation will be agreed by the Company and the Target Company and recorded in an addendum to the Sale and Purchase Agreement to be entered into prior to Completion and approved by the Proposed New Remuneration Committee immediately following Completion. The Key Executives will comprise members of the management team of the Enlarged Group and will include certain members of the Proposed New Board (in particular, one of the Proposed Non-Executive Directors), certain C-suite executives and other executives of the Company. While the list of Key Executives will be recorded in an addendum to the Sale and Purchase Agreement prior to Completion, the list of Key Executives will only be confirmed when the Proposed New Remuneration Committee approves the same immediately following Completion.

Following the end of each FY and before each EIS Vesting Date, the Proposed New Remuneration Committee shall determine if the vesting conditions have been satisfied based on the audited consolidated financial statements of the Company for the applicable year.

If the Financial Target for EIS as set out in a vesting condition is fulfilled, the Proposed New Remuneration Committee shall submit its approval and recommendation to the Board for the allotment and issuance of the relevant number of new EIS Shares to the account of the Key Executives within 14 Market Days after the applicable EIS Vesting Date.

If the Financial Target for EIS as set out in a vesting condition is not fulfilled, but the financial figure(s) achieved is 5% (or less) below the Financial Target for EIS set out against the vesting condition, the Proposed New Remuneration Committee shall be entitled to proceed with the approval for the allotment and issuance of the relevant number of new Shares to the account of the Key Executives within 14 Market Days after the applicable EIS Vesting Date. Granting the Proposed New Remuneration Committee the discretion to proceed with the allotment and issuance of the EIS Shares to the Key Executives notwithstanding the fact that the financial figure(s) achieved does not meet the Financial Target for EIS serves to ensure that Key Executives who narrowly miss the Financial Target for EIS for certain reasons beyond their control (such as the general macroeconomic outlook, unforeseen circumstances, etc.) are not disproportionately penalised – this is consistent with the objective of the EIS, which is to align the interest of the Key Executives with that of the Shareholders post-Completion. In the situation where the Proposed New Remuneration Committee decides to proceed with the allotment and issuance of the EIS Shares to the Key Executives where the financial figure(s) achieved is 5% (or less) below the Financial Target for EIS set out against the vesting condition, the Company will issue an announcement via SGXNET stating the Proposed New Remuneration Committee's considerations in making the decision to proceed with the allotment and issuance of the EIS Shares notwithstanding the fact that the Financial Target for EIS as set out in a vesting condition has not been fulfilled. If the Proposed New Remuneration Committee decides not to proceed with the approval for the allotment and issuance of the relevant number of new Shares under such situation, the rights of the Key Executives shall be extinguished in relation to that threshold. For the avoidance of doubt, if the financial figure(s) achieved is more than 5% below the Financial Target for EIS set out against the vesting condition, the rights of the Key Executives to the Shares in relation to that vesting condition shall lapse and be extinguished.

In the event that any of the Key Executives ceases to be an employee of the Company during the three-year vesting period, the EIS Shares that have not been allotted and issued to such Key Executive but which would otherwise have been allotted and issued to such

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Key Executive upon the fulfilment of the vesting conditions will lapse and the total number of EIS Shares to be allotted and issued under the EIS shall be reduced by the corresponding number.

For the avoidance of doubt, all other terms of the EIS shall apply to the award of the EIS Shares.

Summary of the Principal Terms of the EIS

A summary of the principal terms of the EIS is set out below. More detailed information on the EIS is set out in Appendix I to this Circular ("**EIS Rules**").

EIS Participants

The Company may grant the awards to the Key Executives.

Administration of the EIS

The Proposed New Remuneration Committee, as delegate of the Board, will act as the administrator of the EIS in respect of any awards granted to the employees of the Company, its subsidiaries and related entities as a whole. The Board delegates certain powers and responsibilities to the Proposed New Remuneration Committee.

Size of the EIS

In order to reduce the dilutive impact of the EIS, the total number of Shares authorised to be issued pursuant to EIS Awards awarded under the EIS shall not exceed 2,550,000 EIS Shares, which shall not, in any event, exceed 15.0% of the total number of issued Shares (excluding Treasury Shares, if any) when aggregated with (a) the total number of EIS Shares issued and/or to be issued pursuant to EIS Awards already awarded under the EIS; and (b) the aggregate number of Shares which may be granted under any other share option scheme or share schemes of the Company, in accordance with Rule 845(1) of the Mainboard Rules. 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.

Types of EIS Awards

The EIS will permit the grants of restricted stock units ("**EIS RSUs**").

EIS Awards

Each EIS Award shall be evidenced by an Award Agreement, in such form or forms as the Proposed New Remuneration Committee shall from time to time determine. Without limiting the foregoing, an Award Agreement may be provided in the form of a notice that provides that acceptance of the EIS Award constitutes acceptance of all terms and conditions of the EIS and the notice. Award Agreements granted from time to time or at the same time need not contain similar terms and conditions but shall be consistent with the terms and conditions of the EIS.

The right of a Grantee to exercise or receive a grant or settlement of any EIS Award, and the timing thereof, may be subject to such performance conditions as may be specified by

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the Proposed New Remuneration Committee which shall include, but is not limited to, his rank, job performance, years of service, potential for future development, future contribution to the success and development of the Company and the extent of effort and difficulty with which the performance conditions may be achieved. The Proposed New Remuneration Committee may use such business criteria and other measures of performance as it may deem appropriate in establishing any performance conditions, and may exercise its discretion to reduce the amounts payable under any EIS Award subject to performance conditions.

Restricted Stock Units (“EIS RSUs”)

At the time of grant, the Proposed New Remuneration Committee may, in its sole discretion, establish a period of time (a “**Restricted Period**”) and any additional restrictions including the satisfaction of corporate or individual performance objectives applicable to an EIS Award of Restricted Stock Units. Each EIS Award of EIS RSUs may be subject to a different Restricted Period and additional restrictions. The EIS RSUs may not be sold, transferred, assigned, pledged, or otherwise encumbered or disposed of during the Restricted Period or prior to the satisfaction of any other applicable restrictions.

EIS RSUs shall be settled in EIS Shares, and the allotment and issuance of EIS Shares shall be completed within 14 Market Days after the applicable EIS Vesting Date. Unless otherwise stated in the applicable Award Agreement, holders of EIS RSUs shall not have rights as Shareholders, including no voting or dividend or dividend equivalents rights.

Rights of EIS Shares

New EIS Shares allotted and issued pursuant to an EIS Award shall be eligible for all entitlements, including dividends, rights, allotments or other distributions declared or recommended in respect of the then existing Shares from the date of allotment and issue of the EIS Shares, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

Duration of the EIS

The EIS shall be effective as of the date falling on or around 8 December 2023, or such other date as the Board may determine (“**Effective Date**”) and shall terminate automatically on the three-year anniversary of such date (“**Termination Date**”).

The Proposed New Remuneration Committee, may at any time and from time to time, amend, suspend, or terminate the EIS as to any EIS Awards which have not been made. No EIS Awards may be granted after the Termination Date. The applicable terms and conditions of the EIS, and any terms and conditions applicable to EIS Awards granted before the Termination Date shall survive the termination of the EIS and continue to apply to such EIS Awards. No amendment, suspension, or termination of the EIS shall, without the consent of the Grantee, materially impair rights or obligations under any EIS Award theretofore awarded.

Changes in Capitalisation

If the number of outstanding Shares is increased or decreased or the Shares are changed into or exchanged for a different number or kind of shares or other securities of the Company on account of any rights issue, capital reduction, recapitalisation, reclassification,

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stock split or sub-division, reverse split, consolidation of shares, exchange of shares, stock dividend or other distribution payable in capital stock, or other increase or decrease in such Shares effected without receipt of consideration by the Company occurring after the Effective Date, (A) the number and kinds of EIS Shares for which grants of EIS Awards may be made, (B) the number and kinds of EIS Shares for which outstanding EIS Awards may be settled, and (C) the performance goals relating to outstanding EIS Awards, shall be equitably adjusted by the Company; provided that no adjustments shall be made as a result, the Grantee receives a benefit that a shareholder of the Company does not receive.

Adjustments under the EIS related to Shares or other securities of the Company shall be made by the Proposed New Remuneration Committee, whose determination in that respect shall be final, binding and conclusive, and adjustments other than on a capitalisation issue must be confirmed in writing by the auditors of the Company (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable. Unless the Proposed New Remuneration Committee considers an adjustment to be appropriate, the issue of Shares or other securities as consideration for an acquisition or a private placement of Shares or other securities shall not normally be regarded as a circumstance requiring adjustment. No fractional Shares or other securities shall be issued under any such adjustment, and any fractions resulting from any such adjustment shall be eliminated in each case by rounding downward to the nearest whole Share.

Annual Report

The Company will make such disclosures in its annual report for so long as the EIS continues in operation:

- (a) the names of the members of the committee administering the EIS;
- (b) the information required in the table below for the following EIS participants:
 - (a) EIS participants who are Directors;
 - (b) EIS participants who are Controlling Shareholders and Associates of Controlling Shareholder(s); and
 - (c) EIS participants, other than those in (i) and (ii) above, who have received Shares issued pursuant to the Awards granted under the EIS and/or RSUs granted under any other share option scheme or share schemes of the Company which, in aggregate, represent 5.0% or more of the aggregate of the total number of Shares available under the EIS and any other share option scheme or share schemes of the Company, collectively;

Name of Participant	Aggregate number of EIS Shares comprised in EIS Awards granted during the financial year under review (including terms)	Aggregate number of EIS Shares comprised in EIS Awards granted since commencement of the EIS to the end of the financial year under review	EIS Shares comprised in EIS Awards which have been issued since commencement of the EIS to the end of the financial year under review	Aggregate number of EIS Shares comprised in EIS Awards which have not been vested or exercised as at the end of the financial year

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- (c) the names of and number and terms of EIS Shares comprised in the EIS Awards granted to each Key Executive who receives 5.0% or more of the total number of EIS Awards available to all Key Executives under the EIS during the financial year under review;
- (d) the aggregate number of EIS Shares comprised in EIS Awards granted under the EIS to the Key Executives for the financial year under review, and since the commencement of the EIS to the end of the financial year under review; and
- (e) the number and proportion of EIS Shares comprised in EIS Awards granted at a discount during the financial year under review in respect of every 10% discount rate, up to the maximum quantum of discount granted; and
- (f) an appropriate negative statement in the event the disclosure of any of the abovementioned information is not applicable.

10.3 Rationale for including the Proposed Non-Executive Directors in the EIS

While the Key Executives who are entitled to participate in the EIS will only be confirmed by the Proposed New Remuneration Committee immediately following Completion, there is a possibility that they will include one of the Proposed Non-Executive Directors.

Although the Proposed Non-Executive Directors are not involved in the day-to-day running of the Enlarged Group's business, they play an invaluable role in furthering the business interests of the Enlarged Group by contributing their experience and expertise. The participation by the Proposed Non-Executive Director in the EIS will provide the Company with a further avenue to acknowledge their services and contributions to the Enlarged Group as it may not always be possible to compensate them fully or appropriately by increasing the directors' fees or other forms of cash payment. The grant of EIS Shares to the Proposed Non-Executive Director will also encourage the retention of the Proposed Non-Executive Director during the crucial period post-Completion and allow the Enlarged Group to benefit from their experience and expertise during this period, while motivating the Proposed Non-Executive Director to take extra efforts to promote the interests of the Enlarged Group and to achieve the Financial Targets for EIS.

10.4 Dilutive Impact of the EIS

Shareholders' shareholding percentages will be diluted accordingly as a result of the allotment and issuance of EIS Shares pursuant to the EIS depending on the number of EIS Shares issued. Please refer to Section 23.6 titled "*Enlarged Group Corporate and Shareholding Structure – Dilution Effect Resulting from the Proposed Transactions and the Exercise of the Warrants*" of this Circular for further details.

10.5 Modifications to the EIS

The EIS may be modified and/or altered from time to time, subject to the prior approval of Shareholders in a general meeting, and provided that such modifications and/or alterations are in compliance with the applicable requirements of Part VIII of Chapter 8 of the Listing Manual.

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11. PROPOSED ALLOTMENT AND ISSUANCE OF THE EIS SHARES

In connection with the Proposed 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.

Assuming that there is No Redemption and that the total proceeds raised from the PIPE Financing is S\$10.0 million, on the last EIS Vesting Date, the Key Executives shall collectively hold up to 2,550,000 Shares, representing approximately 1.0% of the Fully Enlarged Share Capital.

Assuming that there is Maximum Redemption and that the total proceeds raised from the PIPE Financing is S\$10.0 million, on the last EIS Vesting Date, the Key Executives shall collectively hold up to 2,550,000 Shares, representing approximately 1.1% of the Fully Enlarged Share Capital.

Please refer to Section 5.1 titled “*Proposed Business Combination – Purchase Consideration*” and Section 10 titled “*Proposed Adoption of the Executive Incentive Scheme*” of this Circular for further details.

12. PROPOSED ADOPTION OF THE COMPANY EMPLOYEE SHARE OPTION PLAN

The Company proposes to adopt a share option plan, known as the Company Employee Share Option Plan (“**Company ESOP**”). The Company ESOP will commence and take effect upon Completion, subject to Shareholders’ approval being obtained at the EGM. Shareholders’ approval will be sought at the EGM for the Proposed Adoption of the Company ESOP (including the Proposed Allotment and Issuance of the ESOP Shares). The detailed Company ESOP Rules are set out in Appendix H to this Circular and comply with the requirements as set out in Chapter 8, Part VIII of the Mainboard Rules. Capitalised terms used throughout this section, unless otherwise defined in the section titled “*Definitions*” of this Circular or in this Section 12, shall bear the meanings as defined in Appendix H to this Circular. A summary of the Company ESOP Rules is set out below.

12.1 Rationale for the Company ESOP

The Target Company currently has in place the 17LIVE Cayman ESOP, pursuant to which RSUs are issued to the employees of the Target Company. While there are several types of awards which may be awarded or granted under the 17LIVE Cayman ESOP, namely, RSUs, options, restricted share awards, dividend equivalents awards, deferred share awards, share payment awards and share appreciation rights, all of which represent the right to receive shares in the Target Company, none of these awards (save for RSUs) have been granted as at the Latest Practicable Date.

As at the Latest Practicable Date, a total of 18,349,125 RSUs have been granted and vested pursuant to the 17LIVE Cayman ESOP (“**17LIVE Vested RSUs**”). The 17LIVE Vested RSUs form part of the Sale Shares being acquired by the Company in connection with the Proposed Business Combination.

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As at the Latest Practicable Date, a total of 3,027,215 RSUs have been granted under the 17LIVE Cayman ESOP but have not vested (“**17LIVE Unvested RSUs**”). Subject to Shareholders’ approval being obtained at the EGM for the Proposed Adoption of the Company ESOP, the Company will assume each 17LIVE Unvested RSU outstanding immediately prior to the Completion Date, automatically and without any required action on the part of any holder or beneficiary thereto, and convert such 17LIVE Unvested RSU into an award of RSUs representing the right to receive Shares in accordance with the Company ESOP (each, a “**Converted RSU Award**”). Each Converted RSU Award shall, to the extent permitted under the Mainboard Rules, continue to have and be subject to comparable terms and conditions as were applicable to such 17LIVE Unvested RSU immediately prior to the Completion Date (including vesting conditions and settlement terms), except that each Converted RSU Award will represent the right to receive such number of ESOP Shares equal to (y) the number of shares in the capital of the Target Company subject to such 17LIVE Unvested RSU immediately prior to the Completion Date divided by (z) the Exchange Ratio, and rounded down to the nearest whole number.

The 17LIVE Cayman ESOP will be terminated at Completion and all rights of the 17LIVE Unvested RSU Holders under the 17LIVE Cayman ESOP will be extinguished.

Pursuant to the Company ESOP, up to 2,114,891 ESOP Shares may be allotted and issued, being equivalent to the aggregate of (a) 1,799,777 ESOP Shares (calculated based on (i) 3,027,215 17LIVE Unvested RSUs divided by (ii) the Exchange Ratio and rounded to the nearest whole number), and (b) up to 315,114 ESOP Shares to be issued pursuant to the Company ESOP.

The Company believes that it is desirable for a share option scheme to be implemented by the Company to provide eligible participants (the “**Company ESOP Participants**”) with an opportunity to participate in the equity of the Enlarged Group and to provide a greater flexibility to the Enlarged Group in structuring its staff remuneration package. The Company recognises that in order to maintain the Enlarged Group’s competitiveness and for the Enlarged Group to build sustainable businesses in the long term, the Company must be able to continue to attract, motivate, reward and maintain a core group of directors, executives and employees.

Pursuant to the above, the Company is proposing to introduce the Company ESOP as a new share option scheme of the Company to commence on Completion subject to Shareholders’ approval being obtained at the EGM. The Company ESOP is intended to be employed by the Enlarged Group to reward, retain and motivate eligible employees (including the Proposed Executive Directors) and the Proposed Non-Executive Directors (including the Proposed Independent Directors), whose services are vital to the well-being and success of the Enlarged Group.

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The main objectives of the Company ESOP are as follows:

- (a) motivate Company ESOP Participants to achieve higher efficiency and productivity and improve the performance of the Enlarged Group and its businesses, with the view of aligning their interests to those of Shareholders;
- (b) instill a sense of loyalty to the Enlarged Group in the Company ESOP Participants, and to create an incentive for Company ESOP Participants to work towards the long-term well-being of the Enlarged Group;
- (c) increase the competitiveness of the Enlarged Group by giving it the option to use the Company ESOP as a component in its remuneration and incentive package to attract and retain key employees, Directors and Executive Officers whose contributions are important to the growth and profitability of the Enlarged Group;
- (d) attract potential employees, Directors and Executive Officers with relevant skills and expertise to contribute to the management and/or growth of the Enlarged Group; and
- (e) to give recognition to the contributions made or to be made by employees, Directors and Executive Officers to the success of the Enlarged Group.

12.2 Overview of the Company ESOP

A summary of the Company ESOP Rules is set out below. The detailed Company ESOP Rules is set out in Appendix H to this Circular.

Company ESOP Participants

The Company may grant the awards to the Company's employees and members of the board of directors ("**Company ESOP Participants**").

Administration of the Company ESOP

The Proposed New Remuneration Committee, as delegate of the Board, will act as the administrator of the Company ESOP in respect of any awards granted to the officers, employees, directors and other eligible persons of the Company, its subsidiaries and related entities as a whole.

Size of the Company ESOP

In order to reduce the dilutive impact of the Company ESOP, the total number of Shares authorised to be issued pursuant to ESOP Awards awarded under the Company ESOP shall not exceed 2,114,891 ESOP Shares or such other number of ESOP Shares as may be authorised by the Proposed New Remuneration Committee, which shall not, in any event, exceed 15.0% of the total number of issued Shares (excluding Treasury Shares, if any) when aggregated with (a) the total number of ESOP Shares issued and/or to be issued pursuant to ESOP Awards already awarded under the Company ESOP; and (b) the aggregate number of Shares which may be granted under any other share option scheme or share schemes of the Company, in accordance with Rule 845(1) of the Mainboard Rules. Shares issued under the Company 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.

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Maximum Entitlements

The aggregate number of ESOP Shares which may be issued pursuant to Awards awarded under the Company ESOP to grantees who are Associates of Controlling Shareholders shall not exceed 25.0% of the total number of ESOP Shares available under the Company ESOP preceding the grant of the relevant new ESOP Shares.

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

However, it does not necessarily mean that the Proposed New Remuneration Committee will definitely issue ESOP Shares pursuant to the ESOP Awards awarded under the Company ESOP up to the prescribed limit. The Proposed New Remuneration Committee shall exercise its discretion in deciding the number of ESOP Shares to be granted to each participant, which will depend on the performance and value of the participant to the Group.

Types of ESOP Awards

The Company ESOP will permit the grants of options, stock appreciation rights, restricted shares, restricted share units, other stock-based award or cash award.

ESOP Awards

Each ESOP Award shall be evidenced by an Award Agreement, in such form or forms as the Proposed New Remuneration Committee shall from time to time determine. Without limiting the foregoing, an Award Agreement may be provided in the form of a notice that provides that acceptance of the ESOP Award constitutes acceptance of all terms and conditions of the Company ESOP and the notice. Award Agreements granted from time to time or at the same time need not contain similar terms and conditions but shall be consistent with the terms and conditions of the Company ESOP.

The right of a Grantee to exercise or receive a grant or settlement of any ESOP Award, and the timing thereof, may be subject to such performance conditions as may be specified by the Proposed New Remuneration Committee which shall include, but is not limited to, his rank, job performance, years of service, potential for future development, future contribution to the success and development of the Company and the extent of effort and difficulty with which the performance conditions may be achieved. The Proposed New Remuneration Committee may use such business criteria and other measures of performance as it may deem appropriate in establishing any performance conditions, and may exercise its discretion to reduce the amounts payable under any ESOP Award subject to performance conditions.

ESOP Options

The Option Price of each ESOP Option shall be fixed by the Proposed New Remuneration Committee and stated in the related Award Agreement. Each ESOP Option shall be separately designated in the Award Agreement as either an Incentive Stock Option or Nonqualified Option if it is awarded to a grantee who is a U.S. citizen or U.S. resident with U.S. source income. The Option Price of each ESOP Option (except those that constitute Substitute Awards) shall be at least the Fair Market Value of a Share on the trading date

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immediately preceding the Grant Date; provided, however, that in the event that a Grantee is a Ten Percent Shareholder as of the Grant Date, the Option Price of an Option granted to such Grantee that is intended to be an Incentive Stock Option shall be not less than 110% of the Fair Market Value of a Share on the Grant Date. In no case shall the Option Price of any ESOP Option be less than the par value of a Share or at a discount to the Fair Market Value of a Share on the trading date immediately preceding the Grant Date.

Each ESOP Option shall become exercisable at such times and under such terms and conditions (including, without limitation, performance requirements) as may be determined by the Proposed New Remuneration Committee and stated in the Award Agreement, provided that the ESOP Options may be exercisable only after one year from the date of grant.

Each ESOP Option shall terminate, and all rights to purchase Shares thereunder shall cease, upon the expiration of the ESOP Option term determined by the Proposed New Remuneration Committee and stated in the Award Agreement not to exceed 10 years from the Grant Date, or under such circumstances and on any date before 10 years from the Grant Date as may be set forth in the Company ESOP or as may be fixed by the Proposed New Remuneration Committee and stated in the related Award Agreement; *provided, however*, that in the event that the Grantee is a Ten Percent Shareholder, an ESOP 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.

An ESOP Option that is exercisable may be exercised by the Grantee's delivery of a notice of exercise to the Company, setting forth the number of ESOP Shares with respect to which the ESOP Option is to be exercised, accompanied by full payment for the ESOP Shares. To be effective, notice of exercise must be made in accordance with procedures established by the Company from time to time.

Stock Appreciation Rights ("SAR")

A SAR shall confer on the Grantee a right to receive, upon exercise thereof, the excess of (i) the Fair Market Value of one Share on the date of exercise over (ii) the SAR Exercise Price. The Award Agreement for a SAR (except those that constitute Substitute Awards) shall specify the SAR Exercise Price, which shall be fixed on the Grant Date as not less than the Fair Market Value of a Share on that date. SARs may be granted alone or in conjunction with all or part of an ESOP Option or at any subsequent time during the term of such ESOP Option or in conjunction with all or part of any other Award. A SAR granted in tandem with an outstanding ESOP Option after the Grant Date of such ESOP Option shall have a SAR Exercise Price that is equal to the Option Price.

The payment of the SAR may be settled in cash or in ESOP Shares, as determined by the Proposed New Remuneration Committee and set forth in the Award Agreement. The Proposed New Remuneration Committee will consider settlement of the SAR in cash only if (i) there are legal or regulatory prohibitions around the issue of ESOP Shares to a Grantee and (ii) the financial position of the Company permits the settlement of the SAR in cash, including whether the Company was in a net positive cash flow statement at such time an SAR is being exercised or purchased. For the avoidance of doubt, any SAR that is settled in cash will not be available for grant again under the Company ESOP. Upon exercise of a SAR, a Grantee shall be entitled to receive payment from the Company (in cash or Shares) in an amount determined by multiplying: (i) the excess of the Fair Market Value of a Share on the date of exercise over the SAR Exercise Price; by (ii) the number of ESOP Shares

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with respect to which the SAR is exercised. No payment will be made if the Fair Market Value on the date of exercise is below the SAR Exercise Price.

Restricted Stock and Restricted Stock Units (“ESOP RSUs”)

At the time of grant, the Proposed New Remuneration Committee may, in its sole discretion, establish a period of time (a “**Restricted Period**”) and any additional restrictions including the satisfaction of corporate or individual performance objectives applicable to an ESOP Award of Restricted Stock or ESOP RSUs. Each ESOP Award of Restricted Stock or ESOP RSUs may be subject to a different Restricted Period and additional restrictions. The Restricted Stock and ESOP RSUs may not be sold, transferred, assigned, pledged, or otherwise encumbered or disposed of during the Restricted Period or prior to the satisfaction of any other applicable restrictions. In no case shall the purchase price be less than the par value of a Share.

ESOP RSUs may be settled in cash or ESOP Shares, as determined by the Proposed New Remuneration Committee and set forth in the Award Agreement. For the avoidance of doubt, any ESOP RSU that is settled in cash will not be available for grant again under the Company ESOP. Unless otherwise stated in the applicable Award Agreement, holders of ESOP RSUs shall not have rights as Shareholders, including no voting or dividend or dividend equivalents rights, whereas holders of Restricted Stock shall have rights as Shareholders, including voting and dividend rights.

The Grantee shall be required, to the extent required by applicable law, to purchase Restricted Stock from the Company at a purchase price equal to the greater of (i) the aggregate par value of the ESOP Shares represented by such Restricted Stock; or (ii) the purchase price, if any, specified in the related Award Agreement, provided always that the purchase price shall not be at a discount exceeding 20% of the Fair Market Value of the Shares on the trading date immediately preceding the Grant Date.

Rights of ESOP Shares

New ESOP Shares allotted and issued pursuant to an ESOP Award shall be eligible for all entitlements, including dividends, rights, allotments or other distributions declared or recommended in respect of the then existing Shares from the date of allotment and issue of the ESOP Shares, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

Duration of the Company ESOP

The Company ESOP shall be effective as of the date falling on or around 8 December 2023, or such other date as the Board may determine (“**Effective Date**”) and shall terminate automatically on the 10 year anniversary of such date (“**Termination Date**”) and may be terminated on any earlier date as provided under the Company ESOP.

The Proposed New Remuneration Committee, may at any time and from time to time, amend, suspend, or terminate the Company ESOP as to any ESOP Awards which have not been made. No ESOP Awards may be granted after the Termination Date. The applicable terms and conditions of the Company ESOP, and any terms and conditions applicable to ESOP Awards granted before the Termination Date shall survive the termination of the Company ESOP and continue to apply to such ESOP Awards. No amendment, suspension, or termination of the Company ESOP shall, without the consent of the Grantee, materially impair rights or obligations under any ESOP Award theretofore awarded.

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Changes in Capitalisation

If (i) the number of outstanding Shares is increased or decreased or the Shares are changed into or exchanged for a different number or kind of shares or other securities of the Company on account of any rights issue, capital reduction, recapitalisation, reclassification, stock split or sub-division, reverse split, consolidation of shares, exchange of shares, stock dividend or other distribution payable in capital stock, or other increase or decrease in such Shares effected without receipt of consideration by the Company occurring after the Effective Date; or (ii) there occurs any spin-off, split-up, extraordinary cash dividend, or other distribution of assets by the Company, (A) the number and kinds of ESOP Shares for which grants of ESOP Awards may be made, (B) the number and kinds of ESOP Shares for which outstanding ESOP Awards may be settled, and (C) the performance goals relating to outstanding ESOP Awards, shall be equitably adjusted by the Company; provided that no adjustments shall be made as a result, the Grantee receives a benefit that a shareholder of the Company does not receive.

Adjustments under the Company ESOP related to Shares or other securities of the Company shall be made by the Proposed New Remuneration Committee, whose determination in that respect shall be final, binding and conclusive, and adjustments other than on a capitalisation issue must be confirmed in writing by the auditors of the Company (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable. Unless the Proposed New Remuneration Committee considers an adjustment to be appropriate, the issue of Shares or other securities as consideration for an acquisition or a private placement of Shares or other securities shall not normally be regarded as a circumstance requiring adjustment. No fractional Shares or other securities shall be issued under any such adjustment, and any fractions resulting from any such adjustment shall be eliminated in each case by rounding downward to the nearest whole Share.

Annual Report

The Company will make such disclosures in its annual report for so long as the Company ESOP continues in operation:

- (a) the names of the members of the Proposed New Remuneration Committee administering the Company ESOP;
- (b) the information required in the table below for the following Company ESOP Participants:
 - (i) Company ESOP Participants who are Directors;
 - (ii) Company ESOP Participants who are Controlling Shareholders and Associates of Controlling Shareholder(s); and
 - (iii) Company ESOP Participants, other than those in (i) and (ii) above, who have received ESOP Shares issued pursuant to the ESOP Awards granted under the Company ESOP and/or options or awards granted under any other share option scheme or share schemes of the Company which, in aggregate, represent 5.0% or more of the aggregate of the total number of Shares available under the Company ESOP and any other share option scheme or share schemes of the Company, collectively;

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Name of Participant	Aggregate number of ESOP Shares comprised in ESOP Awards granted during the financial year under review (including terms)	Aggregate number of ESOP Shares comprised in ESOP Awards granted since commencement of the Company ESOP to the end of the financial year under review	ESOP Shares comprised in ESOP Awards which have been issued since commencement of the Company ESOP to end of the financial year under review	Aggregate number of ESOP Shares comprised in ESOP Awards which have not been vested or exercised as at the end of the financial year
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- (c) the names of and number and terms of ESOP Shares comprised in the ESOP Awards granted to each Director and employee of the Company and its Affiliates who receive 5.0% or more of the total number of ESOP Awards available to all directors and employees of the Company and its Affiliates under the Company ESOP during the financial year under review;
- (d) the aggregate number of ESOP Shares comprised in ESOP Awards granted under the Company ESOP to the Directors and employees of the Company and its Affiliates for the financial year under review, and since the commencement of the Company ESOP to the end of the financial year under review;
- (e) the number and proportion of ESOP Shares comprised in ESOP Awards granted at a discount during the financial year under review in respect of every 10% discount rate, up to the maximum quantum of discount granted; and
- (f) an appropriate negative statement in the event the disclosure of any of the abovementioned information is not applicable.

12.3 Rationale for including Controlling Shareholders and/or their Associates in the Company ESOP

The Company acknowledges that the services and contributions of employees who are Controlling Shareholders or Associates of the Controlling Shareholders are important to the development and success of the Enlarged Group. The extension of the Company ESOP to employees who are Controlling Shareholders or Associates of the Controlling Shareholders allows the Enlarged Group to have a fair and equitable system to reward employees who have actively contributed to the progress and success of the Enlarged Group. The participation of the Controlling Shareholders or their Associates in the Company ESOP will serve both as a reward to them for their dedicated services to the Enlarged Group and a motivation for them to take a long-term view of the Enlarged Group.

Although participants who are Controlling Shareholders or their Associates may already have shareholding interests in the Company, the extension of the Company ESOP to include them ensures that they are equally entitled, with the other employees of the Enlarged Group who are not Controlling Shareholders or Associates of the Controlling Shareholders, to take part and benefit from this system of remuneration. The Company is of the view that a person who would otherwise be eligible should not be excluded from

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participating in the Company ESOP solely by reason that he/she is a Controlling Shareholder or an Associate of the Controlling Shareholder(s).

The specific approval of the independent Shareholders is required for the proposed participation of any Controlling Shareholder and/or their Associates in the Company ESOP as well as any specific grant thereunder to such persons. Separate resolutions must be passed for each such person and, in the case of a grant, the resolutions must state the actual number of Shares comprised in the specific grant and its applicable terms, as well as the Company's rationale for such proposal. In addition, only members of the Proposed New Board who are not the Controlling Shareholders or Associates of such Controlling Shareholders will be involved in deliberations and decisions in respect of the RSUs to be granted to or held by Controlling Shareholders and/or their Associates and the terms and conditions including the performance conditions attached to such RSUs. On the foregoing basis, the Company is of the view that there are sufficient safeguards against abuse resulting from the participation of the Controlling Shareholders and/or their Associates in the Company ESOP.

12.4 Rationale for including the Proposed Non-Executive Directors (including the Proposed Independent Directors) in the Company ESOP

Although the Proposed Non-Executive Directors (including the Proposed Independent Directors) are not involved in the day-to-day running of the Enlarged Group's business, they, nonetheless, play an invaluable role in furthering the business interests of the Enlarged Group by contributing their experience and expertise. The participation by the Proposed Non-Executive Directors (including the Proposed Independent Directors) in the Company ESOP will provide the Company with a further avenue to acknowledge and recognise their services and contributions to the Enlarged Group as it may not always be possible to compensate them fully or appropriately by increasing the directors' fees or other forms of cash payment. The extension of the Company ESOP to the Proposed Non-Executive Directors (including the Proposed Independent Directors) allows the Enlarged Group to have a fair and equitable system to reward the Proposed Non-Executive Directors (including the Proposed Independent Directors) of the Enlarged Group who have made and who continue to make significant contributions to the long-term growth of the Enlarged Group.

The Proposed Directors believe that the extension of the Company ESOP to the Proposed Non-Executive Directors (including the Proposed Independent Directors) will also enable the Company to attract, retain and incentivise the Proposed Non-Executive Directors (including the Proposed Independent Directors) to achieve higher standards of performance as well as to give recognition to past contributions and services as well as motivate eligible Proposed Non-Executive Directors (including the Proposed Independent Directors) generally to contribute towards the long-term growth and profitability of the Enlarged Group.

To minimise any potential conflicts of interest, it is envisaged that the offer of RSUs, and hence, the number of ESOP Shares to be issued and allotted to the Proposed Non-Executive Directors (including the Proposed Independent Directors), based on the criteria set out above will be relatively small, in terms of frequency and numbers, and hence, will not jeopardise the independence of the Proposed Independent Directors. The Committee may also decide that no RSUs shall be granted in any financial year or no RSUs may be granted at all.

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12.5 Dilutive Impact of the Company ESOP

If approved, the Company will provide that the maximum Shares available under the Company ESOP, the EIS and all options and awards granted under any other share option, share incentive, performance share or restricted share plan implemented by the Company and for the time being in force shall not exceed 15% of the total number issued Shares (excluding Treasury Shares and Subsidiary Holdings) from time to time. Notwithstanding the above, and for the avoidance of doubt, the Company shall issue only up to 2,114,891 ESOP Shares under the Company ESOP.

Shareholders' shareholding percentages will be diluted accordingly as a result of the allotment and issuance of ESOP Shares pursuant to the Company ESOP depending on the number of ESOP Shares issued. Please refer to Section 23.6 titled "*Enlarged Group Corporate and Shareholding Structure – Dilution Effect Resulting from the Proposed Transactions and the Exercise of the Warrants*" of this Circular for further details.

12.6 Modifications to the Company ESOP

The Company ESOP may be modified and/or altered from time to time, subject to the prior approval of Shareholders in a general meeting, and provided that such modifications and/or alterations are in compliance with the applicable requirements of Part VIII of Chapter 8 of the Listing Manual.

13. PROPOSED ALLOTMENT AND ISSUANCE OF THE ESOP SHARES

In connection with the Proposed Business Combination, the Company shall allot and issue up to 2,114,891 ESOP Shares in accordance with the Company ESOP.

Please refer to Section 12 titled "*Proposed Adoption of the Company Employee Share Option Plan*" of this Circular for further details.

14. INFORMATION ON THE TARGET COMPANY

14.1 History and Milestones

The Target Company, formerly known as M17 Entertainment Limited, was incorporated pursuant to the Cayman Companies Act as a Cayman Islands exempted company with limited liability on 28 February 2017.

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The following table sets out selected milestones of the Target Group:

Year	Milestones
2015	Machipopo, Inc. (now known as Ichi Nana Inc.) was incorporated in the British Virgin Islands and launched the live streaming platform 17 Media in Taiwan.
	17 Media (H.K.) Limited (now known as 17LIVE HK) was incorporated in Hong Kong as the operating subsidiary of the live streaming business in Hong Kong.
	Machipopo, Inc. Taiwan branch (now known as Ichi Nana Inc. Taiwan Branch) was established in Taiwan as the operating subsidiary of the live streaming business in Taiwan.
2017	Machipopo, Inc. merged with Paktor Pte. Ltd., a dating and social networking platform in Singapore. As a result of this merger, M17 Entertainment Limited was incorporated as the holding company of Machipopo, Inc. and Paktor Pte. Ltd..
	The Target Company's live streaming business expanded to the rest of Asia, including Japan and Hong Kong.
	17 Media Japan Inc. (now known as 17LIVE Japan Inc.) was established as the operating subsidiary of the live streaming business in Japan.
	The Target Group started producing original in-house shows featuring live streamers who won online competitions.
2018	Wave Inc. was established in Taiwan to operate Wave, an audio-centric live streaming and social platform owned by the Target Group. The Target Group launched Wave in 2019.
	The Target Group launched its V-Liver content as a genre to allow interactions among V-Livers, live streamers and users.
2019	HandsUp Inc. was established to operate the Taiwan live commerce business, which was later expanded to Japan at the end of 2019.
2020	The Target Company rebranded from M17 Entertainment Limited to 17LIVE Inc. as part of its global strategy and future development plans.
	The Target Company sold its entire shareholding in Paktor Pte. Ltd. to focus on its live streaming business.
	The Target Company acquired Next Entertainment Global Holding, a company incorporated in the Cayman Islands, which held MeMe Live, a live streaming platform with operations in India, Japan, Taiwan and the PRC. ⁽¹⁾
	The Target Group diversified and localised its offerings at the onset of the COVID-19 pandemic, including investing in more V-Liver content in Japan and inviting politicians to stream in Taiwan.
	The Taiwan operation of HandsUp Inc. was rebranded to OrderPally, a B2B live commerce matching and order management SaaS platform.
2021	In October 2021, the Target Group was selected by the National Development Council of Taiwan as one of the nine "NEXT BIG" (新创明日之星) start-ups representing Taiwan.

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Year	Milestones
2022	The Target Group introduced a variety of in-app games on its Taiwan and Japan platforms in May 2022 and August 2022 respectively, such as “Fruit Farm” and “Onmyoji”.
	The Target Group launched Wave in Japan.
	The Target Group achieved a breakthrough in the live commerce industry in Japan by being the first live streaming platform in Japan to sell cars through live commerce.
2023	The Target Company integrated the Live2D functions into its V-Liver broadcasting functionality, which allows users to use their own smartphones to upload an avatar and conduct virtual streaming. The Target Group further enhanced its V-Liver broadcasting functionalities by integrating VRM3D and hand gesture recognition functions.
	MeMe Live was integrated into 17LIVE to achieve greater synergy between the two live streaming businesses. ⁽²⁾
	The Target Group introduced 17Shop as a marketplace to 17LIVE.

Notes:

- (1) The Target Company acquired Next Entertainment Global Holding from an independent third party.
- (2) Upon the integration of MeMe Live into 17LIVE, Next Entertainment Global Holding became a dormant holding company, which does not and will not have any business operations.

14.2 Introduction

The Target Company’s Mission

The Target Company’s mission is to empower human connections.

Life takes place in real time connections. The Target Company empowers authentic expressions that build borderless human connections and captures these irreversible moments through live technology.

Overview

The Target Group operates 17LIVE, which 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. According to the IMR Consultant, the Target Group commanded a top market share by revenue of 20.8% in Japan in 2022 and a significant market share by revenue of 26.9% in Taiwan in 2022. 17LIVE is accessible globally, and the Target Group’s key markets of operations include Japan and Taiwan, with a presence in Hong Kong, Singapore, the U.S., the Philippines, India and Malaysia, as of 30 June 2023.

For 1H FY2023, the Target Group had an average MAU of approximately 550,000 and as of 30 June 2023, it had approximately 87,000 Contracted Streamers.

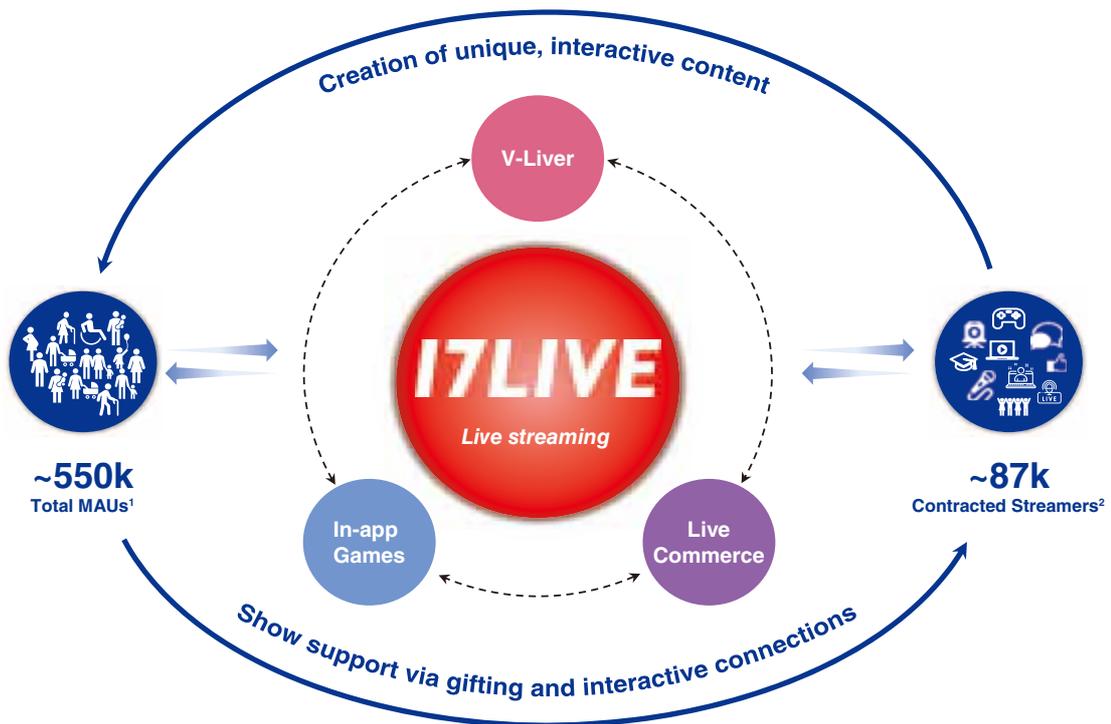
17LIVE is the Target Group’s flagship product launched in July 2015 and August 2017 for Taiwan and Japan respectively. The Target Group has fostered a diverse live streaming ecosystem with a loyal and engaged user community, as well as a deep pool of live

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streamers. For 1H FY2023, the Average Daily View Duration Per DAU was approximately 93 minutes on a monthly average basis.

To drive continued engagement within this ecosystem, the Target 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 future sustainable growth of the Target Group's business.

The diagram below illustrates the self-reinforcing ecosystem supported by the Target Group's live social entertainment platforms:



Notes:

(1) Average for 1H FY2023.

(2) As of 30 June 2023.

Live streamers are at the core of the Target Group's business. In addition to providing its live streamers with a platform that is accessible globally through which they can interact with their viewers, the Target Group also provides a full suite of powerful, easy-to-use interface and services, empowering its live streamers to create high-quality and attractive content. In addition, the Target Group provides in-house training and styling services to its live streamers, and has created an end-to-end management system to develop and nurture its live streamers. The Target Group's contract model with live streamers helps ensure a consistent supply of diversified content, which is effectively supplemented by the talent agency model that captures a large group of promising and rising live streamers. For 1H FY2023, the average Contracted MAS was approximately 14,000 and since FY2021, the average monthly streaming hour per Contracted MAS consistently exceeds 40 hours. Please refer to Section 14.3 titled "Information on the Target Company – Business Overview

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– *The Target Group’s Business Lines – Live Streaming – Live Streamers – Live Streamer On-boarding*” of this Circular for further details.

The Target Group believes that live streamers choose to showcase their talent on 17LIVE for its strong brand recognition and unique value propositions to help them create high-quality and more relevant content, all of which drive further user growth and engagement. 17LIVE enables users to interact and socialise with live streamers and other users and show their support and appreciation to the live streamers by sending virtual gifts, which results in successful monetisation for the live streamer. The Target Group’s multi-channel monetisation model includes virtual gifting and subscription to both live streamers and V-Livers, as well as sale of virtual game equipment and tools within in-app games. As a result of this powerful ecosystem, 17LIVE has been able to scale from strength to strength. For 1H FY2023, the average monthly Spend Rate was 16.1% with an average monthly ARPPU of approximately US\$302.

In 2018, the Target Group further expanded its streamer verticals by introducing V-Liver content on 17LIVE. V-Livers combine virtual and real interactions to create an immersive experience for users to foster a thriving community. The V-Liver segment became a focus of the Target Group’s business growth plans in 2022. In April 2023, the Target Group officially integrated the Live2D functions into its broadcasting functionality, which allows users to use their smartphones to upload an avatar and conduct virtual streaming without any additional hardware or software, thereby significantly lowering the barriers to becoming a V-Liver. In June 2023, the Target Group organised an offline V-Liver performance in Ikebukuro, Tokyo, where live streamers and V-Livers performed on stage together. In July 2023, 17LIVE created its first five V-Liver proprietary IPs under the name BUSHILIVE. Following the integration of Live2D functions, the marketing of BUSHILIVE prior to its official launch and the offline V-Liver event, the Target Group saw significant growth in its V-Liver business, in particular its talent pool of V-Livers, V-Liver viewer base and engagement. As a result of such initiatives, for Q2 2023, average V-Liver MAS was approximately 2,000, representing a YoY increase by 6.5 times, average V-Liver MAU reached approximately 75,000, representing a YoY increase by 2.1 times, and average monthly V-Liver Spender was approximately 30,000, representing a YoY increase by 2.7 times. In August 2023, the Target Group further enhanced its broadcasting functionalities by integrating VRM3D and hand gesture recognition functions in order to create an immersive experience for users with V-Livers.

The Target Group first launched its in-app games on 17LIVE in Taiwan in May 2022 which included two main genres of in-app games, being half-screen casual games and half-screen interactive games. These in-app games were gradually rolled out to different markets since the launch. For 1H FY2023, the average monthly Game Penetration Rate was 25.5%.

The Target Group also operates its live commerce business through (i) HandsUp and OrderPally, and (ii) 17Shop. HandsUp is a platform in Japan that allows merchants to sell their products through live streaming, and OrderPally in Taiwan, is a B2B live commerce matching and order management SaaS platform connecting merchants and users. As of 30 June 2023, HandsUp and OrderPally served 918 merchants. In July 2023, 17LIVE launched 17Shop, a marketplace within 17LIVE through which the Target Group generates revenues from commission arrangements with merchants. The Target Group has fostered relationships with local merchants and brands through HandsUp and OrderPally while maintaining a strong network with local live streamers who are able to endorse products effectively through their large fan base. 17Shop serves as a synergistic platform connecting merchants and live streamers to enhance business collaborations and opportunities. These

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channels effectively supplement each other and allow for potential future stronger monetisation opportunities. The Target Group has a proven track record of monetisation through its highly interactive and engaging entertainment content on its platforms.

The Target Group embraces cultural nuances and user tastes and strives to localise its products and content for each market in which the Target Group operates. With local operating teams based in Japan, Taiwan, Hong Kong, Singapore, the U.S. and India, the Target Group is well-positioned to understand and meet users' diversified and ever-evolving needs. This has been instrumental in attracting a large base of loyal and highly engaged users.

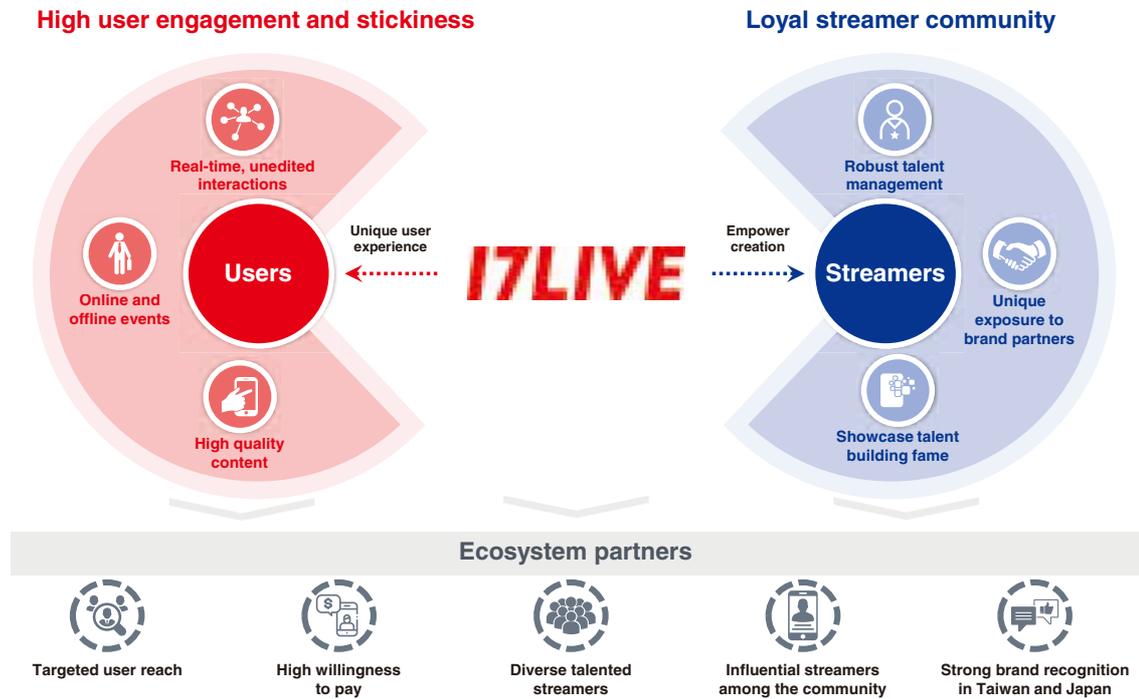
The Target Group is a technology-driven live social entertainment platform. The Target Group's big data analytic capabilities take advantage of prodigious data generated by its users in order to improve its services to users, including providing interest or location-based recommendations for a personalised user experience. SkyEye, a dedicated content monitoring team of the Target Group, is aided by proprietary AI-powered content screening systems to monitor the contents posted by, and the behaviour of, live streamers and users on its platforms. Please refer to Section 14.3 titled "*Information on the Target Company – Business Overview – The Target Group's Business Lines – Live Streaming – Content Management and Monitoring – Human Screening*" of this Circular for further details. The Target Group's services meld data analytics with refined operational know-how, offering its live streamers insightful advice on their content and performance to increase engagement with the audience.

Value Propositions

The Target Group is well-positioned to support its live streamers and to meet the needs of its users due to the strengths of the Target Group's live social entertainment platforms and its online ecosystem. By building a large community of users, the Target Group enjoys network effects and virtuous cycles: the more users use 17LIVE, the more vibrant the live online social entertainment ecosystem becomes and the greater the value 17LIVE offers to its live streamers and users, which in turn attracts even more live streamers and users to 17LIVE.

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The diagram below illustrates the unique value propositions offered by the Target Group to live streamers, users, and merchants and business partners:



To Live Streamers, 17LIVE empowers content creation through

- Leveraging a large platform to showcase their talents in front of a large user base.
- Providing end-to-end talent management.
- Providing opportunities to work and partner with brands and celebrities which increase their exposure.

To Users

- Easy-to-use interface allow real-time connections.
- Enjoying diverse, localised and high quality content provided by the Target Group's talented live streamers or by the Target Group itself.
- Exciting and immersive experience of tactile online and offline events.

To Merchants and Business Partners

- Leveraging 17LIVE's status as a top live streaming platform to access a ready pool of high quality users with strong propensity to spend.
- Large pool of talented live streamers fitting the 17LIVE brand image.

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- Leveraging the familiarity and trust between users and live streamers to distribute live commerce products.
- Strong brand recognition in Japan and Taiwan as the leading live streaming platform.

14.3 Business Overview

The Target Group's Markets

The Target Group operates in various countries and regions across the world with Japan and Taiwan as its core markets.

The following table sets forth a breakdown of the Target Group's total revenue by region and each expressed as a percentage of its total revenue for FY2020, FY2021, FY2022, 1H FY2022 and 1H FY2023:

	FY2020		FY 2021		FY 2022		1H FY2022		1H FY2023	
	(US\$ in million, except for percentages)									
	(Audited)					(Unaudited)				
Japan	285.8	69.5%	364.9	73.3%	251.9	69.3%	140.2	70.0%	103.9	68.8%
Taiwan	71.0	17.3%	86.7	17.4%	86.8	23.9%	44.9	22.4%	38.2	25.3%
Rest of World	54.5	13.2%	46.2	9.3%	25.0	6.8%	15.3	7.6%	8.9	5.9%
Total	411.4	100%	497.8	100%	363.7	100%	200.4	100%	151.0	100%

Japan

According to the IMR Consultant, 17LIVE is the top pure-play live streaming platform by revenue in Japan in 2022, occupying a market share of 20.8% by revenue. Japan is one of the Target Group's two core markets and contributes 69.3% of the Target Group's total revenue in the financial year ended 31 December 2022.

Taiwan

According to the IMR Consultant, 17LIVE commands a market share of 26.9% by revenue in the Taiwan pure-play live streaming industry in 2022. Revenues from Taiwan accounted for 23.9% of the Target Group's total revenue for the financial year ended 31 December 2022.

The Target Group's Business Lines

The Target Group primarily operates the following three business lines: Liver live streaming, V-Liver live streaming and other businesses. The Target Group generates revenues primarily from its live streaming businesses (including both Livers and V-Livers) by selling virtual points to its users, who in turn use them to purchase virtual gifts for their favourite live streamers and V-Livers or play in-app games. V-Liver live streaming enables real-time interaction between users and virtual characters. As part of the Liver live streaming and V-Liver live streaming businesses, the Target Group also offers in-app games which users can play while watching live streams, or which users can play together with live streamers

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and V-Livers. The Target Group also generates revenues from its live commerce business, which builds connections between brands and users.

Liver live streaming constitutes the majority of the Target Group's total revenue. It is the backbone of the Target Group's business and forms a robust foundation of the growth of other businesses. The following table sets forth a breakdown of the Target Group's total revenue by business line and each expressed as a percentage of its total revenue for FY2020, FY2021, FY2022, 1H FY2022 and 1H FY2023:

	FY2020		FY 2021		FY 2022		1H FY2022		1H FY2023	
	(US\$ in million, except for percentages)									
	(Audited)					(Unaudited)				
Liver Live Streaming ⁽¹⁾	406.9	98.9%	489.7	98.4%	354.6	97.5%	195.6	97.6%	146.0	96.7%
V-Liver Live Streaming ⁽²⁾	2.9	0.7%	3.3	0.7%	3.1	0.9%	1.9	0.9%	1.5	1.0%
Other businesses ⁽³⁾	1.5	0.3%	4.7	0.9%	6.0	1.6%	3.0	1.5%	3.4	2.3%
Total	411.4	100%	497.8	100%	363.7	100%	200.4	100%	151.0	100%

Notes:

- (1) Liver Live Streaming business comprises of revenues from virtual gifting, subscription and in-app games.
- (2) V-Liver Live Streaming business comprises of revenues from virtual gifting, subscription and in-app games. Due to current technical limitations, as of the Latest Practicable Date, the operating revenue which the Target Group generates from in-app games in V-Liver live streaming offerings has been consolidated into the business segment of Liver live streaming. The Target Group aims to have data infrastructure in place to track the operating revenue which the Target Group generates from in-app games in Liver live streaming and V-Liver live streaming offerings separately starting from 2024.
- (3) Other businesses comprise of revenues from live commerce and Wave.

Live Streaming

The Target Group provides live streaming services through the 17LIVE mobile application which is available on iOS App Store and Google Play, and the 17LIVE website. Together, these mobile applications and website are accessible to live streamers and users globally.

17LIVE enables users to interact and socialise with live streamers and other users directly through their mobile devices and the 17LIVE website. While live streamers are streaming, users can send in-stream instant messages and give virtual gifts to show their support. Users can also join the fan group of their favourite live streamers and become an "army subscriber" by paying a subscription fee on a monthly basis. A user who is an "army subscriber" will enjoy special privileges, which vary depending on the value of the subscription plan. Please refer to Section 14.3 titled "*Information on the Target Company – Business Overview – The Target Group's Business Lines – Live Streaming – Features of the Target Group's Platforms – Army*" of this Circular for further details. A variety of in-app games are available on 17LIVE, including half-screen casual games that users can play while simultaneously watching live streams, and half-screen interactive games that users can play together with the live streamers. The Target Group also hosts online competitions

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and offline events in which users, by giving virtual gifts, can help their favourite live streamers win the online competitions for a variety of rewards such as an opportunity to attend the offline events.

Live Streamers

Live streamers are the predominant content producers on 17LIVE. Live streamers streaming on 17LIVE include those with a wide variety of talents, such as music, games, education, fashion, art, chatting, handcrafting, fortune telling, lifestyle and cooking, as well as those who do not showcase special talent but want to share the moments of their lives or interesting experiences with a broader group of people.

Live streamers are offered the opportunity to enter into contracts with the Target Group. These live streamer contracts are mostly standardised, binding Contracted Streamers within the same countries and regions with similar terms and including standard terms such as obligations to comply with the Target Group's content protection policies, confidentiality obligations and other corporate policies. These contracts are generally renewed annually, and provide for a pre-agreed percentage of revenue to be shared with the live streamers. The Target Group also has the discretion to grant bonuses to the live streamer if he/she reaches a pre-determined target of streaming hours or receives a certain amount of virtual gifts. The live streamer contracts can also be exclusive or non-exclusive to the Target Group. Live streamers which are exclusive to 17LIVE generally enjoy better contractual terms as compared to non-exclusive live streamers. Currently, there are less than ten legacy contracts which were negotiated on a one-on-one basis and are being phased out – these legacy contracts provide live streamers with a larger revenue share and performance bonuses. The Target Group intends to phase out these legacy contracts by the end of 2024.

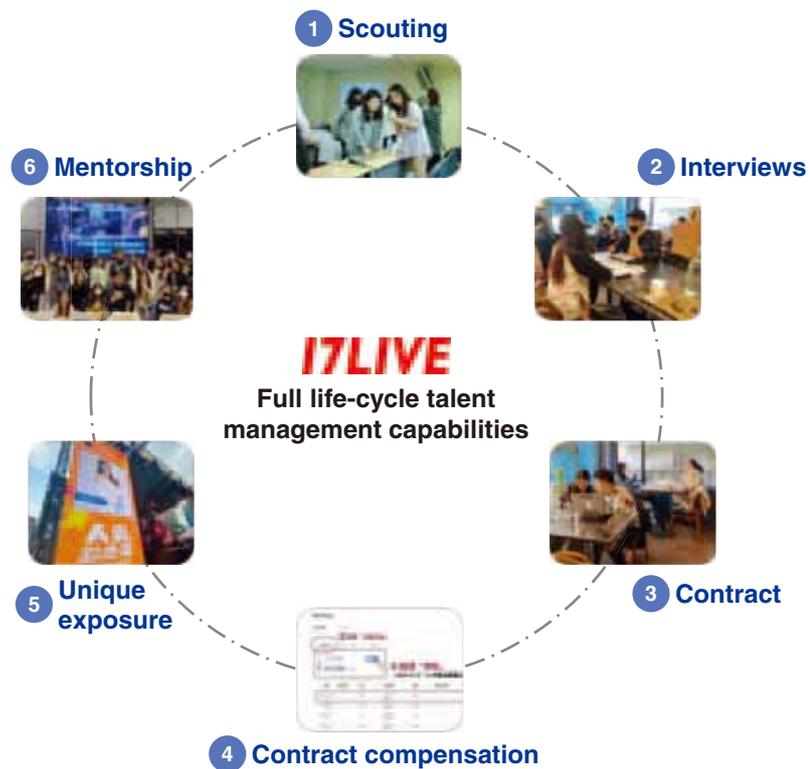
Live Streamer On-boarding

The Target Group encourages everyone to join its community and live stream on its platforms. Any user can register as a live streamer on 17LIVE through their accounts on various social media platforms and start live streaming. The Target Group conducts verification of live streamers through the application programming interface of social media platforms. Contracted Streamers are required to complete identity verification steps prior to entering into contracts with the Target Group, such as providing his/her identity card number, residential address, contact number and email address, and confirming whether he/she has a criminal record or not. The Target Group has a live streamer referral programme and partnerships with various third party agencies globally for recruitment of live streamers, complemented with recruitment campaigns and auditions.

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Live Streamer Cultivation

The Target Group has developed a robust end-to-end talent management system for Contracted Streamers to teach them how to develop quality and meaningful content which is appreciated by users. This begins with a three-part training programme designed with the aim of upskilling these Contracted Streamers, and supplementing them with greater exposure by providing them with the opportunities to attend online competitions and offline events. The Target Group also organises offline live streamer gatherings for live streamers to interact with each other. The diagram below illustrates the talent management system of the Target Group:



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The first part of the three-part training programme provides live streamers with the basic knowledge required to effectively use the platforms for streaming, which includes setting up the right streaming environment and utilising product features to enhance streaming quality. The second part is the advanced training programme which provides in-depth analytical data to help live streamers review their own performance, instructs live streamers on how to manage and interact with users and top spenders, and trains other skills such as target audience analysis, self-media marketing and self-positioning. The final part is the specific genre training programme, which is usually provided by third party agencies engaged by the Target Group, and tailored to help live streamers cultivate their own skills in areas such as singing, hosting or modelling.

In addition to the three-part training programme, the Target Group also arranges a large variety of personal development activities for its Contracted Streamers, such as (i) handcrafting classes for the live streamers to handmade gifts for their top viewers, (ii) pose and etiquette lessons, and (iii) coaching by famous singers and organising music shows to further develop and showcase live streamers' singing talents.

Live Streamer Retention

In order to retain popular live streamers, the Target Group established a “Top Live Streamer Welfare Committee”, which is responsible for providing consultation services and additional incentives to top live streamers. Top live streamers have regular one-on-one meetings with dedicated agents to discuss their content and career development.

To enhance competitiveness, the Target Group has a dedicated team that monitors top live streamers on other live streaming platforms and observes market trends. The Target Group also collaborates with talent agencies or multi-channel network corporations on featured live streaming, where the Target Group invites their artists and celebrities to live stream on such featured channels. For example, in Japan, the Target Group collaborated with Japanese pop singer Takanori Nishikawa (西川贵教) and launched an exclusive live stream series named Nishinana Live in 2021.

Case Studies

岸田直树 🌟 Naoking – Longest-serving Male Live Streamer on 17LIVE in Japan

Naoking started streaming on 17LIVE in 2017 and is the longest-serving male streamer on 17LIVE in Japan, having live streamed for more than 2,000 consecutive days. He specialises in lifestyle sharing. The Target Group identified Naoking as a promising and rising live streamer when he first started streaming on 17LIVE and has since then supported him in many ways, including providing live streaming training, personalised planning in relation to promotion strategies, and featuring him on billboards located in public transport, as well as the Target Group's online and offline events in Japan. Naoking has now grown into a top live streamer on 17LIVE with a strong and wide-spread fan base. With approximately 771,000 followers on 17LIVE as of 30 June 2023, his ambition is to become the most supported live streamer worldwide. He is widely popular and has won the overall champion of “Super Live Stream Festival 2021”, which was the biggest mixed-gender event organised by the Target Group. Live streamers were previously generally known as “streamers” in Japan, until he coined the term “livers”, which is the prevailing term used in the Japan live streaming industry today. His influence extends beyond live streaming as he

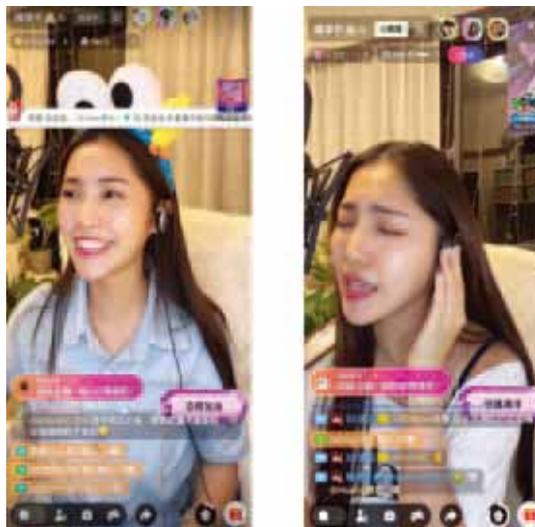
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has also garnered a strong following on different social media platforms. He is an inspiration for young live streamers and also runs a live streamer agency which scouts and trains potential talents.



杨净宇 🌸 Angel – Singer

Angel started streaming on 17LIVE in 2020 and is a charismatic singer in Taiwan who found fame and fulfillment through 17LIVE. Audiences witnessed Angel’s transformative journey from a street performer to a digital sensation. The Target Group provided professional music training courses to Angel to further improve her singing and performance skills. Through offline events and unique exposure opportunities, the Target Group gave her access to a wider audience, helped her foster a dedicated fan community and built up her reach and influence as an artist. Her growing popularity and talent resulted in her consistently high rankings on 17LIVE’s leaderboard and victory in the “Singing Paradise 2” contest in 2022. As of 30 June 2023, Angel had approximately 50,000 followers. By leveraging on 17LIVE, Angel was able to turn her passion into a professional pursuit and shape her singing career. Her story is an inspiring tale of successfully leveraging her talents and 17LIVE to transform her dreams into reality.



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Users

The Target Group believes that its widely-recognised brand image, diversified content and unique user experience have contributed to its user growth. 17LIVE offers popular interactive social features to users, such as real-time messaging, sending virtual gifts and “army” subscription to their favourite live streamers.

These real-time interactive features, coupled with a wide variety of high quality content, help the Target Group create a vibrant and loyal social community that creates a sense of belonging which in turn enhances user retention and promote engagement.

To further enhance user retention and engagement, the Target Group has launched tier-based loyalty programmes to reward users according to their view duration and Spend Rate. Furthermore, the Target Group has also launched various user-targeted promotion and subscription packages to convert users to paying customers.

The following table sets out the Target Group’s average MAU and the average Quality MAU as % of MAU for the half-yearly periods from FY2020 up to 1H FY2023.

	1H FY2020	2H FY2020	1H FY2021	2H FY2021	1H FY2022	2H FY2022	1H FY2023
MAU ('000)							
Target Group	1,118	1,255	784	1,533	1,149	624	550
– Japan	658	848	508	573	401	299	245
– Taiwan	244	198	123	141	121	107	92
Quality MAU as % of MAU							
Japan	1.2%	1.6%	3.8%	4.8%	7.8%	11.6%	14.4%
Taiwan	3.5%	4.5%	7.6%	7.2%	9.0%	10.8%	12.9%

As a result of the COVID-19 pandemic in FY2020, people spent more time at home due to social distancing measures and lockdowns and turned to consuming digital content. The Target Group was able to therefore significantly grow its MAU and MAS as well as increase its market presence in the live streaming market in Japan and Taiwan which ultimately increased the competitiveness of the Target Group. As the COVID-19 pandemic restrictions began to ease in the later part of FY2021 and FY2022 and coupled with the relatively higher market penetration rate of the Target Group’s core businesses, the cost of acquiring new users began to increase. As a result, the Target Group intentionally shifted its strategy to focus on profitability and return on user acquisition, which led to an increase in its Quality MAU, Spend Rate and ARPPU, ultimately enhancing the Target Group’s profitability.

The following table sets out the Target Group’s average MAU and the average Quality MAU as % of MAU for FY2020, FY2021 and FY2022:

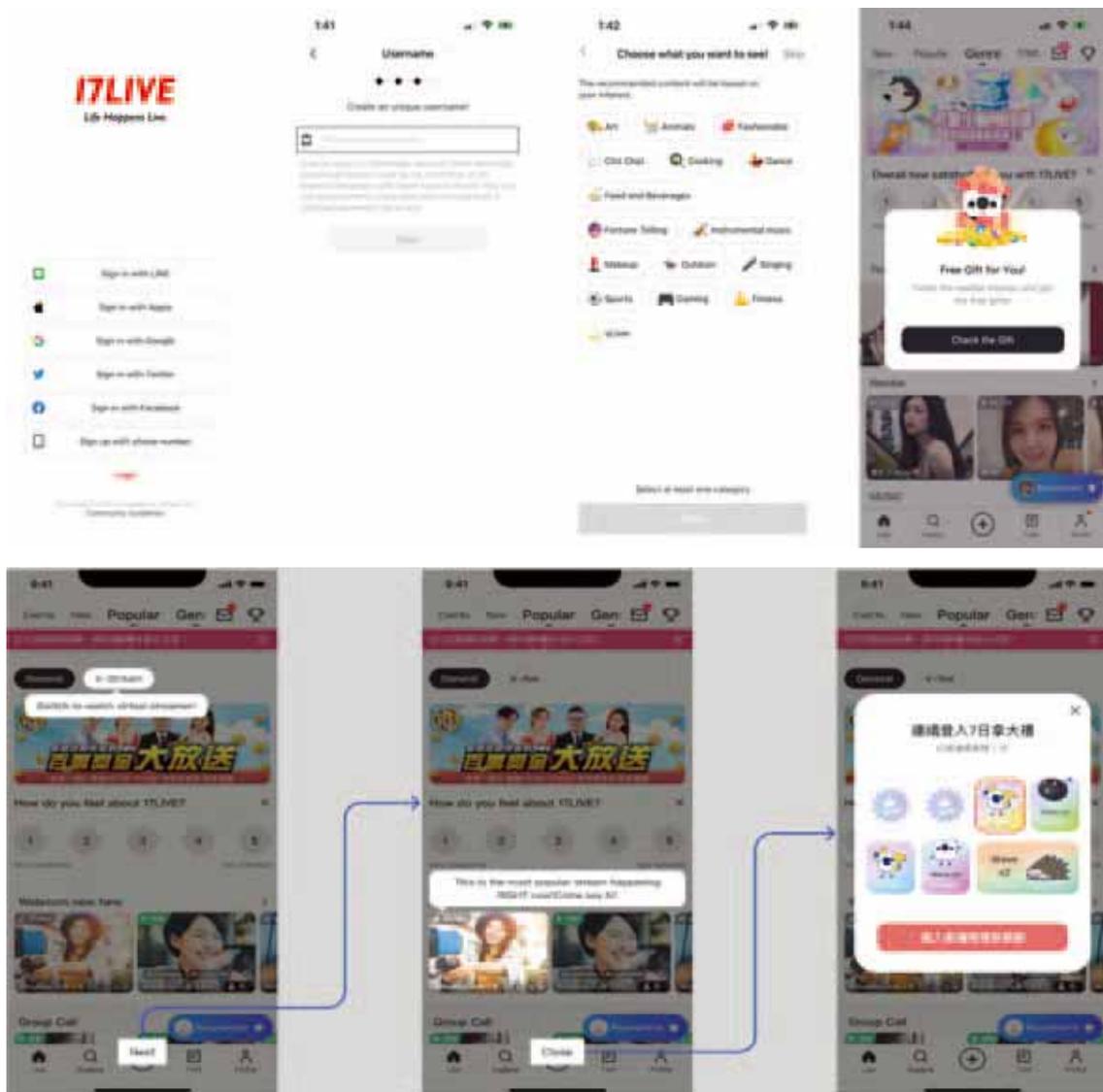
	FY2020	FY2021	FY2022
MAU ('000)			
Target Group	1,187	1,159	886
– Japan	753	540	350
– Taiwan	221	132	114

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	FY2020	FY2021	FY2022
Quality MAU as % of MAU			
Japan	1.4%	4.3%	9.7%
Taiwan	4.0%	7.4%	9.9%

Features of the Target Group's Platforms

17LIVE has a user friendly interface that allows all users to access live streaming content with a few simple clicks. The following screenshots from 17LIVE demonstrate the simplicity of the on-boarding process onto 17LIVE:



Interaction and Socialisation

17LIVE enables users to interact and socialise with live streamers and other users directly through their mobile devices.

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Other than real-time messaging and virtual gifting, the Target Group has introduced gamified features into its platforms. For instance, users can bid to be the “guardian knight” of their favourite live streamer, allowing them to serve as the main patron of the live streamer and assist the live streamer in socialising with the audience by chatting with newcomers and encouraging them to stay and support the live streamer. Live streamers who achieve certain level of popularity with their fans can receive rewards, which incentivise them to engage with users.

In addition, live streamers can archive their live streaming sessions and allow users who are unable to attend the sessions in real-time to watch them later. Users can also show their support through archive gifting when watching archived sessions, which allows live streamers to receive virtual gifts even when they are not live streaming.

The following table sets out the Target Group’s Average Daily View Duration Per DAU on a monthly average basis for the half-yearly periods from FY2020 up to 1H FY2023. 17LIVE has interactive features such as polls, gacha gift (varied virtual gift packages), and in-app games that increase interaction and engagement between live streamers and users. Such engaging experience encourages users to stay in the live stream for a longer duration.

	1H FY2020	2H FY2020	1H FY2021	2H FY2021	1H FY2022	2H FY2022	1H FY2023
Average Daily View Duration Per DAU (minutes)							
Target Group	71	67	82	87	101	101	93
– Japan	82	70	86	96	108	103	101
– Taiwan	61	65	69	72	82	80	82

The following table sets out the Target Group’s Average Daily View Duration Per DAU on a monthly average basis for FY2020, FY2021 and FY2022:

	FY2020	FY2021	FY2022
Average Daily View Duration Per DAU (minutes)			
Target Group	69	84	101
– Japan	76	91	106
– Taiwan	63	70	81

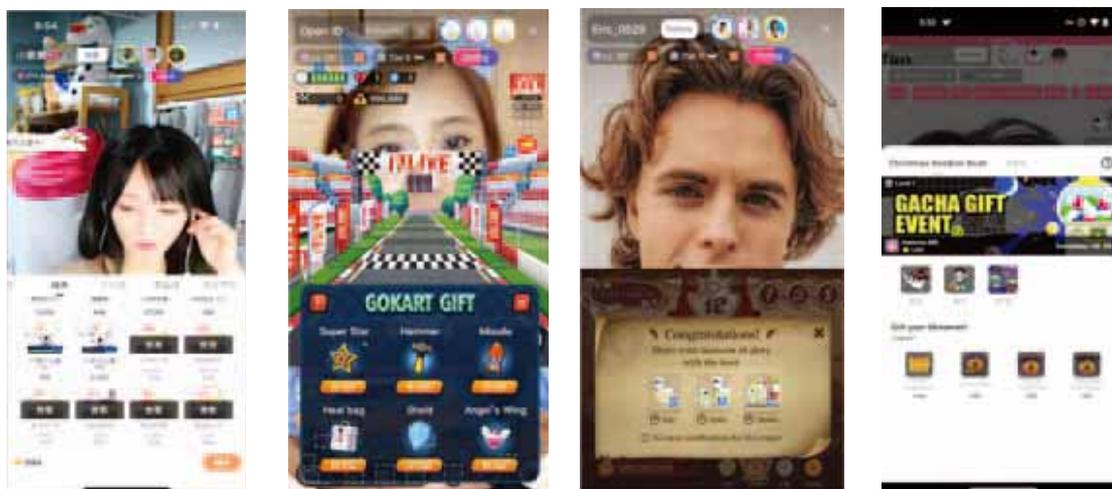
Gifting

17LIVE features a virtual gifting function, where users purchase virtual points on its platforms which can be exchanged into virtual gifts and sent to live streamers.

These virtual gifts mimic real-life goods and luxuries ranging from flowers to yachts to differentiate their rarity and value. Certain virtual gifts are AR-enabled which allow customisation and filters to be layered on top of live streamers’ faces. These virtual gifts float across the screen of the streaming room with special visual and/or sound effects drawing the attention of the other users in the streaming room. The virtual gifts can be exchanged using virtual points at different prices and virtual points can be purchased on 17LIVE in different packages.

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The following screenshots demonstrate the diversity of virtual gifting functions on 17LIVE:



Limited gift

Go-Kart gift

Tipping gift

Gacha gift

Live streamers can receive a portion of the corresponding economic value of the virtual gifts that they have received through their revenue sharing arrangements with the Target Group.

The emphasis on Quality MAU necessitates a shift by the Target Group to focus on increasing user engagement and spending. The Target Group continues to introduce several interactive gifts and features in 17LIVE that increase the interaction and the level of engagement between users, live streamers and V-Livers. The higher the level of engagement, the higher the ARPPU, and the shorter the time needed to achieve breakeven on user acquisition cost.

The following table sets out the Target Group's average monthly Spend Rate and ARPPU for the half-yearly periods from FY2020 up to 1H FY2023.

	1H FY2020	2H FY2020	1H FY2021	2H FY2021	1H FY2022	2H FY2022	1H FY2023
Spend Rate							
Target Group	8.8%	9.9%	16.5%	9.0%	10.7%	17.3%	16.1%
– Japan	8.2%	9.8%	17.6%	15.4%	19.9%	24.4%	24.5%
– Taiwan	7.8%	8.8%	13.3%	14.8%	15.4%	17.4%	17.6%
ARPPU (US\$)							
Target Group	289	354	366	349	302	285	302
– Japan	314	405	410	401	322	280	279
– Taiwan	345	326	340	306	335	364	459

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The Target Group's dedicated prestige customer service team managing top spender accounts and providing personalised services led to an increase in ARPPU in Taiwan after the ease of COVID-19 pandemic. For Japan, the ARPPU in 2023 tapered down and returned to pre-COVID-19 pandemic levels as users gradually returned to more offline entertainment and spent less time consuming digital content, including interactive live streaming.

The following table sets out the Target Group's average monthly Spend Rate and ARPPU for FY2020, FY2021 and FY2022:

	FY2020	FY2021	FY2022
Spend Rate			
Target Group	9.3%	12.8%	14.0%
– Japan	9.0%	16.5%	22.1%
– Taiwan	8.3%	14.0%	16.4%
ARPPU (US\$)			
Target Group	322	358	294
– Japan	360	406	301
– Taiwan	335	323	350

Army

Users can join the fan group of their favourite live streamers and V-Livers and become part of their core community by enrolling in the live streamers' and V-Livers' subscription plan, i.e. the users pay a subscription fee on a monthly basis and become an "army subscriber" of the relevant live streamer and V-Liver. In Taiwan, users can enrol in the live streamers' and V-Livers' subscription plan by paying the subscription fee directly or by spending virtual points. In other markets, users can only enrol in the live streamers' and V-Livers' subscription plan by paying the subscription fee directly. A user who is an army subscriber will enjoy special privileges, which will vary depending on the value of the subscription plan. These special privileges include a tiered army exclusive badge (based on the different subscription plans), gifts, a special notice when entering live stream, and exclusive fan group streaming. The army subscriber with the highest rank is awarded the title of the "chief general". Live streamers and V-Livers are rewarded with virtual points on a daily basis based on their army subscribers' subscription plans, the composition of which is accessible to the live streamers and V-livers. The Target Group recognises revenue generated from subscription plans on a daily basis.

In-app Games

In-app games were first launched on 17LIVE in Taiwan in May 2022 which included two main genres of in-app games, being (i) half-screen casual games that users can play while simultaneously watching content on its platforms, such as "Fruit Farm" and "Onmyoji", and (ii) half-screen interactive games that users can play together with live streamers. These in-app games were gradually rolled out to different markets since the launch.

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Most in-app games are developed in-house and the Target Group owns the copyright of such in-app games. Some in-app games are developed by third-party developers and such third-party developers own the copyrights and/or trademarks of the respective in-app games. The Target Group has a tiered profit-sharing arrangement with the third-party developers.

One popular interactive game on 17LIVE is “Go-Kart”, an in-house developed racing game where users can use their virtual points to purchase virtual game equipment and tools for live streamers to win the race. The Target Group believes that its in-app games offerings enhance user retention rate by keeping users engaged during live streaming downtime, and by providing another opportunity for interaction between live streamers and users.

The following screenshots demonstrate a variety of in-app games offered on 17LIVE:



“Go-Kart”

“Fruit Farm”

“Onmyoji”

Underpinned by the Target Group’s in-house game development capabilities, in-app casual games serve as a new high-margin revenue stream as it does not involve revenue sharing with live streamers.

The following table sets out the Target Group’s average monthly Game Penetration Rate for the half-yearly periods since its introduction in 1H FY2022 up to 1H FY2023:

	1H FY2022	2H FY2022	1H FY2023
Average monthly Game Penetration Rate			
Target Group	3.2%	21.4%	25.5%
– Japan	0.0%	20.7%	25.1%
– Taiwan	15.5%	28.3%	24.4%

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The following table sets out the Target Group's average monthly Game Penetration Rate for FY2022:

	FY2022
Average monthly Game Penetration Rate	
Target Group	16.8%
– Japan	15.5%
– Taiwan	25.1%

Online Competitions and Offline Events

Through online competitions and offline events, the Target Group gamifies the gift giving process to create more fun and excitement and taps into the competitive reward psyche of its live streamers and users, while providing both groups with an immersive and real-life face-to-face entertainment experience.

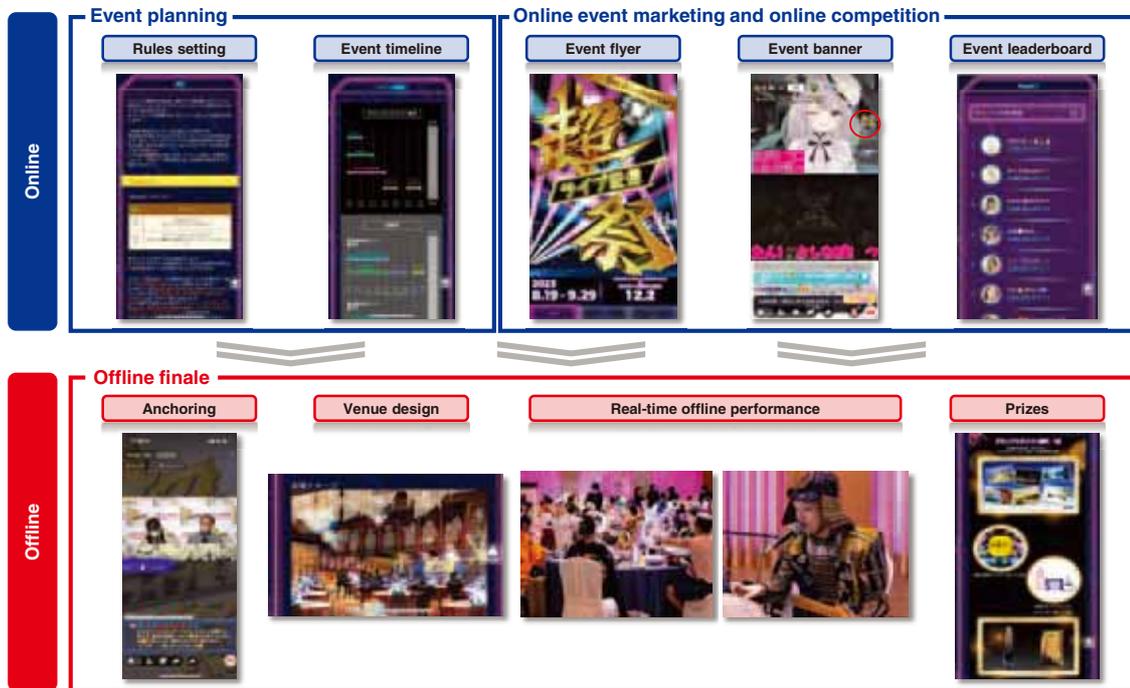
The diagram below illustrates the synergy between online and offline experience for live streamers and users:

Immersive online and offline experiences



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The diagram below illustrates the interaction between and the stages of the online competitions and offline events:



Online Competitions. The Target Group designs a variety of online competitions with different themes which live streamers can choose to participate in. Live streamers are incentivised to engage with users and encourage spending in order for the live streamers to progress in the online competitions. The Target Group’s online competitions give fans an opportunity to show their support to their favourite live streamers and provide the winning live streamers with a variety of rewards, including the opportunities to participate in offline concerts, ceremonies or runway shows, appear in in-house produced programmes and brand collaborations, or promote their personal brands on billboards and magazines.

The Target Group regularly hosts the “17 Music Wave” competitions in Japan, where live streamers participate in a series of online competitions generally lasting for two weeks, for a place to perform in the offline concert. The first “17 Music Wave” concert was held in Tokyo in January 2020, which was attended by ten groups of performers and more than 300 participants. Since then, the Target Group has successfully held a number of “17 Music Wave” concerts, making it one of the most attended and well regarded competitions in the music genre on 17LIVE. In collaboration with Japanese fashion entertainment companies such as Kansai Collection, the Target Group also regularly hosts in-app auditions for opportunities to walk the runway in one of Kansai Collection’s shows.

Offline Events. The Target Group regularly organises different types of offline events. For example, newbie exclusive events are held on a regular basis to help new live streamers build a stronger community and bond with users, and adapt to the gifting culture. Luxury offline events are usually held at high end venues to provide live streamers and users with a premium face-to-face engagement experience with certain indulgences. The Target Group’s events team has substantial experience in developing localised events. The events

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team is tasked with creating and implementing new ideas that are unique and tailor-made to each event with the goal of raising the profile of the 17LIVE brand and the popularity of its live streamers.

The following screenshots showcase a number of competitions organised by the Target Group:



"17 Music Wave"



"Live Streamers from 17LIVE Appearing on Kansai Collection Fashion Show"

In August 2020, the Target Group held a "Summer Festival" in Taiwan, creating an authentic Japanese festival experience featuring Japanese street food, game zone, and matsuri performance and a "Let's Bando" event, where live streamers cooked special dishes for participating top spenders.



"2020 Summer Festival"

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In June 2022, the Target Group held its annual “Shining Star” event in Japan with 70 top live streamers on 17LIVE voted by fans, as well as 20 top spenders, offering the live streamers more exposure through performances, runway show and live streaming gifting competition, providing the top spenders with a tangible bonding experience that further strengthened their connection with the live streamers.



“2022 Shining Star”

In December 2022, the Target Group held a “Christmas Party” in Taiwan with 155 live streamers and 100 top spenders. Live streamers live streamed the entire party while participating in interactive games and performing on stage. The competitive atmosphere among live streamers and their fans at the event further facilitated their interactions. Individual prizes and team prizes such as virtual points and luxury items were awarded to the top live streamers.



“2022 Christmas Party”

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In June 2023, the Target Group launched a two-day “17LIVER Expo”, a stage event in Taiwan, featuring offline performances of live streamers, V-Livers and pop stars from Japan and Taiwan. The 17LIVER Expo also featured a weekend market where localised physical merchandise were sold, attracting approximately 37,500 participants in total.



“2023 17LIVER Expo”

Localisation across markets

Given the Target Group’s global operations, the Target Group embraces the fact that each geography exhibits unique cultural traits with diverse cultural backgrounds and preferences. The Target Group celebrates these differences and strives to localise its apps and operations across its markets.

For example, the Target Group’s localised content in Japan caters to the unique sociocultural characteristics and preferences of the Japanese population. According to the IMR Consultant, the unique characteristic of the young Japanese population is the prevalence of Hikikomori (also known as social withdrawal) and Otaku (who are individuals that display strong interests and extensive knowledge of subjects such as anime, manga, video games and related fandoms). Japanese with such characteristics may often find it challenging to engage in face-to-face interactions. As such, 17LIVE has specially designed emojis and virtual gifts that cater to the liking of these demographics and continues to serve as a safe and comforting environment for them to seek social interactions.

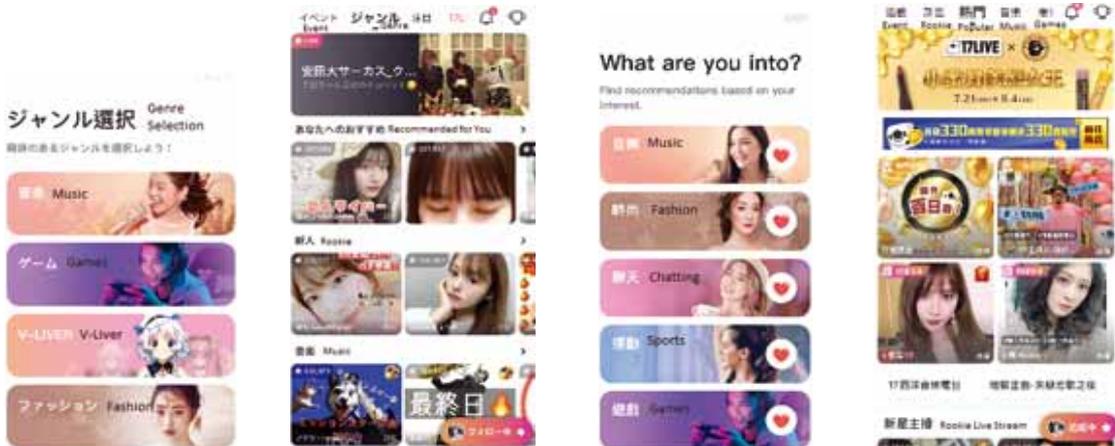
Localised Apps and Content Discovery

17LIVE offers substantially the same functions in Japan and Taiwan, with each localised version of the app available in the dominant language of the region in which it operates, offering tailored functionalities and content in each market.

The Target Group conducts market surveys regularly to develop new genres of content for different countries and regions. The Target Group recruits live streamers as pilot testers for new content genres, while agents monitor interactions within the live streaming rooms and analyse the performance data. Adding onto the Target Group’s content localisation, the Target Group also runs monthly costume theme online events where live streamers can dress up in their local costumes. The Target Group also organises uniquely themed activities regularly to celebrate traditional festivals in different regions. For example, the Target Group has previously rolled out special animation designs based on Taiwanese classic romantic novels in Taiwan.

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The following screenshots demonstrate the localised gifts, live streamers and content discovery, and online competitions and offline events on 17LIVE:



Japan

Japan

Taiwan

Taiwan

Localised Gifts

In Japan, one of the localised virtual gifts is “takoyaki”, a traditional Japanese snack filled with octopus. In Taiwan, one of the localised virtual gifts is a “Qixi” (七夕) themed gift, Qixi (also known as Chinese Valentine’s Day) is a Chinese festival celebrating a Chinese mythology. In Singapore, one of the localised virtual gifts is “Merlion”, a mythical creature with a lion’s head and the body of a fish, and is a famous Singapore landmark.



Japan



Taiwan



U.S./Southeast Asia
(Singapore)

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Localised Competitions and Events

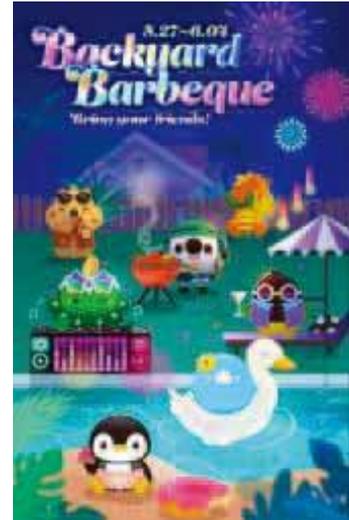
The Target Group's online competitions and offline events are of different themes in different regions based on local culture. The following screenshots showcase a number of competitions and events featuring local cultural themes. Please refer to Section 14.3 titled "Information on the Target Company – Business Overview – The Target Group's Business Lines – Live Streaming – Online Competitions and Offline Events" of this Circular for further details.



*Japan Sengoku-themed competition
(战国时代 – 花庆次)*



Taiwan Chinese New Year-themed cooking competition (尾牙办桌)



U.S. and Southeast Asia Backyard Barbeque

Localised Operations

The Target Group's data-driven bottom-up feedback loop consists of both centralised management and localised operations. A data-driven feedback loop ensures corporate strategies are aligned and able to meet the overall goals while the bottom-up feature refers to the local operation team collaborating and providing feedback on its day-to-day operations. Although the Target Group centralises its strategic management and technology R&D, it grants a high degree of autonomy to local live streamer management teams and operations, permitting local live streamer management teams to have a high amount of discretion in curating localised content offerings and determining suitable monetisation strategies.

With in-depth local knowledge and first-hand intelligence on market trends, these on-the-ground teams are well situated to make business judgements and timely decisions. The Target Group has invested significant resources in building up its local teams in each of its primary markets. Aided by its big data analytical capabilities, these local teams have effectively adapted the Target Group's product offerings to different cultures in order to scale its business in Japan, Taiwan and other countries.

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Premium Content

The Target Group leverages its strategic partnerships and collaborations with local celebrities, politicians and athletes to produce professional content which is exclusively offered by 17LIVE. In Taiwan, the Target Group invited politicians from different political parties and athletes to live stream on 17LIVE, including the Taiwan president, Tsai Ing-Wen (蔡英文), the former mayor of Taipei, Ko Wen-je (柯文哲) and the former NBA star, Jeremy Lin. In Japan, the Target Group further expanded its V-Liver content, which gained significant popularity and traction among its users. Please refer to Section 14.3 titled “Information on the Target Company – Business Overview – The Target Group’s Business Lines – V-Liver” of this Circular for further details.

The Target Group has also developed in-house shows featuring live streamers who won online competitions, such as “17 Unbox (17疯开箱)”, a variety show, “17LIVE Taiwan 6th Anniversary Event” and “17 Street Music Festival (17街头音乐节)”. These shows were mainly streamed through the 17LIVE mobile application and reproduced in video format and distributed through third-party social media platforms for marketing purposes. The Target Group retains the copyrights of content distributed through the third-party social media platforms.

The following screenshots demonstrate the diversity of content on 17LIVE:



“17 Unbox (17疯开箱)”



“17LIVE Taiwan 6th Anniversary Event”



“17 Street Music Festival (17街头音乐节)”

Content Management and Monitoring

The Target Group has established strict corporate policies for content management. Live streamers must register an account with the Target Group’s platforms in order to stream. As all live streamers are required to accept the Target Group’s terms of use when they register for an account, they are required to ensure that all live streaming on the Target Group’s platforms must abide by the Target Group’s content policy and comply with applicable laws and regulations. Likewise, users must register an account in order to interact with the live streamers by sending on-screen instant messages and giving virtual gifts. Users are not required to register an account in order to view live streaming content on the 17LIVE website, but they must register an account to view live streaming content on 17LIVE mobile application. The Target Group also requires registrants to accept its terms of use, which are updated from time to time in accordance with applicable laws and regulations.

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The Target Group's content monitoring framework is comprised of three prongs: (i) automated screening, (ii) human screening and (iii) penalties. To the best knowledge of the Target Group, there has been no material breach of the Target Group's content monitoring framework since the establishment of SkyEye, the content monitoring team of the Target Group. The Target Group's three-pronged content monitoring framework is in line with industry practices to ensure compliance with the laws and regulations in the jurisdictions it operates in.

Automated Screening

The Target Group's automated screening mechanism consists of a two-level automatic filtering (redundancy screening and in-depth screening). The Target Group's content distribution network, or CDN, has automated filters that screen nudity, violence and other explicit or inappropriate content every five seconds. A proprietary software consisting of AI models developed in-house by the Target Group aids SkyEye, the content monitoring team of the Target Group, to monitor and screen graphics and user generated content against a spam list, a list of keywords and behaviours that are likely to be indicative of inappropriate content or activities, every few seconds. The software is tailored to monitor the contents and materials of each market according to its cultural norms and legal restrictions. Content that violates the Target Group's policy or contains offensive materials is also filtered.

Human Screening

SkyEye, the dedicated multi-lingual content monitoring team of the Target Group, reviews and handles content on its platforms across different regions. The team comprises 34 employees and is located in Taiwan. The team, aided by its proprietary software and AI models, monitors live streams 24 hours a day, seven days a week to ensure that the platforms provide a clean and friendly environment without inappropriate content or offensive materials. The team also randomly tunes in to various live streams to monitor its content. The team also closely monitors live streamers, with more attention on new joiners, and promptly takes action on live streamers who engage in inappropriate use of the Target Group's platforms. By leveraging these technologies, the Target Group is able to detect and remove offensive materials quickly.

Penalties

The Target Group takes immediate enforcement actions to maintain the integrity of the content on its platforms, depending on the severity of the violation. Such actions range from "hiding" the live stream such that new users cannot enter the live stream, ending the live stream and deleting the content, to suspending the violating account. Any live streamer or V-Liver who violates the content policies of the Target Group will be temporarily suspended from streaming. Those who violate the content policy three times or more will be banned from 17LIVE. The associated social media accounts and mobile devices of banned users are also tracked to prevent them from registering new accounts with 17LIVE.

Customer Service

The Target Group had a dedicated team of 63 customer facing service personnel as of 30 June 2023. Through an in-app online communication channel, the Target Group's customer service team helps users with issues they encounter on the mobile platforms, gathers feedback on how to improve the Target Group's services and receives customer complaints and suggestions.

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Within its customer service team, the Target Group has a dedicated prestige customer service team to manage top spender accounts and provide personalised services. Such services include on-demand communication to resolve problems, special perks and access to customised digital products and merchandise, and access to major offline events organised by the Target Group to meet with their favourite live streamers. Customised virtual gifts are also designed for top spenders who reach a certain level of spending. This team works closely with other divisions to ensure that top spenders are continuously engaged with the live streamers whom they support. The comments and feedback from these top spenders are carefully considered and implemented to the extent practicable.

V-Liver

In 2018, the Target Group launched V-Liver content as a genre on 17LIVE, combining virtual and real interactions to create an immersive, real-time experience with virtual characters and to foster a thriving community. V-Livers are computer-generated characters designed to resemble real people. 17LIVE is the first V-Liver agency with its own live streaming platform poised for strong growth. This feature enables users to have real-time interactions with virtual characters. There are human actors behind the V-Livers, whose movements, sounds and expressions are simultaneously reflected on the V-Livers by using motion capture technology or software. There is no direct association between the image and identity of the V-Livers and those of the human actors.

As of the Latest Practicable Date, the Target Group has acquired more than 80 V-Liver IPs, of which over 60 V-Livers have started live streaming. The Target Group has licensing arrangements with art studios such as HellArts to cultivate V-Liver proprietary IPs, further enhancing the V-Liver offerings to capture users with different interests. These proprietary IPs of the V-Livers under the licensing arrangement with HellArts belong to the Target Group. In July 2023, the Target Group created its first five V-Liver proprietary IPs under the name BUSHILIVE.



“BUSHILIVE”

The Target Group has used the Open Broadcaster Software system for its V-Liver content since its launch in 2018. In April 2023, the Target Group integrated the Live2D functions into the broadcasting functionality, which allows anyone to use their smartphones to upload an avatar and conduct virtual streaming. With the Live2D functions, live streamers do not need to purchase additional equipment in order to virtual stream, significantly lowering the barriers to becoming a V-Liver. The Live2D software has been licenced by a third party provider for the Target Group’s broadcasting purposes. Since the integration of the Live2D functions, the Target Group’s organic traffic of V-Liver MAS has grown significantly. In August 2023, the Target Group further enhanced its broadcasting functionalities by

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integrating VRM3D and hand gesture recognition functions in order to create an immersive experience for users with V-Livers.

The Target Group collaborates with top voice actor schools and agencies to provide training for V-Liver voice actors and live streamers who wish to become a V-Liver voice actor, which increases the overall quality of the live streaming by V-Livers.

Likewise, the Target Group also organises various online competitions and offline events for V-Livers. In 2018, V-Livers competed with live streamers to win the chance to perform at the Target Group's anniversary party in Japan. In September 2019, the Target Group held a live streaming festival in Tokyo to celebrate its second anniversary in Japan and invited Kizuna Ai, a leading virtual YouTuber in Japan to attend and perform at the festival, along with some of the Target Group's V-Livers and live streamers of different genres. In June 2023, the Target Group organised an offline V-Liver performance in Ikebukuro, Tokyo. Out of the 200 live streamers competing online for a performance opportunity, five live streamers and five V-Livers were shortlisted to perform on stage together during this offline performance. This event recorded a gross revenue of approximately US\$181,000 and attracted approximately 3,000 fans to participate and support their favourite live streamers and V-Livers. In this way, the Target Group's online events enable real-life connections between V-Livers, live streamers as well as users with its offline events further increasing engagement of these parties.

The following table sets out the Target Group's average monthly V-Liver viewer, average monthly V-Liver Spend Rate and average V-Liver MAS for the half-yearly periods from FY2022, when the V-Liver segment became a focus of the Target Group's business growth plans, up to 1H FY2023:

	1H FY2022	2H FY2022	1H FY2023
V-Liver Viewer ('000)	40	31	61
V-Liver Spend Rate	31.1%	33.9%	30.0%
V-Liver MAS ('000)	0.4	0.3	1.3

The V-Liver MAS grew significantly from 2H FY2022 to 1H FY2023 immediately after the integration of Live2D functions in April 2023. Live2D functions allowed users to use their smartphones to upload an avatar and conduct virtual streaming without any additional hardware or software, thereby significantly lowering the barriers to becoming a V-Liver, resulting in an increase in V-Liver MAS.

The following table sets out the Target's Group average monthly V-Liver viewer, average monthly V-Liver Spend Rate and average V-Liver MAS for FY2022:

	V-Liver Viewer ('000)	V-Liver Spend Rate	V-Liver MAS ('000)
FY2022	36	32.5%	0.3

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Case Studies

Aone Hako

Aone Hako began to stream as a live streamer in the games genre in September 2019. In 2022, in order to further expand her fan base, she switched to being a V-Liver by hiring a character design studio to design her own V-Liver model. The Target Group provided training and tutorials to Aone Hako and increased her in-app exposure. Aone Hako is an inspirational character and actively works as a “2.5-dimensional live streamer” as she shares photos from her real life on social media. She has a large follower base and came first in the V-Liver category at the 5th Super Livestreaming Festival in 2022, an anniversary event of 17LIVE. She also won the first Kanban event and earned the opportunity to appear on a billboard at a major intersection in Shibuya.



Murayuki

Murayuki is a V-Liver who started live streaming in November 2018 as a Nekomata (mythical two-tailed cat) character. The Target Group supported Murayuki by arranging collaborative shows of her with famous V-Livers from other agencies and increasing the exposure of her content creations. She achieved top rankings within a month and had approximately 170,000 followers as of 30 June 2023. Murayuki is a representative role model and driving force of the V-Liver streamer community due to her engaging voice, character, storyline, speaking skills, and well-planned content. She was an individual V-Liver without agency support, and expanded her recognition and influence through actively collaborating with other V-Livers and participating in fan engagement events. She has received multiple awards and formed a V-Box group called “MUIMAL” with other V-Livers. She is now an individual V-Liver directly contracted with the Target Group.

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Live Commerce

The Target Group operates its live commerce business through (i) HandsUp and OrderPally, a B2B SaaS platform and (ii) 17Shop, a marketplace. Contracted Streamers are invited to promote products from leading brands in their live streams, creating an engaging shopping experience for users, this is further facilitated and supported by the Target Group's knowledge and experience in organising events.

Since 2020, the Target Group operates its live commerce business through HandsUp in Japan, a platform that allows merchants to sell their products through live streaming, and OrderPally in Taiwan, a B2B live commerce matching and order management SaaS platform connecting merchants and users, to leverage the capabilities and the community fostered through the live streaming business and build strong connections between brands and users. As of 30 June 2023, the Target Group served 918 merchants through its platforms. Approximately 20% to 30% of the Target Group's total live commerce revenue as of 30 June 2023 comprises written revenue sharing arrangements in respect of the products sold through HandsUp and OrderPally, which contribute less than 1% of the Target Group's total revenue as of 30 June 2023.

In October 2022, the HandsUp platform helped Hyundai, a Korean auto-mobile manufacturer, sell three cars in a one-hour live stream. This was a breakthrough in the live commerce industry in Japan, as these were the first cars ever sold through live streaming in Japan.

The Target Group introduced 17Shop to 17LIVE in July 2023, allowing the Target Group 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. This is supported by a dedicated merchandise development team, who manages the manufacture, outsourcing and development of V-Liver branded goods.

Wave

In 2019, the Target Group launched Wave, an audio-centric live streaming and social platform in Taiwan, to expand into other live streaming formats. Wave provides a platform for people who wish to showcase their talent, including singing and story-telling, without revealing their faces. In 2022, the Target Group further launched Wave in Japan.

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14.4 Marketing

To promote the Target Group's platforms and the 17LIVE brand awareness, the Target Group employs a variety of marketing tools, including advertising on social networking media, search engines and web portals, cooperating with app distributors, as well as organising offline events. The Target Group also employs performance-based marketing, which helps to identify paying users by monitoring and analysing the online behaviours of a large number of internet users in order to develop more targeted and effective promotional materials. However, the most efficient form of marketing for its platforms is still through word-of-mouth referrals and repeat user visits, which are ultimately driven by the delivery of a superior user experience on the Target Group's platforms. The Target Group has tailor-made marketing strategies for each market to achieve the desired outcome.

On one hand, in Japan and Taiwan, the Target Group has a set of marketing strategies to enhance its brand image in order to defend its market leading position. This includes traditional outdoor media such as billboards, and live streamers who win the Target Group's online competitions are given priority with respect to obtaining advertising spots, including in the busy Tokyo Shibuya, Osaka and Fukuoka train stations. The Target Group also partners and collaborates with major players in the media, entertainment and sports industries to spread brand awareness. In July 2022, the Target Group collaborated with Cosmopolitan to host a summer party in Taiwan, which featured a number of popular live streamers on 17LIVE. In October 2022, the Target Group started to sponsor professional basketball team, Kaohsiung Steelers, and had its name incorporated into the team's official name.

On the other hand, for the other regions, 17LIVE utilises marketing tactics to increase market share by attracting quality users and live streamers. This includes online marketing through popular social media platforms and referral campaigns.

14.5 Major Customers

The Target Group's customer base comprises of users of its live streaming platforms and merchants who subscribe to sell their products through the Target Group's live commerce platforms.

The top five major customers of the Target Group comprise users of its live streaming platform. Their respective revenue contributions to the Target Group during FY2020 to FY2022 were computed based on the number of virtual points spent by them on 17LIVE and the total amount of the Target Group's net revenue. The top five major customers of the Target Group are individuals and none of them have any relationship with the Target Group, its directors, CEO, or Controlling Shareholders, and their respective Associates. There are no receivables outstanding from these top five major customers.

Merchants who subscribe to sell their products through the Target Group's live commerce platforms contribute less than 1% of the Target Group's revenue.

No single customer contributed more than 5.0% of the Target Group's revenue during the Period Under Review.

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14.6 Major Suppliers

The Target Group's suppliers include vendors for its mobile application channels, talent agencies, cloud service providers, server and bandwidth providers, third party payment channels, which are mainly financial institutions in Japan and Taiwan with a small portion of financial institutions in Hong Kong and U.S., and live streamers. While live streamers account for the majority of the cost of revenue, payment to each live steamer is not material.

The following table sets forth the Target Group's major suppliers accounting for 5.0% or more of the Target Group's total cost of revenue during the Period Under Review:

Name of Major Supplier	Products supplied/ Services provided	Percentage of total cost of revenue (%)			
		FY2020	FY2021	FY2022	1H FY2023
Apple Inc.	Channel Fee	10.4	8.8	8.9	7.4
Google LLC	Channel Fee	7.2	5.1	4.7	3.6

Save as disclosed above, there are no other suppliers who accounted for 5.0% or more of the Target Group's purchases during the Period Under Review.

Save as disclosed below, as of the Latest Practicable Date and to the best of their knowledge, none of the Directors, Executive Officers, Substantial Shareholders or their Associates has any interest, direct or indirect, in any of the major suppliers of the Target Group and/or are involved in the management of any of the major suppliers of the Target Group.

Venezio's holding company, Temasek, is a global investment company headquartered in Singapore. Its portfolio covers a broad spectrum of industries: transportation and industrials; financial services; telecommunications, media and technology; consumer and real estate; and life science and agri-food. Temasek may, from time to time, make investments in one or more portfolio companies which may have interests, whether direct or indirect, in the major suppliers of the Target Group. However, as a matter of long-standing governance policy, Temasek does not direct the business decisions or operations of its portfolio companies, which are guided and managed by their respective boards of directors and management teams, independently of Temasek. Temasek does not direct, and is not involved in, the business, commercial or operational decisions of the Target Group and the Company.

14.7 Seasonality

Discretionary consumer spending in Taiwan generally decreases during the tax season in May and June, when Taiwan individual income tax is due and payable by Taiwan taxpayers in one lump sum in May each year. The Target Group has observed a general downward trend for discretionary consumer spending in Taiwan (including on its platforms) during such period, which it believes is attributable to consumers having to make provision for tax payments. In addition, live streamers tend to go on vacation during holiday season, particularly in January, which leads to a lower number of streaming hours. Save for the above, the Target Group does not experience any material seasonality from its customers.

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14.8 Credit Policy and Credit Management

Credit Terms Offered to the Target Company's Customers

Due to the nature of the business of the Target Group, the majority of the Target Company's customers are users who purchase virtual points on its platforms. As such payments are made through credit or debit cards and electronic payment through third party payment service providers, the Target Group does not give any credit terms to its customers². The Target Group gives a credit term of 20 to 60 days to third party payment service providers for their payment to the Target Group of the proceeds from sale of the Target Group's virtual points, and to merchants for their payment of service fees for using the Target Group's live commerce platforms, depending on the terms and conditions entered with the respective parties.

The following table sets forth the Target Group's average trade receivables' turnover days during the Period Under Review:

	FY2020	FY2021	FY2022	1H FY2023
Average trade receivables' turnover days	20.5	23.4	28.0	25.3

The Target Group has not previously encountered any issues in relation to the collection of its trade receivables. The expected credit losses for the Period Under Review were attributed to ageing of trade receivables from spenders.

Credit Terms Granted by the Target Company's Suppliers

On average, the Target Group is given a credit term of up to 60 days and payment is made to its suppliers by bank transfer.

The Target Group's average trade payables' turnover days during the Period Under Review are as follows:

	FY2020	FY2021	FY2022	1H FY2023
Average trade payables' turnover days	48.6	53.1	63.0	63.7

² The only exception is the granting of credit term to a customer (who was not among the Target Group's top five major customers during FY2020 to FY2022) with consistent spending on 17LIVE for more than five years, where credit term was granted as the only exception to the particular customer, after review by the legal, financial and internal control team and the chief executive officer of 17LIVE Taiwan. The customer which was granted the credit term has no relation with the Target Group, its directors, CEO, or controlling shareholders, and their respective associates. While the Target Group does not anticipate any future grant of credit term to its customers, the same review process will apply to any future application of credit term. The Target Group does not, as a matter of general practice, extend credit terms to other customers meeting the reasons above. As of the Latest Practicable Date, the amount of credit extended to the customer was in the aggregate of TWD14.7 million.

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There has been no change in the Target Group's credit terms during the Period Under Review. The increasing trend in the trade receivables' and trade payables' turnover days during the Period Under Review is a result of the fluctuation in the Target Group's revenue (in the case of trade receivables) and cost of revenue (in the case of trade payables), as well as the fluctuation in average year-end receivables (in the case of trade receivables) and average year-end payables (in the case of trade payables), as the trade receivables' and trade payables' turnover days are calculated based on a formula by reference to these factors.

14.9 Material Properties and Fixed Assets

As of the Latest Practicable Date, the Target Group does not own any properties.

The headquarters of the Target Group is in Japan and its principal places of business are located in Tokyo, Japan and Taipei, Taiwan. The Target Group has six offices in Japan, Taiwan, Hong Kong and India, and one of the offices in Taiwan also includes a recording studio. All of the Target Group's office premises are leased.

As of the Latest Practicable Date, the Target Group's material properties comprise the following:

Lessee	Property	Total land size (sq m)	Term of lease	Monthly rental	Use of property	Lessor
17LIVE Japan	2-12-28, Kita-Aoyama, Minato City, Tokyo, Japan (日本东京都港区北青山2-12-28)	759.02	1 September 2022 – 31 March 2025	US\$28,992.40 (equivalent to local currency JPY4,339,440) plus US\$7,669.90 (equivalent to local currency JPY1,148,000) for common area maintenance	Office	Marubeni Corporation (丸红株式会社)
17LIVE Taiwan	I/F, No. 221 and 223, Section 1, Tiding Blvd, Neihu District, Taipei City, Taiwan (台湾台北市内湖区堤顶大道一段221及223号I楼) (“Neihu Lease”)	650.3	10 August 2022 – 31 January 2026	US\$6,113.80 (equivalent to local currency NT\$196,730) for rent, plus US\$614.40 (equivalent to local currency NT\$19,770) for management fees	Office and Recording Studio	Yaocheng Industrial Co., Ltd. (曜丞实业股份有限公司)

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Lessee	Property	Total land size (sq m)	Term of lease	Monthly rental	Use of property	Lessor
17LIVE Taiwan	Flats A1-2, 19/F, Hung Sheng International Finance Centre, No. 168, Section 3, Nanjing E Rd, Zhongshan District, Taipei City, Taiwan (台湾台北市中 山区南京东路三 段168号「宏盛 国际金融中心」 19楼A1-2室)	1,554.5	1 February 2023 – 31 January 2026	US\$54,072.10 (equivalent to local currency NT\$1,739,925 for the first year US\$55,533.50 (equivalent to local currency NT\$1,786,950) for the subsequent two years	Office	Hung Sheng Construction Co., Ltd (宏盛建设股份 有限公司)
17LIVE Taiwan	Flat A4, 10/F, Hung Sheng International Finance Centre, No. 168, Section 3, Nanjing E Rd, Zhongshan District, Taipei City, Taiwan (台湾台北市中 山区南京东路三 段168号「宏盛 国际金融中心」 10楼A4室)	313.3	1 May 2023 – 31 January 2026	US\$9,570.90 (equivalent to local currency NT\$307,970) for the first nine months US\$9,859.40 (equivalent to local currency NT\$317,256) for the subsequent two years	Office	Hung Sheng Construction Co., Ltd (宏盛建设股份 有限公司)
17LIVE HK	28/F, “909 Cheung Sha Wan Road”, No. 909 Cheung Sha Wan Road, Cheung Sha Wan, Kowloon, Hong Kong (“ Hong Kong Lease ”)	788.2	1 September 2021 – 31 August 2024	US\$27,335.80 (equivalent to local currency HK\$212,025) plus US\$6,833.90 (equivalent to local currency HK\$53,006.25) for management and air-conditioning charges	Office	Blessed Pinnacle Investments Limited

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Lessee	Property	Total land size (sq m)	Term of lease	Monthly rental	Use of property	Lessor
	Flat Roof at 28/F, “909 Cheung Sha Wan Road”, No. 909 Cheung Sha Wan Road, Cheung Sha Wan, Kowloon, Hong Kong ⁽¹⁾	17.4	1 September 2021 – 31 August 2024	US\$16.10 (equivalent to local currency HK\$125) plus US\$150.70 (equivalent to local currency HK\$1,168.75) management fee	Leisure	Blessed Pinnacle Investments Limited
Liontrek	Office Number 04-106, WeWork Blue One Square, 246, Phase IV, Udyog Vihar, Gurugram, HR, 122016, India (“ India Lease ”)	63.5	1 December 2022 – 30 November 2023	US\$4,395.00 (equivalent to local currency Indian Rupee 363,000)	Office	WeWork India Management Private Limited

Note:

- (1) The lessee is granted the right to use the said premises by the lessor under a licensing arrangement pursuant to the Hong Kong Lease.

Under the Neihu Lease, the lessor may terminate such lease by providing one month of liquidation damages. Under the Hong Kong Lease, the lessor may terminate such lease by providing six months’ notice in writing, if at any time during the term, the lessor decides to sell, redevelop, demolish, rebuild, refurbish or renovate the premises or the building. Under the India Lease, the lessor may, at its sole discretion, terminate such lease at any time it sees fit to do so.

Any unilateral termination by the abovementioned lessors is unlikely to have a material impact on the Target Group’s business or operations as the Target Group believes that the Target Group is able to secure leases for alternative premises in such an event.

Save as disclosed above, none of the leases may be unilaterally terminated by the respective lessors. As of the Latest Practicable Date, the Proposed New Board is not aware of any existing breach of any obligations under the abovementioned lease agreements that would result in their termination by the lessor or non-renewal, if required, when they expire.

The Target Group does not have any production facility.

The Target Group has obtained the required material licences for the business operations in respect of the properties listed in this section and there are currently no regulatory requirements or environmental issues that may materially affect the Target Group’s utilisation of the above properties.

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14.10 Insurance

As of the Latest Practicable Date, the Target Group maintains insurance that covers directors' and officers' liability, and incidents relating to fire accidents.

The Target Group is of the view that the insurance coverage from the above insurance policies is in line with industry practice and adequate for its existing business and operations and will review and procure the necessary additional insurance coverage as and when the need arises. However, significant disruption to the Target Group's operations or damage to its properties or assets, whether as a result of fire and/or other causes, may still have a material adverse impact on its results of operations or financial condition. There is no assurance that any claims made or decided against the Target Group will be covered by insurance, or if covered, will not exceed the limits of the Target Group's coverage. Please refer to Section 16.1 titled "*Risk Factors – Risks relating to the Business and Industry of the Target Group – The Target Group's insurance may not sufficiently cover, or may not cover at all, losses and liabilities that it may encounter*" of this Circular for further details.

14.11 Permits, Approvals, Licences and Government Regulations

Although the Target Group is not required to obtain and therefore has not obtained any permits or licences to operate its business, the live streaming and internet industries are heavily regulated, and certain registrations and notifications may be required to be made under certain regulations with respect to the current business of the Target Group as set out in Appendix G titled "*Government Regulations*" of this Circular.

14.12 Research and Development

Technology

The Target Group believes that its ability to develop mobile applications and services tailored to respond to the needs of its user base has been a key factor for the success of its business. The Target Group invests significant resources into its R&D, focusing on improving the multi-media functionalities of its platforms, extending product offerings, improving user experience and providing synergistic services. The Target Group has spent US\$4.1 million, US\$16.6 million, US\$27.3 million, US\$13.1 million and US\$13.5 million on R&D expenses for FY2020, FY2021, FY2022, 1H FY2022 and 1H FY2023, respectively. The Target Group is focused on ensuring the delivery of high quality video and voice data over the internet. For live voice- or video-enabled communications, any data packet loss and jitter, or delay in transmission, is often immediately noticeable to users and the Target Group devotes significant resources to maintaining and developing a creative combination of multiple voice- and voice or video streaming quality assurance mechanisms to minimise any data loss or jitter.

The Target Group had a dedicated R&D team of 289 engineers, computer scientists and technicians as of 30 June 2023. The Target Group has a R&D reward scheme in place to encourage its employees to contribute to its innovative R&D work regularly. The Target Group has accumulated extensive experience in image processing, real-time voice and video streaming, high concurrent connections, load balancing, distributed systems, data capture, data security and big data analysis during the process of developing its platforms.

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As one of the market leaders in the live streaming industry, the Target Group commits to leading the development of live streaming technology and generation of innovative ideas. The Target Group's R&D initiatives are focused on the development and introduction of new tools and processes to its platforms to empower human connections through live technology. Such initiatives have the explicit aim of making live technology accessible to all people and to amplifying users' ability to form authentic human connections with one another. The Target Group's strategic development emphasises its ability to rapidly innovate to cater to the ever-changing needs of its users and it also views the feedback from its users as a primary source of innovation. The Target Group uses a third party software to collect user profiles, user location, user behaviours and other personal data from its users in order to better understand its users and their needs and to support the Target Group's big data analysis for more targeted services such as interest- or location-based user groups and mobile marketing services. Pursuant to the licensing agreement between the Target Group and the third party software provider, the Target Group owns and maintains the intellectual property rights of the user profiles, user location, user behaviours and other personal data collected from its user.

The Target Group's R&D strategies include two core categories, namely interaction technology and fundamental technology. Under interaction technology, the R&D team focuses on, amongst others, the development of technologies to facilitate browsing, virtual gifting, online competitions and offline events, in-app games, V-Liver streaming environment and interaction. Under fundamental technology, the R&D team focuses on, amongst others, the development of technologies relating to the monitoring of content violation and complaints, big data analysis for more targeted services and system support.

The Target Group maintains an integrated network which synchronises its S+ latency technology, the services provided by its internet service providers, cloud service providers, and CDN operators. This integrated network enables the Target Group to efficiently and effectively maintain a high quality and high speed live social entertainment platform. Through this network, the Target Group is able to optimise the speed of CDN services by routing certain traffic to another network to avoid traffic congestion so as to ensure its live streaming quality is not affected, especially in an offline event where 200 to 300 live streamers are streaming simultaneously in the same place at the same time. In addition, the Target Group utilises third party software to monitor its system metrics, including the loading of virtual gifts, response time or latency between data sending and receiving, central processing unit loading, queries per second, error rates and other key metrics.

The Target Group cooperates with third party providers for cloud storage and CDN infrastructure. The Target Group orders cloud services from third party providers for data storage, computing and management, and the providers maintain a virtual infrastructure to keep its data available, accessible and safe. The Target Group relies on its S+ latency technology and CDN operators to deliver internet content, including web objects (text, graphics and script), apps (e-commerce and portals), live streaming media, on-demand streaming media and social networks, to its users. The Target Group engages multiple CDN operators to prevent disruption to its operations if any technical problems arise.

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Data Analytics Capabilities

The Target Group's highly engaged user base generates enormous amounts of data through countless hours of live streaming and interaction. The Target Group's data analytics system analyses over 50 metrics relating to live streamers' performance, including weekly unique commenters, number of followers, hourly received points, weekly total duration, weekly average duration per day, recent live stream and number of live stream days, as well as user behaviours and preferences. The Target Group's data analytics tools can recognise objects and live streamer activities from videos, such as whether they are talking or singing, and identify topics being discussed in the audio. This assists the Target Group to analyse the type of content and live streamer behaviours which drive user behaviours, and produce real-time recommendation of suitable content to different users.

Data Protection and Privacy

To protect the users' privacy, the Target Group has implemented extensive data security measures, including the categorisation of data, anonymisation of personal data, restricted access to databases and secured backup mechanism. The Target Group anonymises personal data and only stores summarised metrics in its centralised database. The anonymised information is subject to strict permission control access and only granted to certain authorised accounts. To prevent data leakages, the Target Group prohibits anyone from sharing any personal information outside the organisation.

14.13 Employees and Staff Training

The following table sets forth the geographical breakdown of full time employees as of 31 December 2020, 2021 and 2022 and 30 June 2022 and 2023:

	As of 31 December			As of 30 June	
Location	2020	2021	2022	2022	2023
Taiwan	438	518	542	501	541
Japan	182	239	226	238	204
Singapore	3	5	4	4	4
Hong Kong	24	28	20	19	20
U.S.	23	38	12	36	11
PRC	59	68	29	61	4
India	49	68	67	81	62
Dubai	8	0	0	0	0
Total	786	964	900	940	846

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The following table sets forth the number of employees categorised by functions as of 31 December 2020, 2021 and 2022 and 30 June 2022 and 2023:

Function	As of 31 December			As of 30 June	
	2020	2021	2022	2022	2023
Sales and Marketing	363	413	333	304	339
Customer Service	64	76	77	89	63
General and Administrative	128	136	153	213	153
IT	2	1	2	2	2
R&D	229	338	335	332	289
Total	786	964	900	940	846

There was generally no material change in the number of employees of the Target Group as of 31 December 2020, 2021 and 2022 and 30 June 2022 and 2023, except that during the financial years ended 31 December 2020 and 2021, the Target Group expanded its R&D team in order to expedite its products development and upgrade in technological infrastructure. There was a reduction in sales and marketing personnel during the financial years ended 31 December 2021 and 2022 due to restructuring across different locations. There was also a reduction in R&D personnel from 31 December 2022 to 30 June 2023, due to the Target Group's efforts to streamline and optimise the staffing structure while maintaining operational efficiency.

As of 30 June 2023, the Target Group has 8 personnel in its headquarters' finance function, and 21 personnel in Taiwan and other regions, who directly and indirectly report to the CFO. The Target Group considers its finance function to be adequately staffed and appropriate for its operations. As and when the need arises, the Target Group's finance function can also be supplemented by other financial consultants, for example, tax and valuation specialists. The Target Group's finance function remains under the review of the Target Group's auditor at least on an annual basis in the course of the annual audit of the Target Group's auditor.

As required by the laws and regulations in Japan, Taiwan, Hong Kong, Singapore, India, the U.S. and PRC, the Target Group participates in various employee social security plans, including pension, labour insurance (including ordinary insurance and occupational accident insurance) and national health insurance. The Target Group is required to make contributions to such employee social security plans at specified percentages of the salaries, bonuses and certain allowances of its employees, up to a maximum amount specified by the local government from time to time. For instance, under the Labour Standards Act and the Labour Pension Act of Taiwan, the Target Group is required to contribute no less than 6.0% of an employee's monthly salary into a specific account as part of such employee's pension; under the Labour Insurance Law of Taiwan, the Target Group should withhold and pay for the social insurance premium for its employees aged between 15 and 65 years. In addition, under the National Health Insurance Law of Taiwan, the Target Group is required to pay for a certain statutory percentage of its employees' health insurance premium.

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The Target Group typically enters into standard confidentiality and employment agreements with its employees. These contracts include a standard non-compete covenant that prohibits the employee from competing with the Target Group, directly or indirectly, during his or her employment and for one year after the termination of his or her employment, subject to laws in the applicable jurisdiction.

The Target Group provides allowances to its employees for their occupational training, gym memberships, medical check-ups and reimbursement of their phone bills. The Target Group believes that it maintains a good working relationship with its employees, and has not experienced any material labour disputes. None of its employees are represented by labour unions.

14.14 Intellectual Property

The Target Group seeks to protect its intellectual property rights through a combination of trademark, copyright and trade secret protection laws in Taiwan, Japan and other jurisdictions, as well as through confidentiality agreements and procedures with its employees, partners and others. Please refer to Appendix L titled “*Intellectual Property Rights of the Target Group*” of this Circular for further details.

Trademarks

As of the Latest Practicable Date, the Target Group has 160 registered trademarks in Japan, Taiwan and other countries or regions. Please refer to Appendix L titled “*Intellectual Property Rights of the Target Group*” of this Circular for further details on trademarks material to the Target Group’s business.

As of the Latest Practicable Date, the Target Group is in the process of applying for 15 trademarks in Japan, Taiwan and other countries or regions. The Target Group owns the copyrights of all the content streamed on its platforms. The trademarks listed above are key to the Target Group’s operations as it represents its brand name and platforms.

Domain Names

As of the Latest Practicable Date, the Target Group has 73 registered domain names, including the following:

1. 17app.co;
2. 17.live;
3. 17live.com;
4. wave.com.tw; and
5. handsup.tw.

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Patents

As of the Latest Practicable Date, the Target Group owned 57 patents, 52 of which are in Japan, such as the patents relating to “frame image of a group call”, “recommendation using machine learning in live streaming”, “gifting during live streaming”, “rejoining during live streaming after network disconnection”, “tipping gift for in-app games” and “S+ latency technology”, which significantly improve user experience on the Target Group’s platforms. The Target Group is applying for 162 patents in Japan, Taiwan and other countries or regions. Please refer to Appendix L titled “*Intellectual Property Rights of the Target Group*” of this Circular for further details on patents material to the Target Group’s business.

Save as disclosed above, the Target Group does not own or use any other registered trademarks, internet domain names or intellectual property which are material to its business. The Target Group’s business and profitability are also not materially dependent on any other intellectual property such as patents, patent rights, licences and processes or other tangible assets. During the Period Under Review and up to the Latest Practicable Date, the Target Group did not have any dispute or other pending legal proceedings concerning intellectual property rights.

14.15 Competition

The Target Group is subject to intense competition from providers of similar services as well as potential new types of online entertainment services. The Target Group operates in multiple markets, in particular, Japan and Taiwan. Please refer to Appendix F titled “*Independent Market Research Report*” of this Circular for further details on the Target Group’s competitors.

The Target Group’s live streaming business mainly competes with two types of companies, namely social media platforms with live streaming function and pure-play interactive live streaming platforms.

While certain social media platforms offer live streaming function, their main business focus is on long-form or short-form pre-recorded videos and their monetisation is mainly through advertising revenue underpinned by broad user base and high user traffic. However, the Target Group focuses on deep and meaningful social interactions within a close-knit community, this is enabled by high quality content, tech-enabled interactive features and functionalities within 17LIVE.

The Target Group differentiates itself from other pure-play interactive live streaming platforms based on its integrated omnichannel user experience, online competitions and offline events supported by its strong events team. Leveraging its leadership in Japan and Taiwan, the Target Group provides its live streamers with unique exposure opportunities such as brand collaborations, runway shows, offline concerts and in-house produced programmes.

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As the Target Group expands its V-Liver business and introduces its V-Liver proprietary IPs, the Target Group competes with other V-Liver agencies as well. The Target Group is the first V-Liver agency with its own live streaming platform. Unlike the traditional agency model, the Target Group adopts a hybrid approach supporting both its own V-Liver proprietary IPs and organic V-Livers to stream and showcase their talent on 17LIVE.

Please refer to Appendix F titled “*Independent Market Research Report*” of this Circular for further details on the Target Group’s competitors.

The Target Group believes that its ability to compete effectively depends upon many factors, including the size, composition and engagement of its user base, its ability to adjust to rapid advancements in technology and consumer tastes, its ad targeting capabilities, market acceptance of its mobile marketing services, its marketing and selling efforts, and the strength and reputation of its brands. Please refer to Section 16.1 titled “*Risk Factors – Risks relating to the Business and Industry of the Target Group – The Target Group operates in an industry that is highly competitive. If it is unable to compete effectively, its business, results of operations and prospects may be materially and adversely affected*” of this Circular for further details.

14.16 Competitive Strengths

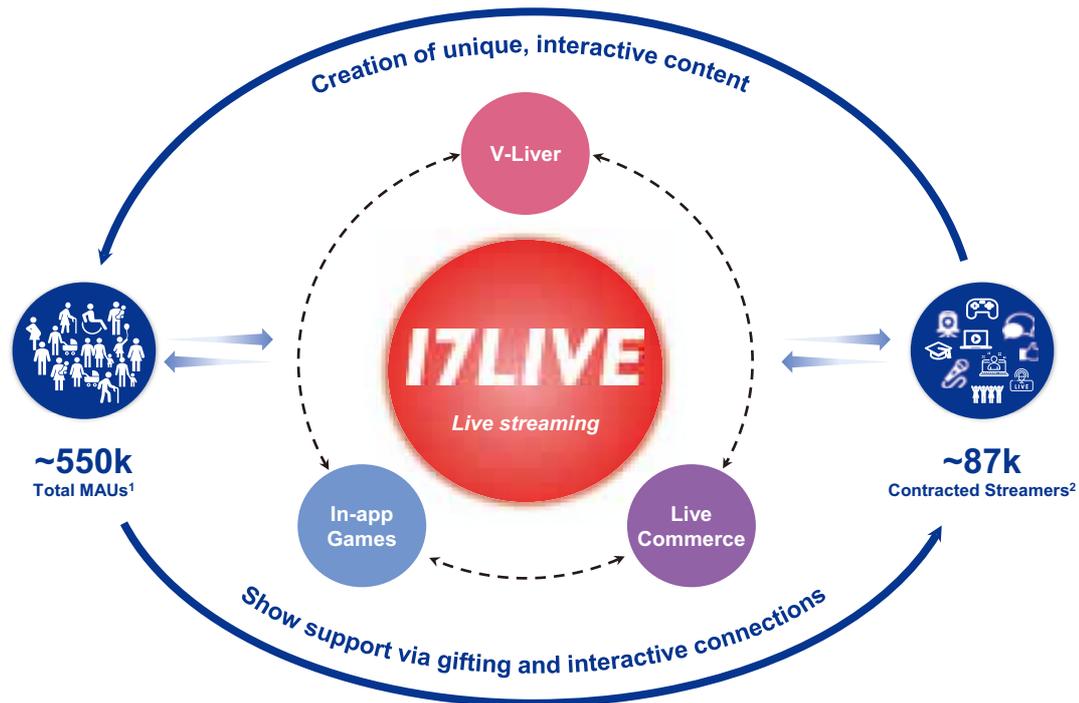
The Target Group operates the leading live streaming ecosystem in Japan and Taiwan. The Target Group believes that the following competitive strengths contribute to its success and differentiate the Target Group from its competitors.

Leading Live Streaming Ecosystem in Japan and Taiwan

The Target Group operates 17LIVE, which is the top pure-play live streaming platform in Japan with a market share by revenue of 20.8% for 2022 and commands a significant market share by revenue of 26.9% in Taiwan for 2022, according to the IMR Consultant. The Target Group believes its success in these core markets is attributed to its early mover advantage which allowed it to accumulate local know-how and gain market share in these fast growing live social entertainment markets. Since the Target Group’s entry into Japan in 2017 and Taiwan in 2015, these markets have contributed to the growth of the Target Group’s business, generating US\$251.9 million and US\$86.8 million in operating revenue, respectively, for FY2022. For Japan and Taiwan in 1H FY2023, 17LIVE’s average MAU was approximately 245,000 and 92,000 respectively, while the Average Daily View Duration per DAU was 101 minutes and 82 minutes, on a monthly average basis respectively. Additionally, according to the IMR Consultant, 17LIVE has the highest ARPPU among the pure-play live streaming platforms in both Japan and Taiwan in 2022. The ARPPU of 17LIVE in Japan and Taiwan was approximately US\$301 and US\$350 in 2022 respectively.

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The Target Group's continued success stems from its ability to grow beyond a live streaming platform. The Target Group has fostered a diverse live streaming ecosystem with a loyal and engaged user community and a deep talent pool of live streamers. To drive continued engagement within this ecosystem, and leverage the core live streaming business as a robust foundation for growth, the Target Group 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 future sustainable growth of the Target Group's business. The diagram below illustrates the self-reinforcing ecosystem supported by the Target Group's live social entertainment platform:



Notes:

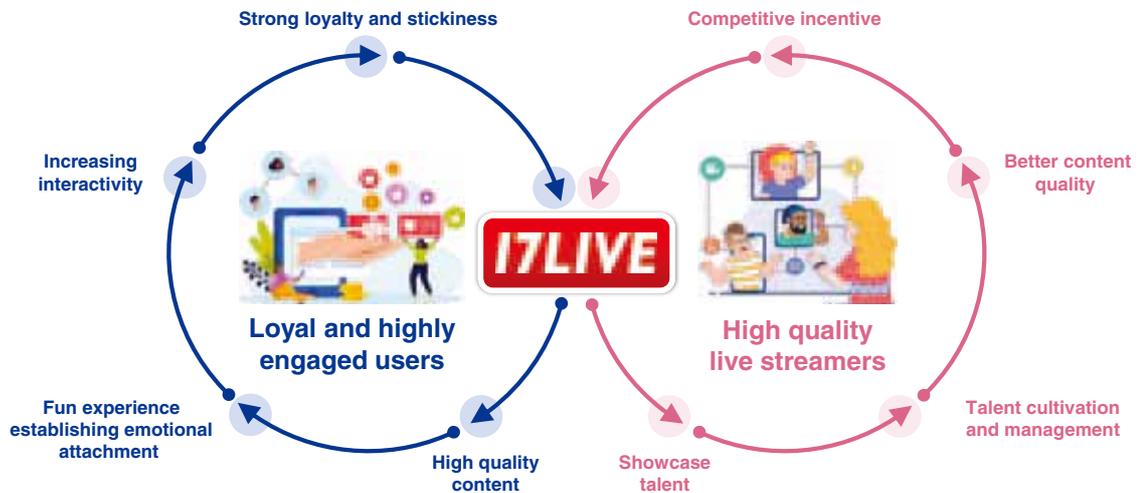
- (1) Average for 1H FY2023.
- (2) As of 30 June 2023.

Loyal and Engaged Live Social Community Driven by Seamless Online and Offline Experience

The Target Group believes that its ecosystem has accumulated a loyal user base due to its strong brand image and enjoyable user experience. The Target Group connects users with live streamers who generate content of interest through AI-powered personalised search and recommendation. In addition to using content recommendation to drive user engagement, the Target Group has adopted differentiated features such as AR-enabled emojis and virtual gifts, to create engaging experience for users and to drive interactions and continuous engagement. As such, 17LIVE had a large user base with an average MAU of approximately 550,000 for 1H FY2023, where the average Quality MAU as % of MAU for Japan and Taiwan was 14.4% and 12.9% respectively. Active interactions between users and live streamers enhance users' loyalty and engagement, which in turn motivate live streamers to produce more appealing content to attract and retain more users.

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The diagram below shows the synergy and interaction between users and live streamers on 17LIVE:



The Target Group's ecosystem is reinforced by its unique integration of online live streaming and offline events. The Target Group hosts gamified online competitions among live streamers, some of which conclude with an offline grand finale. The Target Group provides event planning and marketing support for online competitions and provides anchoring, venue design, real-time offline performance and prizes for the offline grand finale. Users participate in the online competitions by supporting the live streamers through virtual gifting and sometimes the top spenders are invited to attend and witness the offline finale and interact with their favourite live streamers. Online competitions create anticipation and lead to a strong sense of participation and achievement among the users, which boosts the hype and drives the users to continue supporting the live streamers until the grand finale. The Target Group provides live streamers and users with an immersive entertainment experience, which strengthens the connections between users and live streamers and cultivates a unique community culture. For example, the Target Group hosted 15 such offline events in Japan and four such offline events in Taiwan in 2022, which were underpinned by its in-house event coordination capabilities including design, planning, execution and technological expertise. In March 2023, the Target Group held the grand finale of a series of Sengoku-themed gamified contests offline in Tokyo, which was attended by more than 60 live streamers and the top ten spenders. This series attracted approximately 20,000 spenders to participate and spend virtual points through the online competitions and offline events. The live streamers live streamed the event on each of their respective channels to rally the support of their followers. The Target Group constantly innovates on the themes of its online competitions and offline events to ensure that the content remains refreshing for users to stimulate ongoing interaction and engagement.

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(Sengoku themed event, March 2023)

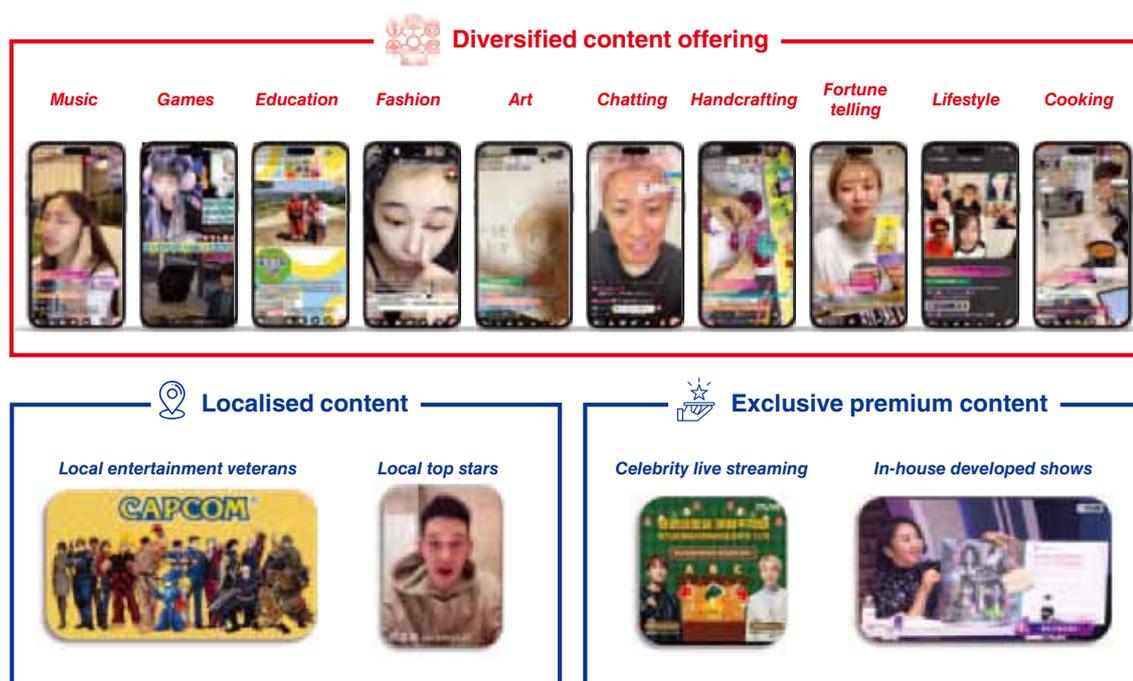
The Target Group also offers unique offline exposure opportunities to live streamers such as enabling the live streamers to perform during sports games or including them in brand campaigns. Users are incentivised to support their favourite live streamers to win the unique exposure opportunities. For example, live streamers on 17LIVE are invited to perform during halftime at Kaohsiung 17LIVE Steelers's games, the professional basketball team sponsored by the Target Group. In 2020, the Target Group collaborated with Supau, a well-known Taiwanese drinks brand, where the live streamers who won online competitions had their faces featured on the bottle label of the Supau drinks. Purchasers of the Supau drinks were also able to enter a lucky draw through 17LIVE, thereby widening the brand awareness of the Target Group and enhancing the personal branding of the live streamers. These opportunities expand and diversify the Target Group's current content offering and introduce its live streamers to a wider base of users. This ecosystem, which integrates online and offline experiences, provides the Target Group with a unique competitive advantage.

In addition, to improve user experience, the Target Group has dedicated customer service teams to promptly respond to and address enquiries, feedback or complaints from users received through instant messaging or emails. The Target Group also has a dedicated prestige customer service team to provide personalised services to its top spenders. For further information, please refer to Section 14.3 titled "*Information on the Target Company – Business Overview – Live Streaming – Customer Service*" of this Circular.

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Diversified and High Quality Content

The Target Group attaches great importance to the diversity and quality of the content on its platforms. The Target Group's content database encompasses a range of genres including music, games, education, fashion, art, chatting, handcrafting, fortune telling, lifestyle and cooking. The diagram below shows some of the content genres that are available on 17LIVE:



The Target Group ensures a sustainable supply of innovative, original and unique content by contracting with talented live streamers. The Target Group recognises that it is crucial to adopt localisation strategies to tailor to and satisfy user's cultural preferences and emotional needs in each region. The content created by the live streamers on 17LIVE is carefully curated by local, on-the-ground and culturally sensitive operation teams. Such localised content is then recommended to each targeted user by leveraging its data insights. The Target Group also leverages its strategic partnerships and collaborations with local celebrities, politicians and athletes to produce insightful content which is exclusive to 17LIVE. For example, in Taiwan, the Target Group invited politicians to live stream on 17LIVE, including the Taiwan president, Tsai Ing-Wen (蔡英文) and the former mayor of Taipei, Ko Wen-je (柯文哲). In Japan, the Target Group collaborates with local entertainment veterans such as CAPCOM and SEGA to create bespoke user interface on its platforms and to license and use their game characters and designs on 17LIVE during the collaboration period. In particular, the CAPCOM and SEGA game themed user interfaces are able to promote CAPCOM's new games and SEGA's Yakuza and Sonic Superstar games while raising the Target Group's brand awareness among CAPCOM and SEGA game players respectively. The Target Group also invites top YouTubers such as Hikaru³ to feature and stream on 17LIVE. Furthermore, the Target Group produces original in-house shows featuring live streamers such as "17 Unbox (17瘋開箱)".

³ Hikaru is a popular Japanese YouTuber who has over 4 million subscribers as of 30 June 2023.

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The Target Group's deep understanding of the popular sub-cultures, particularly in Japan, underpins the emergence and growing popularity of its V-Liver content. As a pioneer in V-Liver offerings, the average V-Liver MAS on 17LIVE was approximately 1,300 for 1H FY2023.

Strong Live Streamer Community Empowered by the Target Group's End-To-End Talent Management Capabilities

Live streamers are one of the most valuable resources of the Target Group. 17LIVE has a large base of live streamers of approximately 87,000 Contracted Streamers as of 30 June 2023. For 1H FY2023, the average Contracted MAS was approximately 14,000 and since FY2021, the average monthly streaming hour per Contracted MAS consistently exceeds 40 hours, demonstrating the activeness, stickiness and commitment of live streamers to 17LIVE.

The Target Group offers live streamers a stage to showcase their talents, tools to hone their professional performance skills and opportunities to discover and express themselves. To nurture and promote its live streamers, the Target Group has developed a comprehensive talent management system which begins from the recruitment of talents, the opportunity to enter into exclusive contracts with the Target Group, followed by a three-part training programme and supplemented by opportunities to attend online and offline events, coupled with various benefits offered by the "Top Live Streamer Welfare Committee" and the offline networking and mentoring events held by the talent management team. For further details on the talent management system, please refer to Section 14.3 titled "*Information on the Target Company – Business Overview – Live Streaming – Live Streamers – Live Streamer Cultivation*" of this Circular. The diagram below illustrates the talent management system of the Target Group:



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Through this holistic talent management approach, the Target Group has built a close community of top live streamers in Japan and Taiwan who are able to develop quality and meaningful content to engage with users. Naoking, the longest-serving male live streamer in Japan on 17LIVE, is an example of the Target Group's success in cultivating and empowering its live streamers. Naoking started live streaming on 17LIVE as a lifestyle streamer in 2017, and grew to have approximately 771,000 followers as of 30 June 2023. Please refer to Section 14.3 titled "*Information on the Target Company – Business Overview – Live Streaming – Live Streamers – Case Studies*" of this Circular for further details.

Diversified Growth Drivers Empowering Sustainable Organic Growth

Since 2015 and with over eight years of operational know-how, the Target Group has built a strong foundation of live streaming operations which serves as a base for new growth initiatives.

The Target Group's user database and analytical capabilities allow it to generate user insights and introduce new business initiatives that capture the mind share of its user base.

The Target Group has synergistic competitive advantages across business segments which enables it to unlock growth opportunities, including the following:

- *V-Liver*. According to the IMR Consultant, the market size for virtual idol in Japan is expected to increase from US\$973.3 million in 2023 to US\$3,864.8 million in 2027, representing a CAGR of approximately 41.2% from 2023 to 2027, presenting an attractive growth opportunity for the Target Group. Leveraging the Target Group's existing knowledge and insights from its live streaming operations, the Target Group creates innovative and creative V-Liver content by the expansion of organic V-Livers to create PUGC and the development of V-Liver proprietary IPs to create PGC.

Organic V-Livers: With the Target Group's strong brand recognition as the top pure-play live streaming platform in Japan, the Target Group can attract a large untapped voice acting talent pool to become a V-Liver on its platforms. Also, the Target Group expects that there will be an active conversion to V-Liver from the Target Group's own large live streamer community. The Target Group integrated the Live2D functions into the broadcasting functionality on 17LIVE in April 2023, which allows users to use their smartphones to upload an avatar and conduct virtual streaming without any additional hardware or software, thereby significantly lowering the barriers to becoming a V-Liver. The Target Group also integrated the VRM3D and hand gesture recognition functions in August 2023, deepening immersion among users. The Target Group incubates V-Liver talent with its end-to-end talent management and helps V-Livers build a follower base within the 17LIVE ecosystem. The Target Group leverages online competitions and offline events to discover and foster V-Livers with high potential to become V-Liver proprietary IPs.

V-Liver proprietary IPs: The Target Group is the first integrated platform combining V-Liver agency with its own live streaming ecosystem, thereby connecting proprietary V-Livers directly with users.

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The Target Group collaborates with notable art studios such as HellArts to cultivate V-Liver proprietary IPs, further diversifying the V-Liver content offerings and attracting users with different interests. In May 2023, the Target Group held auditions at top voice actor schools to look for talented voice actors for its V-Liver proprietary IPs. In July 2023, the Target Group created its first five V-Liver proprietary IPs under the name BUSHILIVE. The Target Group draws traffic to its platforms through live streaming, and concurrently tailors omnichannel marketing strategies to promote each of its proprietary V-Livers to a wider audience, including featuring such V-Liver profiles in offline events, TV shows and billboards at train stations. For example, in June 2023, the Target Group held an offline V-Liver performance in Ikebukuro, Tokyo, where live streamers and V-Livers performed on stage together. This event attracted approximately 3,000 fans to participate and support their favourite live streamers and V-Livers. In addition, V-Liver proprietary IPs unlock new monetisation channels such as offline merchandise sales and music production sales which enhances user engagement.

The Target Group's R&D team aims to utilise the existing interactive AR technology to make V-Liver more lifelike. This allows users to forge a stronger connection with the Target Group's V-Liver proprietary IPs.

Following the implementation of the above initiatives of V-Liver development since the start of 2023, the Target Group witnessed strong growth momentum in its V-Liver business in terms of its V-Liver talent pool, viewer base and engagement. The V-Liver and V-Liver fan community on 17LIVE has approximately 2,000 average V-Liver MAS and approximately 75,000 average V-Liver MAU in Q2 2023, representing a YoY increase by 6.5 times and 2.1 times, respectively. The Target Group also demonstrated strong growth in V-Liver engagement, with an average of approximately 30,000 V-Liver Spenders per month in Q2 2023, representing a YoY increase by 2.7 times.

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V-Liver content taps into a new user and live streamer base which is complementary to 17LIVE's current content ecosystem anchored by live streamers. V-Liver content is expected to improve content diversity and quality, broaden the target market of users for the Target Group and increase the number of views. The diagram below illustrates the growth drivers for V-Livers:

Diversified growth drivers: V-Liver



Notes:

- (1) Based on the IMR Report.
- (2) For 2Q FY2023.

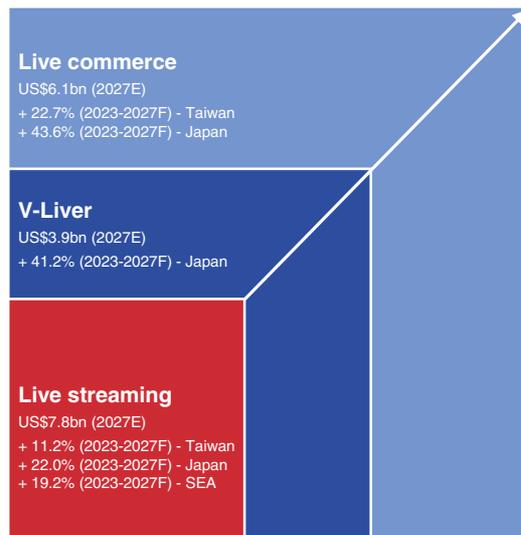
- **In-app games.** In-app games are one of the value-added services offered by the Target Group in order to further engage users during live streaming. The Target Group offers both half-screen casual games that users can play while simultaneously watching live streams, and half-screen interactive games that users can play together with the live streamers. The in-app games target the same user base as live streaming while enriching the overall live streaming user experience by offering continuous engagement during live streaming. Underpinned by its in-house game development capabilities, the Target Group has gradually rolled out a number of popular in-app games in different markets. The average monthly Game Penetration Rate was 25.5% in 1H FY2023. The introduction of in-app games further diversifies the monetisation channels of the Target Group as the revenue from the purchases of virtual game equipment and tools in the in-app casual games is not subject to the revenue sharing arrangement with live streamers and V-Livers.
- **Live commerce.** The Target Group provides infrastructure support and data insights for live commerce campaigns carried out by top retailers and brands. Through partnerships with fast-moving consumer goods brands to analyse consumer behaviour, the Target Group is able to identify suitable products that satisfy the shopping needs of the Target Group's user base, and correspondingly invite the appropriate live streamers to promote such products, as well as attracting further traffic. By leveraging the popularity and size of the Target Group's readily available live streamers, live commerce has successfully filled certain existing market gaps in Japan and Taiwan. For instance, the Target Group's HandsUp platform helped Hyundai sell cars via live commerce, being the first cars to be sold through live streaming in Japan

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in 2022. Furthermore, the Target Group achieves synergy through cross-selling where goods in one geographical market can be actively promoted and sold to the users based in another geographical market, enlarging the product outreach and target segment. Live commerce in Japan also benefits from the Target Group's local merchant network and marketing efforts such as business-to-business events and offline festivals for users and live streamers to attend and interact. The Target Group has also implemented an event-style approach in Japan where live streamers compete to promote sales. In Taiwan, the Target Group utilises its Taiwan influencer network for cross-border live streaming shopping trips supported by HandsUp and OrderPally. As of 30 June 2023, HandsUp and OrderPally served 918 merchants. In Taiwan, the Target Group launched 17Shop, a marketplace, on 17LIVE in July 2023, where both live streamers and V-Livers can sell their original merchandise on 17Shop currently. The Target Group strives to be a preferred live commerce destination for retailers and brands. The diagram below illustrates the large and growing total addressable market for the Target Group's growth drivers:

Diversified growth drivers: Large and growing total addressable market

Rapidly growing total addressable market¹



Key drivers of media & entertainment industry

-  Increasing digital natives
-  Rise of digital media platforms leading to a positive viewing experience with technology
-  Increasing awareness globally towards the Asia market
-  Emergence of popular artists using social media platforms
-  Live streaming and gaming industry – major growth drivers of media and entertainment

Note:

- (1) Total addressable market for (a) live commerce is in respect of Japan and Taiwan, (b) V-Liver is in respect of Japan, and (c) live streaming is in respect of Japan, Taiwan and Southeast Asia.

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Leading Technology Capabilities with Innovative Technology and Superior Safety Record

As a technology-driven live social entertainment platform, the Target Group has made extensive investment to enhance its R&D capabilities and scalable technology stacks in order to effectively innovate its product offerings and ensure content and data security. As of 30 June 2023, the R&D team comprises of 289 employees, which constitutes approximately 34.0% of the Target Group's total workforce.

The R&D team is able to promptly and effectively implement the Target Management's business initiatives by providing the necessary technological infrastructure and functionality. For example, most of the in-app games available on 17LIVE were developed in-house. The Target Group also successfully integrated the Live2D, VRM3D and hand gesture recognition functions into the broadcasting functionality, allowing its users to use their smartphones to upload an avatar and conduct virtual streaming and create an immersive experience for users with V-Livers. In addition, the Target Group's platforms maintain an ultralow latency⁴ with the Target Group's S+ latency technology and high streaming quality.

Key features of the platform include:

- in-stream gifts supported by AR;
- interactive in-app games featuring V-Livers and in-app game characters;
- Live2D functions to support amateur V-Livers by significantly lowering the barriers to becoming a V-Liver;
- seamless integration of, and interaction between live streamers and V-Liver with ultralow latency in the same physical space;
- real-time recommendation and monitoring of content through recognition of audio, video and text and analysis of behavioural data leveraging the Target Group's large user base and big data analytic capabilities; and
- real-time and low-lag participation by large number of live streamers in offline competitions physically located close to one another.

Besides new product launches, the R&D team also places strong emphasis on the security features implemented on the Target Group's platforms. For example, the Target Group has SkyEye, a dedicated multi-lingual content monitoring team that is aided by a proprietary software consisting of AI models developed in-house by the Target Group. It has been responsible for the security of the Target Group's platforms since 2015. The Target Group has implemented extensive data security measures, including the categorisation of data, anonymisation of personal data, restricted access to databases and secured backup mechanism. In recognition of its efforts in data security, the Target Group has been awarded ISO 27001 and ISO 27017 certifications.

⁴ Ultralow latency refers to a network that can process a high volume of data with very little delay.

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Scalable Business Model with Sustainable Growth and Profitability

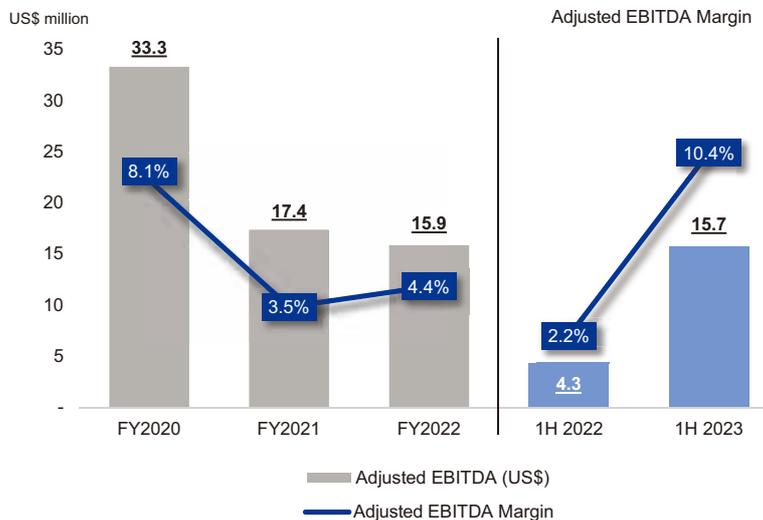
The Target Group adopts a profitability business strategy by leveraging on its core live streaming business to generate strong cash flows and drive new initiatives. The diagram below illustrates the building blocks for the Target Group's profitability business strategy:



The Target Group's live streaming business model includes various monetisation channels which enables it to achieve sustainable growth and operating profitability. In particular, the Target Group has achieved positive EBITDA since FY2020 with a stable EBITDA margin. The Target Group's growth is driven by the following competitive advantages:

- low customer acquisition cost from strong brand image and cost-effective marketing;
- unique content to drive organic user growth;
- unparalleled event capabilities with proven ROI and efficiency; and
- economies of scale from accumulated operational knowledge and capabilities.

17LIVE Group Adjusted EBITDA



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In addition to its current growth drivers, the Target Group's new business initiatives further contribute to its sustainability and profitability growth. New business initiatives such as V-Liver content, in-app games, and live commerce diversify the Target Group's monetisation channels to achieve profitability. At the same time, the Target Group has achieved cost-effective expansion into new business segments by leveraging its existing user base, data insights, operational know-how and technology capabilities accumulated from its live streaming business.

Visionary Management with an Entrepreneurial Company Culture

As an early mover in the live social entertainment industry, the Target Group believes that it has propelled the development of the industry and plans on continuing to do so. A seasoned and professional management is instrumental to the Target Group's continued success. The Target Group's track record of successful operations and its leading market position bear testament to the management teams' leadership and execution capabilities. The Target Group adopts a decentralised, bottom-up organisation structure with local teams led by local management in each of the major markets it operates in. This allows the Target Group to gain first-hand intelligence on the market as well as its users, and to react quickly to changing user preferences in each major market.

The Target Group was co-founded by Mr. Phua Jiexian Joseph. Mr. Phua is a highly respected entrepreneur with professional expertise in finance and corporate management with over 10 years of experience in entrepreneurship. Mr. Phua now serves as the chairman of the board of directors of the Target Company.

The Target Group has a dedicated management team with extensive experience in the live social entertainment industry, which enables it to continue its market penetration, adhere to its commitment to user experience, and execute new business initiatives such as V-Liver, live commerce and in-app games. The Target Management's key experience is set out below:

Name	Position	Key Experience
Mr. Lien Chien-Lin	CEO	<ul style="list-style-type: none">• Over 15 years of experience in the digital entertainment industry.• Held management positions in various Fortune 500 companies including Starbucks with hands-on experience in global operations.• Extensive experience in the game development and entertainment industries accumulated from his tenure at various game development and entertainment companies, including Electronic Arts.• Chief Operating Officer in a mobile game start-up in Shanghai focusing on narrative and user-generated content.

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Name	Position	Key Experience
Mr. Ng Jing Shen	CTO	<ul style="list-style-type: none">Over 15 years of experience in the technology industry.Co-founder of Paktor Pte. Ltd., a dating and social networking platform.Founder of Restless, a platform for users to browse, search and book activities online.Software engineer at Amazon.com, where he was part of the team that re-architected the backbone of Amazon's first cloud computing service.
Mr. Kenta Masuda	CFO	<ul style="list-style-type: none">Over 14 years of experience in the finance industry.Certified public accountant in Japan.Served as the head of financial planning and analysis and treasury of the Japan branch of a multinational retail corporation.

In addition, the Target Group fosters a corporate culture in line with its mission statement which helps to encourage the retention and dedication of its employees while attracting new employees who share similar values. It has introduced equity incentive plans and promotion systems for a wide range of employees and consultants to attract top talent in the market and motivate its employees with clear career paths which benefit their long-term development.

15. PROSPECTS, BUSINESS STRATEGIES AND FUTURE PLANS

15.1 Trend Information

Based on the revenue and operations of the Target Group as of the Latest Practicable Date and barring unforeseen circumstances, the Target Group's Directors have made the following observations for the 12 months from the Latest Practicable Date:

- (a) General economic and market conditions will have an impact on the media and entertainment industry as a whole and the live online social entertainment segment that the Target Group focuses on. These may include (i) the resumption and normalisation of offline social interactions and economic activities following the end of the COVID-19 pandemic which may lead to a decline in the usage of the Target Group's products and services, (ii) the ongoing war in Ukraine and trade sanctions imposed on Russia, which had a negative impact on the global economy and may continue to have a negative impact, (iii) the discharge of the treated radioactive wastewater from the Fukushima nuclear power plant into the sea and for which the impact is unforeseen at the moment and (iv) the potential slowdown in the global economy, in part due to the elevated interest rates set by various major central banks in the world and the escalation of geopolitical tensions. These will lead to foreign exchange fluctuations and affect the spending power of users.

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- (b) As set out in Section 15.3 titled “*Prospects, Business Strategies and Future Plans – Business Strategies and Future Plans*” of this Circular, the Target Group intends to offer new products, invest in new technology and infrastructure as well as expand into regional markets. Such plans entail additional operating expenses and R&D expenses to support the expansion into regional markets. The Target Group expects its revenue sharing fees to increase along with the expansion of its business, however the Target Group expects the percentage of revenue sharing fees of the total net revenue to decrease due to increasingly diversified revenue streams and strengthened price negotiating power of the Target Group.
- (c) As with many businesses, the Target Group expects to face inflationary pressures and a general trend of increase in overhead costs such as the server and bandwidth service costs and technology expenses. In particular, the Target Group expects its server and bandwidth costs to increase due to the growth in user base and user engagement as the Target Group releases more products and content. However, the Target Group expects the percentage of bandwidth costs of the total net revenue to decrease due to economies of scale and upgrade in technology infrastructure.
- (d) The Target Group expects its ongoing financial results and financial position to be affected by the compliance costs of a public listed company, as well as the one-time listing expenses recorded in its financial statements for FY2023 in respect of its listing expenses incurred in connection with the Proposed Business Combination. Please refer to Section 22.3 titled “*Use of Proceeds – Use of Proceeds Raised from the PIPE Financing and Completion Remaining Escrow Amount*” of this Circular for further details in relation to our listing expenses.

Saved as disclosed above and in Section 18 titled “*Management’s Discussion and Analysis of Financial Position and Results of Operations of the Target Group*”, Section 15 titled “*Prospects, Business Strategies and Future Plans*” and Section 16 titled “*Risk Factors*” of this Circular and Appendix A titled “*Independent Auditor’s Report and Audited Consolidated Financial Statements of the Target Group for the Financial Years Ended 31 December 2020, 2021 and 2022*” and Appendix B titled “*Interim Consolidated Financial Statements of the Target Group for the Six-Month Period Ended 30 June 2023*” to this Circular, and barring any unforeseen circumstances, the Target Group’s Directors are not aware of any other significant recent trends in the costs and prices of its products, or any other known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material and adverse effect on its net sales or revenue, profitability, liquidity or capital resources, or that would cause the financial information disclosed in this Circular to be not necessarily indicative of its future operating results or financial information. For more information, please refer to the section titled “*Cautionary Note on Forward-Looking Statements*” of this Circular.

15.2 Order Book

Due to the nature of the Target Company’s business, it does not maintain an order book and the concept of an order book is not meaningful to the Target Company.

15.3 Business Strategies and Future Plans

The Target Group plans to pursue the following strategies to further grow its business and create synergistic returns.

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Continue to Foster Quality Live Streamers and Content to Build the Live Streaming Ecosystem

The Target Group's business revolves around its ability to attract users with high quality and diversified content provided by its live streamers. To that end, the Target Group will continue its strategic recruitment of live streamers, including collaboration with talent agencies, acquisition of high quality contracted live streamers from talent agencies, live streamer referral programmes, scouting and recruiting potential talents through various ways, such as cold calls on social media and giving name cards to street performers. The Target Group will continue to strengthen its partnerships with Japan and Taiwan media and entertainment companies and celebrities, so as to expand its pool of quality live streamers and V-Livers. In particular, the Target Group will invite more celebrities to stream on featured channels in order to produce original content exclusive to 17LIVE, thereby improving the 17LIVE brand image and diversifying its user base.

The Target Group also plans to expand its market share of V-Liver content through continuous investment such as acquiring talent agencies with high quality contracted V-Livers. Training high quality V-Livers requires significant amount of know-how and time. The acquisition of talent agencies allows the Target Group to be more efficient and effective in building a more comprehensive industry ecosystem, fostering strong partnerships and capturing a larger market share. The Target Group can also benefit from acquiring additional talent management professionals, thereby enhancing its in-house talent management capabilities.

In order to sustain the live streaming ecosystem, the Target Group will continue to offer competitive compensation according to the performance of live streamers to retain talented live streamers and further invest in strategic marketing channels to strengthen its market position in Japan and Taiwan, especially by reinforcing its event-driven brand image and upscaling live streamers exposure. The Target Group believes that the successful acquisition and retention of live streamers will increase the quality of content on 17LIVE, which is crucial to attract more users to the Target Group's platforms.

Further Strengthen User Engagement and Loyalty by Curating Streaming Content and Offline Events

The Target Group's ability to engage users is the key to its success. The Target Group will further enhance localisation efforts to identify and tend to the cultural preferences of users in each region, as well as diversify online competitions and offline events to improve user engagement, interactions and loyalty. The Target Group organises uniquely themed activities and design localised virtual gifts regularly to celebrate traditional festivals in different regions. The Target Group will continue to organise localised events and expand such events to regional cities and prefectures in Japan and Taiwan, thereby scouting more potential talents and attracting more users to 17LIVE. For example, in June 2023, the Target Group launched a two-day 17LIVER Expo, a stage event in Taiwan featuring offline performances by live streamers, V-Livers and local pop stars from various regions including Japan and Taiwan, as well as a weekend market at which localised physical merchandise and street food were sold. The Target Group 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 the Target Group. Leveraging its capability to organise large-scaled brand partnership events, the Target Group plans to organise more events partnering with high quality brands to stimulate the interactivity between users and live streamers, and the competition among Contracted Streamers.

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The Target Group plans to promote V-Livers through organising more events such as having 17LIVE V-Livers at the Tokyo Game Show. The Target Group also plans to partner with top V-Livers agencies in Japan to invite their V-Livers to stream on its platforms and participate in online competitions and offline events. With these localised content and offline events, the Target Group expects to foster seamless interactive communications and engagement among live streamers, V-Livers and users within its live streaming ecosystem. The Target Group collaborates with game companies in Japan and features their game characters on live streams or creates collaborative content with the Target Group's V-Livers, thereby diversifying the user base and monetisation channels. For example, the Target Group turned Street Fighter characters in CAPCOM into unique interactive gifts for live streams and allowed V-Livers to collaborate with the Street Fighter fan community.

Continually Expand Product Offerings across the Target Group's Ecosystem

The Target Group's growth focus is on high-margin V-Liver initiatives such as sponsorship and licensing arrangements to be achieved through the anticipated popularity of proprietary V-Liver IPs, and leveraging the core capabilities accumulated in its live streaming business, the Target Group will further invest in the development of its V-Liver proprietary IP and V-Liver-related technology, as well as enhancing its V-Liver related live commerce offering.

The Target Group intends to further develop its PUGC and PGC content in relation to its V-Liver offering. The Target Group's technology and talent management expertise lowers the barriers to become a V-Liver and makes V-Liver live streaming widely accessible, thereby furthering the development of PUGC content. Leveraging the launch of Live2D functions in April 2023 and the VRM3D and hand gesture recognition functions in August 2023, the Target Group will continue to enhance its broadcasting functionality by integrating features in order to lower the barriers to become a V-Liver and to create immersive experiences for users consuming V-Liver content. The Target Group will also further empower individual V-Livers through opportunities to participate in online competitions and offline events to build their fan base more easily and offer competitive compensation from virtual gift and subscription, diversifying the income stream of V-Livers, thereby breaking the traditional model where success is tied to debuts associated with top agencies. In addition, as the pool of contracted V-Livers grows, the Target Group aims to pursue new profitability growth streams and create additional revenue models from its V-Liver offerings, such as merchandise sales, concerts, performances and commercial collaborations such as the licensing of organic V-Liver and V-Liver proprietary IPs to brands.

To further increase its PGC content, the Target Group intends to acquire V-Liver IPs from talent agencies and to further launch 20 proprietary V-Liver IPs through its collaborations with animation studios such as HellArts. As of the Latest Practicable Date, the Target Group has acquired more than 80 V-Liver IPs, of which over 60 V-Livers have already started streaming. The Target Group has funded, and intends to fund, the payment for these V-Liver IPs through cash and cash equivalents on hand. These collaborations will create unique characters targeted at the Japanese audience to create more original content and increase the following of V-Livers on its platforms. The Target Group intends to fully own the IP rights of these characters and aims to promote and develop them to become V-Liver idols and creating V-Liver idol groups such as BUSHILIVE. The Target Group aims to unlock further monetisation channels by entering into sponsorship and licensing arrangements with game developers and merchandise companies, who may be interested in sponsoring or licensing the image and/or voice of the Target Group's popular V-Livers for their own promotional activities. The sponsorship or licensing fees received by the Target Group will be shared with the V-Livers involved, at the pre-agreed revenue sharing percentage between the

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Target Group and the V-Livers. As of the Latest Practicable Date, the Target Group has not entered into any such sponsorship or licensing arrangements.

In addition to V-Livers, the Target Group also plans to expand its live commerce offerings. The Target Group endeavours to increase its live commerce penetration rate by expanding its live commerce business to include a B2B2C model, allowing brands to collaborate with live streamers and enabling customers to purchase goods within 17LIVE, where brands can easily upload products for live streamers to market, and live streamers can select the products they want to sell during their live streaming. The Target Group believes that its rich and dynamic content offerings will allow users to enjoy more immersive, comprehensive and integrated social experience on real-time basis and maintain and reinforce its leading position in the live social entertainment industry.

Invest in New Technology and Infrastructure Upgrades to Enhance User Experience

As an online live social entertainment platform, a well-established technological infrastructure is of paramount importance to the Target Group. The Target Group is committed to investing in cutting-edge technologies and continually developing and upgrading technologies such as AI and AR to support its business growth. In particular, the Target Group will reinforce its customised recommendation and user behaviour analysis to more effectively identify high potential live streamers, analyse the needs and preferences of its users, and design, promote and manage more customised products and tailored services to enhance user experience. The Target Group also intends to develop better content-search tools to help its users search for and find the content they want more easily and to develop new functionalities to allow users to access records of historical streams whenever they desire. The Target Group believes that maintaining and upgrading its technology infrastructure will empower it to continue to attract new users and engender greater user loyalty. For instance, the Target Group utilises generative AI to create an experimental V-Liver who acts as a female character and performs fortune telling to users, the diagram below shows such experimental V-Liver performing fortune telling on 17LIVE:



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Expand Footprint by Exporting Our Expertise into High Growth Markets

Leveraging its strong live social entertainment presence in Japan and Taiwan, the Target Group will strategically expand its business into regional markets with high growth potential such as Southeast Asia which is seen as a fast-growing live streaming market. According to the IMR Consultant, the market size for live streaming for Southeast Asia is expected to increase from US\$1,071.8 million in 2023 to US\$2,160.9 million in 2027, representing a moderated CAGR of approximately 19.2% from 2023 to 2027. The Target Group is expected to benefit by experiencing growth in user base from brand recognition in Southeast Asia, and particularly, in Singapore, after the Completion. The Target Group plans to efficiently utilise its available content to build a critical mass of users in Southeast Asia, with a view to achieving organic growth through cross-border activities and the export of Japanese and Taiwanese content and merchandise to Southeast Asia through a combination of live streaming, its live commerce channels and 17Shop. The Target Group plans to make its Japan V-Liver content available in other countries once the Japan V-Liver offering reaches a more mature stage. The Target Group will continue to promote cross-border collaborative streaming among its live streamers where live streamers located in different regions live stream together as a group. The Target Group also plans to acquire more live streamers and users in Southeast Asia to complement and strengthen the Target Group's core live streaming business and reach a larger audience base in these markets. To this end, the Target Group may collaborate or partner with media and entertainment companies in Southeast Asia.

In addition to organic growth, the Target Group plans to expand its products and services offerings by driving long-term growth through pursuing strategic investment opportunities (such as investments in other quality social media products and platforms), mergers and acquisitions, joint ventures and/or strategic alliances with parties that create synergistic values with its current business. The Target Group believes that horizontal or vertical investments and acquisitions will allow it to further expand its presence and strengthen its market leading position in Asia and achieve success in the new markets or product niches that it elects to enter. Should such opportunities arise, the Target Group will seek approval, where necessary, from shareholders and the relevant authorities in accordance with the requirements of the applicable rules and regulations.

16. RISK FACTORS

Shareholders and prospective investors should carefully consider and evaluate each of the following risk factors and all other information contained in this Circular before voting on the resolutions in respect of the Proposed Transactions.

The following describes some of the significant risks known to the Target Company and the Company now that could directly or indirectly affect the Target Company, the Enlarged Group and the Proposed Business Combination, including the risks that relate principally to the industry in which the Target Company operates and its business in general. Other risks relate principally to the general social, economic, political and regulatory conditions in Singapore, Japan and Taiwan, the securities market and ownership of the Shares following Completion, including future dilution in the value of the Shares. The risk factors set out below are not intended to be exhaustive and do not state risks unknown to the Target Company and the Company now but which could occur in future, and risks which the Target Company and the Company currently believe to be immaterial, which could turn out to be material. Should these risks occur or turn out to be material, they could materially and adversely affect the Target Company's or the Enlarged Group's business, financial position,

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results of operations and/or prospects. New risk factors may emerge from time to time and it is not possible for the Directors and the Proposed Directors to predict all risk factors, nor can the Company assess the impact of all factors or the extent to which any factor or combination of factors may affect the Target Company, the Enlarged Group and the Proposed Business Combination.

Save as disclosed below, to the best of the Directors' and the Proposed Directors' knowledge and belief, all risk factors which are material to Shareholders in making an informed judgement of the Target Company and the Proposed Business Combination have been set out below.

Shareholders should also note that certain of the statements set forth below constitute "forward-looking statements" that involve risks and uncertainties. For more information, please also refer to the section titled "*Cautionary Note on Forward-Looking Statements*" of this Circular. Following Completion, the risk factors in relation to the Target Group will also be relevant to the Enlarged Group. If any of the following considerations, uncertainties or material risks develops into actual events, the business, financial condition, operational results or prospects of the Enlarged Group may be materially and adversely affected. In such circumstances, the trading price of the Shares could decline, and Shareholders may lose all or part of their investment in the Shares.

16.1 Risks relating to the Business and Industry of the Target Group

If the Target Group fails to retain its existing users, keep them engaged or grow the user base, the business, operation, profitability and prospects of the Target Group may be materially and adversely affected.

There is no assurance that the Target Group can effectively retain its existing users, keep them engaged or grow its user base. The Target Group has an average MAU of approximately 550,000 globally on 17LIVE for 1H FY2023. If the user base decreases, or the users access the Target Group's platforms less frequently or become less active, they would likely spend less on virtual points and virtual gifts or other products and services on the Target Group's platforms. This would in turn drive live streamers and V-Livers away from the Target Group's platforms, reduce the amount of high quality content on its platforms, and discourage merchants from selecting the Target Group's platforms, thereby materially and adversely affect the Target Group's operational results, revenues, financial condition and prospects.

A number of factors could negatively affect user retention, growth and engagement, including if:

- the Target Group fails to adapt to changes in user preferences, or innovate and introduce new content, features and services to attract new users;
- the Target Group fails to retain and continue to discover popular live streamers and V-Livers, or the live streamers and V-Livers fail to keep the users engaged over a period of time;
- the Target Group is unable to address inappropriate or abusive use of its platforms, which may lead to negative public perception of the Target Group and its brands;
- the Target Group is unable to deliver its services in a prompt and reliable manner due to information technology issues or other technical problems which adversely affect the user and/or live streamer's experience;

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- the Target Group fails to deliver satisfactory performance in its new business initiatives such as in-app games, V-Liver offering and live commerce;
- the Target Group fails to address users' concerns relating to privacy and communication, safety, security or other factors;
- aggressive monetisation measures by the Target Group cause users to shift to other alternative platforms; and
- there are adverse changes in the Target Group's services that are mandated by, or an election by the Target Group to address legislation, regulations or government policies.

To the best knowledge of the Target Group, during the Period Under Review and up to the Latest Practicable Date, there has not been any occurrence of the factors described above resulting in a material adverse impact to the Target Group's operations and/or financials.

It is vital that the Target Group remains responsive to evolving user preferences and offers content that attracts its users, especially its paying users. The Target Group will need to continue to develop and improve its platforms, to enhance its brand awareness and stimulate user engagement, which may require it to incur substantial costs and expenses and there is no assurance that such efforts will be successful. If such increased costs and expenses do not effectively translate into improved user traffic and engagement, its operational results may be materially and adversely affected.

If the Target Group fails to attract, cultivate, manage and retain its popular live streamers and V-Livers or if the content created by the Target Group's live streamers and V-Livers becomes less engaging to the users, the business, operational results and prospects of the Target Group may be materially and adversely affected.

The Target Group's business revolves around its ability to attract and retain popular live streamers and V-Livers producing high quality original content. These talented live streamers and V-Livers generally have a large follower base who regularly supports them with virtual gifts during their live streams and offline events. Their talent and capability to generate high quality content are the primary contributors to user stickiness.

The Target Group faces significant competition for talented live streamers and V-Livers from other platforms. The Target Group enters into standard contracts with live streamers and V-Livers directly or through the agencies of the live streamers and V-Livers, some of which are exclusive and contain non-compete obligations on the live streamers and V-Livers during the term of their contracts and for up to 12 months after their contracts are terminated. Live streamers and V-Livers who do not enter into exclusive agreements with the Target Group can broadcast the same content concurrently on other platforms. Despite the contractual restrictions, some live streamers and V-Livers may decide to broadcast on other platforms in breach of the exclusivity agreements, which could result in an outflow of users and reduction in revenues of the Target Group. In addition, the Target Group's live streamers and V-Livers may not be willing to renew their contracts with the Target Group if the terms in the standard contracts are no longer attractive to them. If the Target Group loses a substantial number of popular live streamers and V-Livers, its ability to stream content may be negatively affected and the attractiveness of its platforms to users may be significantly reduced. Furthermore, for those live streamers and V-Livers who are managed by talent agencies, the Target Group may lose them if the talent agencies that manage them

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fail to reach or maintain satisfactory cooperation arrangements with such live streamers and V-Livers or with the Target Group. The Target Group may not be able to find new live streamers and V-Livers who are able to generate appealing content to meet the users' demands.

To retain popular live streamers and V-Livers, the Target Group must devise more effective live streamer and V-Liver cultivation programmes and more competitive live streamer and V-Liver compensation schemes, improve its monetisation strategies and help popular live streamers and V-Livers appeal to a wider audience. Even with its efforts in these respects, there is no assurance that the Target Group's live streamers and V-Livers will not leave its platforms.

The Target Group implements certain live streamer and V-Liver performance metrics to identify, track and train promising live streamers and V-Livers to achieve greater popularity. However, there is no assurance that the performance metrics the Target Group uses to track its live streamers and V-Livers are effective in projecting future success, as changes in user preferences are often sudden and unpredictable. Some of the live streamers and V-Livers the Target Group identifies as promising in the early stage of their careers may not gain popularity, and some of the live streamers and V-Livers that have not been identified as promising live streamers and V-Livers may unexpectedly achieve widespread popularity. The Target Group may not be devoting the appropriate level of resources to talented live streamers and V-Livers, which could weaken its core competitive strength of creating high quality content and thus cause a reduction in the user base. In addition, the Target Group's popular live streamers and V-Livers may fail to deliver engaging and original content, or face a decline in popularity due to negative publicity, scandals, allegations of illegal acts or litigations, which could negatively affect the Target Group's ability to facilitate user engagement and spending and lead to a loss of the Target Group's live streaming revenue, and ultimately, materially and adversely affect its operational results.

The Target Group also seeks to foster a broader and more engaged community, and encourages influencers, celebrities and other public figures, media outlets and organisations with media rights to use its platforms to express their views and share high quality content. However, there is no assurance that this strategy will be successful in generating user traffic and stimulating spending. If the Target Group fails to attract high quality live streamers and V-Livers and correspondingly increase engagement from its users, its business, operational results and prospects may be materially and adversely affected.

The Target Group's business is based on a business model where user demand may change or decrease substantially, and it may not be able to successfully implement its monetisation strategies to generate sustainable revenue and profits.

Many of the elements of the Target Group's business, such as virtual gifting, V-Livers, in-app games and live commerce, are constantly changing. The markets for the Target Group's products and services are rapidly developing and are subject to significant challenges. The Target Group's business relies heavily upon revenues from its live streaming business, as well as its ability to successfully monetise its user base and products and services. As the live social entertainment industry in Asia is constantly changing as well, there are few proven methods of projecting user demand or available industry standards on which the Target Group can rely, and the Target Group has to constantly develop and update its monetisation strategies.

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The Target Group's current operations are substantially based on a business model where the content on its platform is freely accessible by users, who may choose to purchase virtual points, which can be used to purchase various virtual gifts on its platforms. The prices of virtual points and virtual gifts are fixed by the Target Group based on its internal pricing mechanism which aims to strike a balance between affordability for users and monetisation for the Target Group, and are neither based on demand nor dynamically determined. Virtual points and virtual gifts cannot be used outside of 17LIVE. Although the Target Group factors in industry standards and expected user demand in determining how to optimise virtual gifts and in-app game merchandising effectively, if the Target Group fails to properly maintain a balance between creating sufficient monetisation opportunities and maintaining an enjoyable platform, its users may be less likely to spend on the Target Group's platforms. In addition, if users' spending habits change and they choose to only access its free content without additional purchases, the Target Group may not be able to continue to successfully implement the virtual gifts-based and in-app games-based revenue model, in which case the Target Group may have to resort to other monetisation strategies. If the Target Group's strategic initiatives do not enhance its ability to monetise its existing services or enable the Target Group to develop new approaches for monetisation, the Target Group may not be able to maintain or increase its revenues and profits or recover any associated costs. In addition, the Target Group may in the future introduce new services to further diversify its revenue streams, including services which the Target Group has little or no prior development or operating experience. If these new or enhanced services fail to engage users, the Target Group may fail to attract or retain users or generate sufficient revenues to justify its investments, and its business and operational results may suffer as a result.

The Target Group's new monetisation strategies, including its V-Liver, in-app game products and live commerce offerings, have been launched recently, and there is no assurance that they will be successful, profitable or widely accepted, and will remain effective or continue to generate revenue in the future. If the Target Group fails to develop new monetisation channels and generate sustainable growth, its business, operational results, financial condition and prospects may be materially and adversely affected.

The Target Group may not be able to successfully maintain and increase the number of its spenders.

The Target Group generates substantially all of its revenue from selling virtual points to its spenders. If the Target Group fails to maintain the number of its spenders, or if revenues generated from its spenders are substantially reduced due to, for example, increased competition, deterioration in user relationship, or lack of engaging content, its business, operational results, financial condition and prospects may be materially and adversely affected. The revenue contribution from the top 10 customers (individual spenders) of the Target Group accounted for 5.69%, 4.82%, 2.77% and 3.08% of the Target Group's revenue for FY2020, FY2021, FY2022 and 1H FY2023. While the Target Group plans to enlarge its spender base, there is no assurance that the Target Group will succeed. Whether the Target Group can increase the number of its spenders or their spending depends on many factors. For example, the Target Group's spenders may have less disposable income if they need to meet financial obligations elsewhere, they may decide to no longer financially support a particular live streamer or V-Liver that they used to follow, and an overall worsening economic climate can lower disposable income for all existing spenders, causing them to spend less on its platforms.

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The unique community culture of the users, live streamers and V-Livers of the Target Group is vital to its success. Its operations may be materially and adversely affected if it fails to maintain its culture within its addressable user, live streamer and V-Liver communities.

The large and highly engaged user, live streamer and V-Liver base of the Target Group is a community in which the users, live streamers and V-Livers can establish and expand their social relationships based on location and common interests. Leveraging this highly interactive community among users, live streamers and V-Livers, the Target Group has organised a variety of innovative online competitions and offline events with different themes to further drive engagement level, cultivate a unique culture and incentivise users to increase their spending on the platforms. These competitions and events encourage users to buy virtual points to spend on virtual gifts for their favourite live streamers and V-Livers in order to show support and win. Offline engagement complements the Target Group's online offerings by providing a tangible experience for many fans of the live streamers and V-Livers and also for users to meet up in person to build longer-term relationships with their favourite live streamers and V-Livers. The Target Group believes that its unique community culture is vital to its success. If the Target Group fails to create competitions and events that meet users' needs or otherwise fails to foster or maintain its community culture within its addressable user, live streamer and V-Liver communities, its platforms may lose attractiveness to its users, live streamers and V-Livers and its operations may be materially and adversely affected.

The Target Group has a limited operating history in the in-app game sector and may fail to offer popular in-app games or successfully develop or source new popular in-app games. If the number of its paying users for in-app games declines or ceases to grow, the Target Group's in-app game revenues may decrease, and its operational results, financial condition and prospects may be materially and adversely affected.

The Target Group has a limited operating history in the in-app game sector with the launch of its in-app games on its Taiwan and Japan platforms in May 2022 and August 2022 respectively. Although the Target Group has achieved rapid growth in the in-app game sector, there is no assurance that new in-app game projects will be successful. For instance, the development of new in-app game products may not materialise.

Furthermore, most in-app games have a relatively limited commercial lifespan and users may not stay engaged over a sufficiently long period in order for the game owners to achieve its projected returns. Similarly, there is no assurance that the in-app games offered by the Target Group will be sufficiently attractive to users, sustainable and revenue generating at each stage of their lifecycle. As a result, the Target Group has to continuously invest resources to develop or source new in-app games. If the Target Group fails to expand and diversify its in-app game offerings, identify trending and popular genres, or maintain the quality of its in-app games, it may lose users and user engagement and the Target Group's operational results could be materially and adversely affected.

The Target Group offers its in-app games to its users who pay by virtual points (which can be purchased or alternatively, occasionally be obtained for free), and users have the option to purchase in-game virtual items such as in-game accessories and tools that can boost performance. However, such strategy may not continue to be effective should the Target Group fail to attract users. In addition, the Target Group may not be able to accurately track users' preferences and consumption trends to retain its user base and encourage existing paying users to spend more on its in-app games.

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Although the Target Group mainly develops in-app games in-house, certain in-app games currently offered on its platforms, such as 17 Soccer, were created by third party game developers under revenue-sharing arrangements. The Target Group may depend on third party game developers for technical support and maintenance that are necessary to operate the in-app games on the Target Group's platforms and to develop updates. Even though the Target Group's in-house in-app game R&D capabilities are advancing and growing, if it fails to maintain and expand its in-house in-app game R&D capacity, or fails to maintain or renew third party game contracts on acceptable terms or at all, the Target Group may be required to cease the offering of popular in-app games, resulting in an increase in R&D expenses and a decrease in its revenues, which would have a material adverse effect to its operational results, financial condition and prospects.

The Target Group's historical growth rates may not be indicative of its future growth. If the Target Group fails to effectively manage its growth as a result of the increased complexity of its business and changes in market conditions, its business, operational results and prospects may be materially and adversely affected.

The historical growth rate of the Target Group may not be indicative of future performance due to the constantly changing business model and market conditions. There is no assurance that the Target Group will be able to maintain the historical growth rates in the future. For example, the Target Group experienced a drop in for both its number of MAUs and ARPPU in 2022, due to a decrease in demand for its services as users reduced entertainment budgets post-COVID-19 pandemic and with the ease of COVID-19 pandemic restrictions, users gradually returned to more offline activities, resulting in less time spent on online social and entertainment activities.

Some of these risks and uncertainties relate to the Target Group's ability to:

- retain existing users, attract new users, increase paying user ratio and increase user engagement and monetisation;
- roll out its V-Liver strategies;
- maintain growth rates across its platforms in multiple markets;
- maintain and expand its network of domestic, regional and global business partners;
- upgrade its technology and infrastructure to support increased traffic and expanded offerings of content and services;
- anticipate and adapt to changing user, live streamer and V-Liver preferences;
- implement its strategy to expand its offerings on its live commerce platforms;
- conduct cost-effective marketing campaigns to increase the awareness and attractiveness of its brands;
- adapt to competitive market conditions, as well as the global economic and political conditions;
- protect its intellectual property;

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- launch new products and merchandise;
- hire and retain key employees; and
- maintain adequate control of its expenses.

If the Target Group is unsuccessful in addressing any of these risks and uncertainties, its business, operational results, financial condition and prospects may be materially and adversely affected.

In addition, the Target Group's growth has placed, and may continue to place significant demands on the Target Group's management and its technology systems, as well as its administrative, operational and financial systems. The Target Group's ability to manage its growth effectively will also require the Target Group to continue to implement a variety of new and upgraded managerial, operating, technological and financial systems, procedures and controls. There is no assurance that its growth initiatives will succeed. If the Target Group is not able to effectively manage the growth of its business and operations or execute its strategies effectively, its expansion may not be successful and its business and prospects may be materially and adversely affected.

The Target Group's profitability in any prior financial period may not be indicative of its future profitability.

The Target Group had an operating income of US\$24.4 million, US\$10.4 million and US\$10.1 million for the financial years ended 31 December 2020, 2021 and 2022 respectively. The Target Group's profitability in any prior financial period may not be indicative of its future profitability and the Target Group may incur losses in the near future. Changes in the macroeconomic and regulatory environment or competitive dynamics and the Target Group's inability to respond to these changes in a timely and effective manner may also impact its profitability.

In addition, the Target Group expects to continue to invest heavily in its operations to maintain its current market position, support anticipated future growth and meet its expanded reporting and compliance obligations as a public company, including significant legal, accounting, insurance, compliance, and other expenses. The Target Group may not generate sufficient revenue from its core live streaming content and its new business initiatives such as in-app games, V-Liver offering and live commerce, to offset such costs to sustain profitability in the future.

The Target Group may also face increasing operational costs to support its further growth and expansion. The Target Group expects its costs and expenses such as its R&D expenses, selling expenses (including advertising and marketing expenses) and general and administrative expenses to continue to increase in the future as it broadens its user, live streamer and V-Liver base, increases engagement level, and develops and implements new features and services that require more complexity. The Target Group expects to continue to invest in its infrastructure in order to enable it to provide rapid and reliable services to its users, live streamers and V-Livers. Continued growth could also strain the Target Group's ability to maintain reliable service levels for its users, live streamers and V-Livers, develop and improve its operational, financial, legal and management controls, and enhance its reporting systems and procedures. If the Target Group is unable to generate adequate revenues through its monetisation strategies and to manage its expenses, it may incur significant losses in the future and may not be able to subsequently

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maintain profitability. The Target Group's expenses may grow faster than its revenues, and its expenses may be greater than anticipated. Managing the Target Group's growth will require significant expenditures and the allocation of valuable management resources. If the Target Group fails to achieve the necessary level of efficiency in its organisation as it grows, its business, operational results, financial condition and prospects could be harmed.

In addition, the Target Group may require additional capital from time to time to grow its business and expand product offerings. Its ability to obtain additional capital is subject to the following uncertainties:

- market position and competitiveness of the Target Group in the live social entertainment industry;
- operational results, overall financial condition, profitability and cash flows of the Target Group;
- general market conditions for capital raising activities; and
- economic, political and other conditions in the global economy.

There is no assurance that additional financing will be available on acceptable terms, or at all. If the Target Group is unable to obtain adequate financing or financing on terms satisfactory to it when necessary, its ability to continue to support the operation and growth of its business could be significantly impaired and its operational results may be adversely affected.

The business operations of the Target Group are geographically concentrated in Japan and Taiwan. The Target Group may be sensitive to or significantly affected by any adverse change in the Japan and Taiwan markets.

While the Target Group has expanded its business to new geographic areas, it remains highly concentrated in the markets of Japan and Taiwan. The Target Group's business is exposed to unfavourable changes in regulatory conditions, adverse changes in the competitive landscape, economic downturns, political risks, as well as the occurrence of natural disasters in Japan and Taiwan. If the Target Group is unable to identify and successfully manage or mitigate these risks, its business, operational results, financial condition and prospects may be materially adversely affected.

The Target Group has a limited presence in certain international markets into which it has expanded or seeks to expand. The Target Group may fail to meet the challenges presented by its current international operations, or to replicate its success in new markets it operates in.

The Target Group operates in various countries and regions across the world. While Japan and Taiwan remain its strategic focus, the Target Group also has users, live streamers and V-Livers in Hong Kong, Singapore, the U.S., the Philippines, India and Malaysia. The Target Group expects to continue its global expansion as a key growth strategy, which exposes it to a number of risks, including:

- challenges in formulating effective sales and marketing strategies targeting users, live streamers and V-Livers;

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- challenges in localising business strategies to satisfy diverse cultural preferences and demands in different jurisdictions;
- challenges in identifying appropriate local business partners and establishing and maintaining good working relationships with them;
- local competition;
- challenges in meeting local merchant demands as well as online marketing practices and conventions;
- differences in reception and perception of its applications by users, live streamers, V-Livers and merchants internationally;
- challenges in building direct sales operations, especially in developed markets;
- fluctuations in currency exchange rates;
- compliance with applicable foreign laws and regulations, including but not limited to internet content requirements, foreign exchange controls, cash repatriation restrictions, intellectual property protection rules and data privacy requirements;
- exposure to different tax jurisdictions that may subject the Target Group to greater fluctuations in its effective tax rate and assessments in multiple jurisdictions on various tax-related assertions, including transfer pricing adjustments and permanent establishment;
- ability to hire suitable and experienced employees locally; and
- increased costs associated with doing business in foreign jurisdictions.

The Target Group's business, operational results, financial condition and prospects may be materially and adversely affected by these and other risks associated with its expansion internationally.

The Target Group operates in an industry that is highly competitive. If it is unable to compete effectively, its business, operational results and prospects may be materially and adversely affected.

The Target Group faces competition in several major aspects of its business, particularly from companies that provide live social entertainment services such as live streaming, in-app games and live commerce.

Some of the Target Group's competitors may have longer operating histories and significantly greater financial strength, technical capabilities and marketing resources than the Target Group does, and in turn may have an advantage in attracting and retaining users, live streamers, V-Livers, merchants, game developers and business partners. For example, competitors in some areas of the Target Group's business may have a significantly larger user, live streamer and V-Liver base and more established brand names and may be able to more effectively leverage their user, live streamer and V-Liver base and brand names to reach out to more potential users, live streamers and V-Livers and thereby increase their market share. The Target Group also faces competition from larger companies that could

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devote greater resources to the promotion or marketing of their services, taking advantage of acquisition or other opportunities more readily or developing and expanding their services more quickly. The Target Group may also face potential competition from global or regional live social entertainment service providers that seek to enter the markets in which the Target Group operates, whether independently or through the formation of partnerships, or acquisition of, internet companies.

The Target Group operates in multiple markets, and in particular, Asia. For further details of the Target Group's competitors across these markets, please refer to Appendix F titled "*Independent Market Research Report*" of this Circular. Some of these competitors may enjoy better competitive position in certain geographical regions, user demographics or other key areas in which the Target Group currently operates or will operate in the future. These competitors may offer more appealing services or respond more quickly and cost-effectively than the Target Group to new or changing opportunities. The Target Group also faces competition from other live streaming platforms and other platforms which offer similar types of content such as short form videos. Due to a low switching cost for users, live streamers and V-Livers, the Target Group competes intensely with these platforms in terms of time spent by users, live streamers and V-Livers, as well as quality content. In addition, the Target Group faces competition from virtual idol agencies in relation to its V-Liver offering, and has to capture the market share by continuously introducing attractive virtual idols, building its intellectual property portfolio, and exploring new collaboration opportunities. The Target Group also competes with other game developers in relation to its in-app game offering. Since most online games have a limited commercial lifespan, the Target Group must continuously develop and source new in-app games that appeal to its users. In relation to the live commerce business, the Target Group competes with other marketing services companies, social media platforms and other live commerce platforms, the success of which depends on the size of its user, live streamer and V-Liver base and engagement level, diversity of products as well as innovation in marketing solutions offered.

The live social entertainment industry is also characterised by rapidly changing technologies, evolving industry standards, new product and service launches, new generations of product enhancements and rapidly changing user preferences. Accordingly, the Target Group is required to adapt to these rapidly changing technologies and industry standards, and to continually innovate in response to both evolving demands of the marketplace and the actions taken by its competitors. There may be occasions when the Target Group may not be as responsive as its competitors in adapting its services to changing industry standards and the needs of its users. Historically, new features may be introduced by another player in the industry, and if they are perceived as attractive to users, live streamers and V-Livers, they are often quickly copied and improved upon by other competing platforms. On the flip side, the Target Group may not be able to protect its new technologies from being copied by its competitors. Introducing new technologies into its systems involves numerous technical challenges, substantial amounts of capital and personnel resources and often takes many months to complete. While the Target Group intends to continue to devote resources to the development of additional technologies and services, it may not be able to effectively integrate new technologies on a timely basis or at all, which may decrease user, live streamer and V-Liver satisfaction with its services. Such technologies, even if integrated, may not function as expected or may be unable to attract and retain a substantial number of its users. A failure by the Target Group to keep pace with rapid technological changes may cause it to fail to retain or attract users or generate revenues, and could have a material and adverse effect on its business and operational results.

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If the Target Group is not able to effectively compete in any of its lines of business, its overall user, live streamer and V-Liver base and engagement level may decrease, which could reduce the number of its paying users or merchants or make the Target Group less effective in engaging and retaining its business partners. The Target Group may be required to spend additional resources to further increase its brand recognition and promote its products and services, and such additional spending could adversely affect its financial performance. Furthermore, if the Target Group is involved in disputes with any of its competitors that result in negative publicity to the Target Group, such disputes, regardless of their veracity or outcome, may harm its reputation or brand image and in turn lead to a reduced number of users, live streamers, V-Livers, merchants, game developers and business partners. Any legal proceedings or protective measures taken by the Target Group in response to such disputes may be expensive, time-consuming and disruptive to its operations and may divert the attention of the Target Group's management from the business.

Major mobile application distribution channels may change their standard terms and conditions in a manner that is detrimental to the Target Group, or terminate their existing relationship with the Target Group.

The Target Group relies on third party mobile application distribution channels such as Google Play and iOS App Store to distribute most of its mobile applications to users. The Target Group expects that a substantial number of downloads of its mobile applications will continue to be derived from these distribution channels. As such, the promotion, distribution and operation of its applications are subject to such distribution platforms' standard terms and policies for application developers, which are subject to the interpretation of, and changes by, these distribution channels. If Google Play, iOS App Store or any other major distribution channels change their standard terms and conditions in a manner that is detrimental to the Target Group, or terminate their existing relationship with the Target Group, its business, operational results, financial condition and prospects may be materially and adversely affected.

Growth and engagement level of users, live streamers and V-Livers depend on the effective interoperation with mobile and computer technology, operating systems, networks, devices and standards that the Target Group does not control.

The Target Group makes its services available across a variety of third party mobile and desktop operating systems and devices. The Target Group is dependent on operating its services on popular mobile and desktop devices and using mobile and desktop operating systems that it does not control, such as Google Play, iOS App Store and Windows. Any changes in such mobile and desktop operating systems or devices could potentially degrade the functionality of its services or give preferential treatment to competitive services and result in an adverse effect on the usage of its services. Further, if the number of platforms for which the Target Group develops its services increases, it will result in an increase in its costs and expenses. In order to deliver high quality content to a wider audience, it is important that the Target Group's platforms work well across a range of mobile and desktop operating systems, networks, mobile devices, computers and standards, which the Target Group does not control. The Target Group may not be successful in developing relationships with key participants in the mobile industry or in developing services that operate effectively with these operating systems, networks, devices and standards. If it is difficult for users, live streamers and V-Livers to access and use the Target Group's platforms, particularly on their mobile devices or computers, its

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growth and engagement of users, live streamers and V-Livers could be harmed, and its business, operational results, financial condition and prospects could be adversely affected.

The overall network of the Target Group relies on bandwidth connections provided by third party operators and the Target Group expects this dependence on third parties to continue. The networks maintained and services provided by such third parties may be subject to damage or interruption, which could impact the Target Group's business, operational results, financial condition and prospects. The Target Group also has limited control over the prices of the services provided by third party operators and may have limited access to alternative networks or services. If the prices for such services rise significantly, the Target Group's operational results may be materially and adversely affected.

The services provided by the Target Group may be subject to interruption due to system failure or other outages and risks relating to the use of licenced technologies and opensource software.

Although to the best knowledge of the Target Group, during the Period Under Review and up to the Latest Practicable Date, there has not been any past instance where the services provided by the Target Group were subject to interruption, resulting in a material adverse impact to the Target Group's operations and/or financials, and the Target Group seeks to reduce the possibility of disruptions or other outages, its services may be disrupted by problems with its own technology and system, such as malfunctions in its software or other facilities and network overload. The Target Group's systems may be subject to damage or interruption from telecommunication failures, power loss, computer attacks or viruses and similar events. Parts of its system are not fully redundant, and its disaster recovery planning may not be adequate for all eventualities. Any interruption in the ability of the Target Group's users, live streamers and V-Livers to use its products and services could reduce its future revenues, harm its future profits, and subject it to regulatory scrutiny and lead users, live streamers and V-Livers to seek out competing platforms or alternative forms of online social interactions.

The Target Group relies on certain licenced technologies in some of its products and services. For instance, in 2023, the Target Group integrated the Live2D functions in its V-Liver broadcasting functionality, which have been licenced by a third party provider. The Target Group's licensing agreements with third party providers are generally one year. The material licensing agreements entered into by the Target Group with the third party technology providers which are currently in effect will expire in 2025, and the Target Group will generally commence the negotiation process for renewal of such agreements two to three months prior to the respective expiry date. None of the material licensing agreements contains a unilateral termination for convenience provision. As at the date of the Circular, the Target Group does not foresee any particular difficulties in the renewal of its material licensing agreements. If the Target Group fails to renew any of its licensing agreements with third party providers upon the expiry of the agreements, certain features or functions on the Target Group's platforms may become unavailable, thereby materially and adversely affecting the business performance of the Target Group.

The Target Group also uses open source software in its business operations and will continue to use open source software in the future. There is a risk that open source software licences could be construed in a manner that imposes unanticipated conditions or restrictions on the Target Group's ability to provide or distribute its products or services. Additionally, the Target Group may face claims from third parties claiming ownership of, or

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demanding release of, the open source software or derivative works that the Target Group developed using such software. These claims could result in litigation and could require the Target Group to make its software source code freely available, purchase a costly licence or cease offering the implicated products or services unless and until the Target Group can re-engineer them to avoid infringement. This re-engineering process could require significant additional R&D resources, and the Target Group may not be able to complete it successfully.

The Target Group may not be able to successfully halt the operations of spammer or malicious platforms, which could negatively affect user experience and its reputation, lure away users, live streamers, V-Livers, merchants or in-app game developers and reduce its market share and materially and adversely affect its business, operational results, financial condition and prospects.

Although the Target Group uses technological and legal measures in an attempt to halt the operations of spammer or malicious platforms, it may not be able to detect all such platforms or applications in a timely manner and, even if it could, such measures may be insufficient to stop these breaches. In these cases, the protective measures used by the Target Group may not be adequate to protect itself against such platforms or applications. Regardless of whether the Target Group can successfully enforce its rights against these platforms or applications, any measures that it may take could require significant financial or other resources. These platforms or applications may also lure away some of the Target Group's live streamers, V-Livers, users, merchants or game developers, and accordingly reduce its market share, causing material and adverse effects on its business, operational results, financial condition and prospects.

Any disruptions or failure in mobile telecommunications or internet services may have a material and adverse impact on the Target Group's business and operational results.

The Target Group depends on the ability of its live streamers, V-Livers, users and merchants to access mobile telecommunications services and the internet. Currently, this access is provided by companies that have significant market power in the mobile, broadband and/or internet access marketplaces, including incumbent mobile telecommunications companies, telephone companies, cable companies, government-owned service providers, device manufacturers and operating system providers, any of whom could take actions that degrade, disrupt or increase the cost of access to the Target Group's products or services, which would, in turn, negatively impact its business. The adoption of any laws or regulations that adversely affect the growth, popularity or use of mobile devices or the internet or disruption of the Target Group's services in important markets for any political or other non-technical reasons could decrease the demand for, or the usage of, its products and services, increase its cost of doing business and adversely affect its business, operational results, financial condition and prospects.

The Target Group also relies on telecommunication service providers to maintain reliable network systems that provide adequate speed, data capacity and security to its platforms, users, live streamers and V-Livers, and internet data centres to host its servers. With the expansion of its business, the Target Group may be required to purchase more bandwidth and upgrade its infrastructure to keep up with increasing traffic on its platforms. There is no assurance that such telecommunications providers would be able to accommodate all of its requests for more bandwidth or upgraded infrastructure, accommodate its requests on terms favourable to the Target Group, or support the demands associated with the

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continued growth in the Target's internet usage. Any interruption in, or failure of, the operations of mobile telecommunications or internet infrastructure services that its platforms, users, live streamers and V-Livers rely on, even for a short period of time, could undermine its operations, and the Target Group's business, operational results, financial condition and prospects could be adversely affected.

Any compromise to the cyber security of the Target Group's platforms could materially and adversely affect its business, reputation and operational results.

The Target Group's products and services are provided through the internet and involve the storage and transmission of content. Any security breach would expose the Target Group to a risk of loss of information and result in litigation and potential liability. Although to the best knowledge of the Target Group, during the Period Under Review and up to the Latest Practicable Date, there has not been any past instance where the cyber security of the Target Group's platforms was compromised, resulting in a material adverse impact to the Target Group's operations and/or financials, as the techniques used to obtain unauthorised access, disable or degrade internet services or sabotage operating systems change frequently and are often not recognised in a timely manner, the Target Group may not be able to react immediately to such attacks or implement adequate preventative measures. The Target Group experiences cyber-attacks of varying degrees on a regular basis, including hacking of its user, live streamer and V-Liver accounts and a redirection of its user, live streamer and V-Liver traffic to other websites, and it has generally been able to identify the source of the cyber-attacks, mitigate the impact and prevent future occurrences without a material impact on its operations.

Despite the security measures the Target Group has implemented, its facilities, systems and procedures and those of third party providers may be subject to security breaches, acts of vandalism, software viruses, misplaced or lost data, programming or human errors or other similar events which may disrupt its delivery of services or expose the confidential information of its users, live streamers, V-Livers and others. If an actual or perceived breach of its security occurs, the market perception of the effectiveness of the Target Group's security measures could be harmed, it may lose existing users, live streamers and V-Livers and may be exposed to legal and financial risks, including legal claims, regulatory fines and penalties, which in turn could adversely affect its business, reputation and operational results.

The Target Group depends on third party online payment systems to conduct transactions. Security breaches or a system interruption of these online payment systems could materially affect consumer confidence and user experience.

The Target Group depends on the third party online payment systems to process payments for its products and services. The secure transmission of confidential information, such as users' credit card numbers and personal information, through the online payment platforms is essential to maintaining consumer confidence.

The Target Group does not have control over the security measures of its third party online payment vendors, and security breaches of these online payment systems could cause users to lose confidence in the Target Group's platforms. It could also expose the Target Group to litigation and possible liability for failing to secure confidential user information and could, among other things, damage its reputation. If a well-publicised internet or mobile network security breach were to occur, users concerned about the security of their online financial transactions may become reluctant to purchase the Target Group's virtual points

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even if the publicised breach was not a direct result of the actions of the Target Group. In addition, there may be billing software errors that would damage user confidence in these online payment systems. For example, during the Period Under Review, one of the Target Group's third party online payment service providers experienced billing software errors and mistakenly informed the Target Group of successful payments even though the transactions had failed, resulting in the Target Group issuing virtual points which were not paid for. The Target Group initiated a legal proceeding against the third party online payment service provider to claim approximately NTD13 million in damages, being the amount the Target Group should have received. As of the Latest Practicable Date, no loss has been recognised by the Target Group as the proceeding is still ongoing. Other than the aforementioned software error, to the best knowledge of the Target Group, during the Period Under Review and up to the Latest Practicable Date, there has not been any past instance of (i) security breaches or billing software errors of the third party online payment systems; or (ii) service interruptions or increased costs associated with the third party online payment systems, in each case resulting in a material adverse impact to the Target Group's operations and/or financials. However, if any material security breach or software error were to occur and damage the perceived security of the online payment systems, the Target Group may lose paying users who may be discouraged from or stop purchasing the virtual points, which may have an adverse effect on the Target Group's business.

In addition, given that the Target Group relies on a limited number of third party payment systems, any significant increase in the processing fees of these vendors, or a failure by such vendors to provide their services may result in a termination of their services with the Target Group, and accordingly, the Target Group could suffer service interruptions and increased costs, any of which may have a material adverse effect on its business, operational results, financial condition and prospects.

The Target Group's focus on user experience and satisfaction and acting in the long-term interests of its stakeholders may conflict with the short-term operational results of its business, and also negatively impact its relationships with merchants or other business partners.

The Target Group believes that prioritising its user experience and satisfaction is essential to its success and serves the best, long-term interests of its stakeholders. Therefore, it has made, and may continue to make, significant investments or changes in strategy that it believes will benefit its users, even if the decision negatively impacts its operational results in the short-term. For example, the Target Group currently does not place significant advertising on its platforms so that its users can enjoy uninterrupted entertainment on its platforms. While this decision may limit the Target Group's revenues in the short term, it provides a higher quality user experience on its platforms, which it believes will help it enhance user loyalty and create better monetising potential in the long term. This philosophy of putting the users first may negatively impact its relationship with merchants or other business partners, in which case its business, financial condition, operational results and prospects may be adversely affected.

The continuing and collaborative efforts of the Target Group's management and key employees are important to its success.

The Target Group depends on the continued contributions of the Target Group's management, especially the executive officers listed in Section 24.4 titled "*Proposed Directors and Executive Officers of the Enlarged Group – Proposed Executive Officers*" of this Circular, and other key employees. Although the Target Group has adopted various

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employee incentive schemes in the past to align the interests of executive officers and key employees with the Target Group, there is no assurance that such key personnel will be able and willing to continue to contribute their services to the Target Group. If any of the key personnel intends to leave the Target Group, the Target Group may have to replace them and may incur additional costs to recruit, train and retain key personnel. As a result, its business may be severely disrupted, its operational results, financial condition and prospects may be materially and adversely affected. In addition, competition for talent in Asia and other parts of the world is intense. The Target Group's future success is dependent on its ability to attract a significant number of qualified employees and retain existing key employees. If the Target Group is unable to do so, its business and growth may be materially and adversely affected.

Live streamer, V-Liver and user misconduct and misuse of the Target Group's platforms and inappropriate or indecent information disseminated on the platforms may adversely impact the brand image of the Target Group, affecting its business and subjecting it to liabilities.

The Target Group operates live social entertainment platforms that provide real-time streaming and interactions between its users, live streamers and V-Livers. Although the Target Group has put in place community guidelines and user, live streamer and V-Liver agreements, which users, live streamers and V-Livers are required to adhere to when using its platforms, the Target Group does not have full control over the content that users, live streamers and V-Livers generate on its platforms which is unscripted and not pre-vetted, and the way in which they interact with each other online using its platforms or offline outside of the supervised events organised by the Target Group. Furthermore, inappropriate representation made by third parties such as celebrities and key opinion leaders who collaborate with the Target Group in marketing initiatives may negatively affect the Target Group's reputation. While the views of third parties are not representative of the Target Group, the general public may associate such views with the Target Group given that the representation was made on the Target Group's platforms. As the Target Group has limited control over real-time and offline behaviours of its users, live streamers and V-Livers, to the extent such behaviours are associated with its platforms, its ability to protect its brand image and reputation may be limited.

The Target Group has implemented processes to detect spam accounts on a daily basis through which inappropriate or indecent content could be posted and fraudulent or illegal activities may be conducted. Although the Target Group has SkyEye, a dedicated monitoring team, which is aided by proprietary software consisting of AI models developed in-house, to identify, and take immediate action against, any inappropriate or indecent content, or fraudulent or illegal activities, and to block accounts or comments during live streaming sessions, such measures may not be successful in filtering all inappropriate or indecent content or catching all fraudulent or illegal activities. The Target Group had previously suffered negative publicity involving its brands and platforms, and its application was removed from iOS App Store and Google Play because of certain live streamers' violations of the app store policies for approximately two months from October to November 2015. The Target Group immediately took corrective action and none of its applications has been removed from either of these distribution platforms since then.

In addition, the Target Group has experienced and may continue to experience manipulation of the popularity indicators on its live streaming platforms by live streamers and V-Livers who either secretly fund their fans' gift-giving or through self-gifting via separate accounts to falsely increase their popularity indicators. While better popularity

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indicators will not automatically result in higher revenue share or higher performance bonuses as those percentages are pre-agreed in the contracts, better popularity indicators will help the live streamers or V-Livers achieve higher ranking on 17LIVE which will likely help attract a larger base of audience to their streams. Such an abuse of the system and any perception of abuse may harm the credibility of the popularity indicators and ultimately the reputation of the Target Group's platforms. The Target Group's business and the public perception of its brands may be materially and adversely affected by the misuse of its platforms.

If any of its users, live streamers and V-Livers suffers or is alleged to have suffered physical, financial or emotional harm following contact initiated with other parties on its platforms, the Target Group may face civil or criminal lawsuits or other liabilities initiated by the affected individual, or by governmental or regulatory bodies. If the Target Group is deemed to have facilitated the posting of inappropriate content placed by third parties on its platforms, or the conduct of fraudulent or illegal activities by third parties using its platforms, it may be subject to fines or other disciplinary actions, including, in serious cases, restrictions on some of the features and services provided on its platforms. As a result, its business may suffer and its reputation, user, live streamer and V-Liver base, revenues and profitability may be materially and adversely affected.

The Target Group may not be able to prevent fraudulent behaviour by users resulting in misappropriation of virtual points, which may adversely affect the Target Group's revenue-generating opportunities.

Once a user purchases the virtual points, the virtual points are deposited in and attached to the unique user account, and a user cannot request a refund from the Target Group for the purchased virtual points, or transfer the virtual points from his/her account to another user's account. Users can only purchase virtual points directly from the Target Group's website or mobile applications, and may make payment through in-app purchases, credit card gateways and bank-to-bank transfers processed by financial institutions or third party payment channels, top-up in convenience store, and authorised resellers (only for SEA and India) who facilitate payment from users. Therefore, users cannot obtain virtual points from secondary platforms. However, the Target Group occasionally experiences fraudulent behaviour by users resulting in misappropriation of virtual points. These users would purchase the virtual points from the Target Group and make payment through a third party payment channel. They would then quickly spend the virtual points to redeem virtual gifts or sell the relevant account to a third party at a discount in breach of the Target Group's user conduct rules, before requesting a payment refund from such third party payment channel. Once a third party payment channel notifies the Target Group that it has made a refund to a user in connection with a purchase of virtual points of 17LIVE, and requests for a corresponding refund from the Target Group, the Target Group will immediately trace the transaction to identify the relevant account that purchased the virtual points in question. Depending on the circumstances of each incident (including the amount of virtual points involved), the Target Group takes appropriate course of actions. If, by analysing the viewing and gifting history of such account, the Target Group determines that the account has been transferred, it will be blocked immediately. Furthermore, in all cases, if the virtual points in the account have not been used to redeem virtual gifts and given to live streamers or V-Livers, the unspent virtual points will be forfeited. If the virtual points in the account have been spent, the Target Group will determine the authenticity of the gifting behaviour. If the relevant gifting is determined by the Target Group to be fraudulent (for example, some live streamers or V-Livers might attempt to self-gift to increase their popularity indicators to manipulate the Target Group's algorithm into ranking them higher on its platforms, and then

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request refund from third party payment channels), the virtual gifts will be clawed back and the corresponding revenue will not be attributed to the live streamers or V-Livers. In other cases where the Target Group did not find the gifting to be fraudulent (even though the gifting was made using virtual points obtained by fraudulent means), the virtual gifts will not be clawed back from the live streamers or V-Livers and the Target Group will bear the losses and recognise such loss when it recognises the relevant revenue share in respect of the virtual gifts received, because the Target Group is of the view that live streamers and V-Livers who received the virtual gifts should not be penalised if they did not participate in the users' fraudulent behaviour. Virtual points that are not clawed back are recognised as revenue sharing costs (included in cost of revenue) at the end of each month. For the Period Under Review, (i) the aggregate value of virtual points involved in such fraudulent behaviour in Japan was approximately JPY137 million, representing approximately 0.12% of the Target Group's cumulative revenue in Japan for the Period Under Review and (ii) the aggregate value of virtual points involved in such fraudulent behaviour in Taiwan was approximately NTD8.2 million, representing approximately 0.26% of the Target Group's cumulative revenue in Taiwan for the Period Under Review.

Policing such fraudulent behaviour is inherently difficult and the preventive measures taken by the Target Group may be inadequate. If user accounts with a substantial amount of virtual points in deposit are available on the secondary market at a discounted price, the end users may resort to third party platforms instead of purchasing directly from the Target Group. This may divert sales from the Target Group, affect the Target Group's reputation and may adversely affect the Target Group's revenue-generating opportunities, which may have a material adverse effect on its business, operational results, financial condition and prospects.

The Target Group relies on various third party talent agencies to identify and manage some of its live streamers and V-Livers. The Target Group may fail to maintain its relationship with such talent agencies or be subject to fraud or misconduct by such talent agencies, and any contractual disputes with the talent agencies or the live streamers and V-Livers could be costly and time-consuming and may harm the Target Group's reputation.

The Target Group enters into both exclusive and non-exclusive live streamer and V-Liver contracts with a number of its live streamers and V-Livers who produce original content, either directly with the live streamers and V-Livers or through third party talent agencies which help the Target Group identify talented live streamers and V-Livers and bring them to its platforms. The Target Group's standard live streamer and V-Liver contracts provide a fixed percentage of revenue sharing with the live streamer and V-Liver without any base salary and give the Target Group discretion to grant bonuses to the live streamer and V-Liver if he/she reaches a pre-determined target of streaming hours or receives a certain amount of virtual gifts. The live streamer and V-Liver contracts also include obligations on its live streamers and V-Livers to comply with its content protection, confidentiality and other corporate policies.

Some of the Target Group's live streamers and V-Livers engage in competing business after the termination of their exclusive live streamer and V-Liver contracts with the Target Group which may raise legal disputes over the exclusivity and non-compete clauses in their contracts and the legal proceedings the Target Group takes or may take in response to these disputes may be expensive, time-consuming and disruptive to its operations. During the Period Under Review and up to the Latest Practicable Date, the Target Group has only initiated one legal dispute against a live streamer who breached his/her non-compete

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obligations. On 27 October 2023, the Target Group's claim against the defendant was dismissed by the court, but the defendant was ordered to pay the Target Group a compensatory amount of approximately US\$20,511 (equivalent to local currency NT\$660,000) plus an interest of 5% per annum from 14 June 2022 until the payment date for the breach of contract. As of the Latest Practicable Date, the Target Group has not received the compensation payment from the live streamer. The outcome of the proceeding did not materially affect the Target Group's financials.

While the Target Group generally owns all the original content across multiple media formats streamed on its platforms, there may be contractual disputes involving live streamers and V-Livers, third party talent agencies and the Target Group in relation to intellectual property ownership. Any such disputes between the Target Group and its live streamers and V-Livers or third party talent agencies, may not only involve lengthy and costly negotiations and potential litigations, but may also be detrimental to the quality of the content produced by its live streamers and V-Livers, deter other live streamers and V-Livers from signing or continuing to work with the Target Group, decrease user engagement on its platforms and otherwise adversely affect its business, operational results, financial condition and prospects.

In addition, the Target Group may be exposed to the risk of fraud or other misconduct by the talent agencies. Whilst the Target Group has not received any complaints from its live streamers and V-Livers who have entered into contracts with them in relation to third party talent agencies conveying false or misleading messages to them (whether in respect of their use of the Target Group's platforms or otherwise) during the Period Under Review and up to the Latest Practicable Date, there is no assurance that the Target Group will not incur liability for misrepresentation or fraud by third party talent agencies in the future. Any such claims could subject the Target Group to costly litigation and result in a significant strain on its financial resources and divert the attention of the Target Group's management.

The Target Group's business is dependent on the strength and market perception of its brands, and any failure to maintain, protect and enhance the brand would hurt the ability to retain or expand the Target Group's user, live streamer and V-Liver base.

The Target Group markets its live social entertainment services under 17LIVE and Wave and its live commerce services under HandsUp and OrderPally. The business and financial performance of the Target Group are highly dependent on the strength and the market perception of its brands and services. The Target Group's brands and reputation are critical to increasing its user, live streamer and V-Liver base and, in turn, facilitating its efforts to monetise its services and enhancing its attractiveness to users, live streamers and V-Livers. From time to time, the Target Group conducts marketing activities across various media to enhance its brands and to guide public perception of its brands and services. In order to create and maintain brand awareness and brand loyalty, to influence public perception and to retain existing and attract new users, live streamers and V-Livers, the Target Group may need to substantially increase its marketing expenditures. However, there is no assurance that these activities will be successful or that the Target Group will be able to achieve the expected brand promotion effect.

Negative publicity involving the Target Group, its users, live streamers, V-Livers, the Target Group's management, platforms or its business model or its industry in general may materially and adversely harm its brands and its business. There is no assurance that the Target Group will be able to defuse negative publicity to the satisfaction of its investors, users, live streamers and V-Livers. In particular, any alleged abuse of its platforms to

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facilitate illegal activities such as money laundering may negatively impact its public image. Such negative publicity, especially when it is directly addressed against the Target Group, may also require it to engage in defensive media campaigns in order to protect its brand. This may cause the Target Group to increase its marketing expenses and divert the Target Group's management's attention and may adversely impact its business and operational results.

To the best knowledge of the Target Group, during the Period Under Review and up to the Latest Practicable Date, there has not been any past instance where the Target Group failed to maintain or protect its brands resulting in a material adverse impact to the Target Group's operations and/or financials.

Non-compliance on the part of the Target Group's employees or third parties involved in its business could adversely affect its business.

The Target Group's compliance controls, policies and procedures may not be adequate to protect it from acts committed by its employees, agents, contractors, users, live streamers, V-Livers collaborators or other business partners that violate the laws or regulations of the jurisdictions in which it operates, which may adversely affect its business. The Target Group cannot be certain whether any such party has infringed or will infringe on any other parties' legal rights or violate any regulatory requirements, and cannot rule out the possibility of incurring liabilities or suffering losses due to any non-compliance by such party. There is no assurance that the Target Group will be able to identify irregularities or any non-compliance in the business practices of its business partners or other third parties, or that such irregularities or non-compliance will be corrected in a prompt and proper manner, or at all. The legal liabilities and regulatory actions on its business partners may also affect the Target Group's business activities and reputation, and may in turn affect its operational results.

Privacy concerns relating to the services of the Target Group and the collection and use of user, live streamer and V-Liver information could negatively impact the user, live streamer and V-Liver base or user, live streamer and V-Liver engagement, subject the Target Group to governmental regulation and other legal obligations, or negatively affect its reputation.

The Target Group collects profiles, locations and other personal data from its users, live streamers and V-Livers in order to better understand its users, live streamers and V-Livers and their needs. Concerns about the collection, use, disclosure or security of personal information or chat history or other privacy-related matters, even if unfounded, could damage the Target Group's reputation, cause it to lose users, live streamers and V-Livers and subject it to regulatory investigation, all of which may adversely affect its business. While the Target Group strives to comply with all applicable data protection laws and regulations, as well as its privacy policies pursuant to its terms of use and other obligations it may have with respect to privacy and data protection, any failure or perceived failure to comply with these laws, regulations or policies may result in enquiries and other proceedings or actions against the Target Group by government bodies or others, as well as negative publicity and damage to its reputation and brands, each of which could cause the Target Group to lose users, live streamers and V-Livers and have an adverse effect on its business and operational results.

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The Target Group has policies and measures in place to address such privacy concerns. In particular, the Target Group has implemented data security measures such as categorisation of personal data, anonymisation of personal data, restricted access to databases and secured backup mechanism. The Target Group anonymises personal data and only stores summarised metrics in its centralized, encrypted database. The anonymised information is subject to strict permission control access and only granted to certain authorised accounts, with an audit log to record all access log for future analysis. To further prevent leakages of personal information, the Target Group also prohibits any personnel from sharing any personal information outside the group. While the Target Group expects to continue expending significant resources to protect against security breaches, any actual or perceived systems failure or compromise of the Target Group's security that results in the unauthorised access to or release of the data or chat history of its users, live streamers and V-Livers could significantly reduce its users', live streamers' and V-Livers' willingness to use its services, as well as harm its reputation and brands.

The Target Group may not be able to adequately protect its intellectual property, which could cause it to be less competitive and third party infringements of its intellectual property rights may adversely affect its business.

The Target Group relies on a combination of copyright and trademark laws and restrictions on disclosure to protect its intellectual property, including its proprietary V-Livers. Please refer to Section 14.14 titled "*Information on the Target Company – Intellectual Property*" of this Circular for further details. Despite its efforts to protect its proprietary rights, third parties may attempt to copy or otherwise obtain and use its intellectual property or seek court declarations that there has not been any infringement of the Target Group's intellectual property. Although to the best knowledge of the Target Group, during the Period Under Review and up to the Latest Practicable Date, there has not been any past instance where the Target Group did not adequately protect its intellectual property, resulting in a material adverse impact to the Target Group's operations and/or financials, monitoring unauthorised use of its intellectual property is difficult and costly, and the Target Group cannot be certain that the steps it has taken or will take will adequately prevent the misappropriation of its intellectual property. From time to time, the Target Group may have to resort to litigation to enforce its intellectual property rights, which could result in substantial costs and diversion of its resources.

Competitors and other third parties may register trademarks or purchase internet search engine keywords or domain names that are similar to those of the Target Group in order to divert potential users, live streamers and V-Livers from the Target Group's platforms to theirs. Preventing such unauthorised use is inherently difficult. If the Target Group is unable to prevent such unauthorised use, potential users, live streamers and V-Livers may be driven away from its platforms to competing, irrelevant or potentially offensive platforms, which could harm the Target Group's reputation and cause material and adverse effects to its business, operational results, financial condition and prospects. There have been instances where third parties have cloned and launched applications that have similar look or similar looking names compared to the Target Group's mobile applications. Some of these counterfeits were inadvertently installed by users. These counterfeit mobile applications may mislead users and negatively affect their perception of the Target Group's platforms. The Target Group may have to expend substantial resources in connection with legal proceedings or other protective measures to curb these counterfeit activities in order to protect its intellectual property, user experience and brand perception.

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The Target Group may be subject to intellectual property infringement claims or other allegations by third parties for information or content displayed on, retrieved from or linked to its platforms, or distributed to its users, or for proprietary information appropriated by former employees, which may materially and adversely affect its business, financial condition and prospects.

The Target Group does not have full control over how and what its live streamers and V-Livers will share, display on or link to its platforms. As a large portion of its content is generated by live streamers and V-Livers who can be any person registered on its platforms, the Target Group does not have the capacity or resources to verify the originality of each content uploaded to its platforms. Although those allegations arise out of individual behaviours, platforms as service providers are often sued or investigated for any potential liabilities or misbehaviours. Although to the best knowledge of the Target Group, during the Period Under Review and up to the Latest Practicable Date, the Target Group was not subject to any intellectual property infringement claims brought by third parties for services it provides or for content displayed on, retrieved from, linked to, recorded, stored or made accessible on its platform, the Target group may be subject to intellectual property infringement claims in the future, which may materially and adversely affect its business, financial conditions and prospects. In addition, there is no assurance that other aspects of the Target Group's operations do not or will not infringe upon or violate intellectual property rights (including but not limited to trademarks, patents, copyrights, know-how) or other rights (including but not limited to portraiture right) owned or held by third parties. The Target Group may be involved in litigation based on allegations of infringement of intellectual property, unfair competition, invasion of privacy, defamation and other violations of other parties' rights. For instance, there may be allegations that some in-app game content of the Target Group (whether developed in-house or by third party game developers) has infringed the copyright in works of literature and art of other game producers, thereby harming the reputation of the Target Group. In addition, the regulatory regimes on the protection of intellectual property rights in internet-related industries, especially in the evolving live social entertainment industry, are uncertain and still evolving. Defending any such actions could be costly and require significant time and attention of the Target Group's management and other resources, and may cause damages to its reputation, which would materially and adversely affect its business.

The Target Group has adopted systematic methods to reduce its exposure to the risks of intellectual property infringement claims. Under its agreements with live streamers and V-Livers, the Target Group is the owner of the intellectual property arising out of live streaming activities on its platforms. When the live streamers and V-Livers register on its platforms, they agree to its standard agreement, which includes a clause providing that they shall not disseminate any content infringing on a third party's copyright. Once a complaint of alleged intellectual property infringement is reported to the Target Group, an investigation is commenced by the Target Group and any infringing content is deleted as appropriate in a timely manner. However, it is challenging for the Target Group to accurately identify and verify such content in each case, and there is no assurance those methods are sufficient to shield the Target Group from third party liabilities for intellectual property infringement, or that its efforts will be considered favourably by a given court or relevant governmental authority. Liabilities for intellectual property infringement, or allegations of such infringement, may lead to unfavourable media coverage and damage to its reputation, or even cause governmental authorities to impose sanctions and financial penalties on the Target Group, including, in certain cases, a suspension of the Target Group's business operations, which may materially and adversely affect its business, financial condition and prospects.

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The Target Group's patents for its technologies may expire and may not be extended, its patent applications may not be granted and its patent rights may be contested, circumvented, invalidated or limited in scope.

The operation and success of the Target Group's services and its business are affected by its ability to obtain patents and other intellectual property rights and adequate legal protection for its technologies in Japan, Taiwan and other jurisdictions, such as patents relating to "frame image of a group call", "recommendation using machine learning in live streaming", "gifting during live streaming", "rejoining during live streaming after network disconnection", "tipping gift for in-app games" and "S+ latency technology". The Target Group relies on a combination of patent, copyright, service mark, and trade secret laws, as well as confidentiality procedures and contractual obligations, to establish and protect its proprietary rights, all of which provide only limited protection. The Target Group has implemented various internal policies and rules such as the "Trade Secret Management Rule" to protect its trade secrets, such as its S+ latency technology and details of its top spenders. The "Trade Secret Management Rule" classifies internal information into three levels with different intensity of protection measures, and trade secrets are classified as the highest level, which requires (1) personnel access control, (2) mark "Confidential" to the information, (3) password set up and (4) enhance the management of trade secret by approval process with confidentiality agreement signed by external parties. The Target Group has also built its information security policy with mechanisms in its IT infrastructure, by which the IT teams can swiftly monitor and suspend any abnormal communication in order to prevent any leakage of trade secrets. There is no assurance that the Target Group's pending patent applications will be approved, which is required to ensure that the Target Group is adequately protected and to provide the Target Group with a competitive advantage, or that any of the Target Group's patents will not be challenged, invalidated or circumvented. The Target Group has filed for patents in Japan, Taiwan and other jurisdictions, but such protection may not be available in all countries and regions in which the Target Group operates and accordingly the Target Group may not be able to enforce its intellectual property rights. Such patents will also expire in the future. In addition, the patent applications made by the Target Group may be rejected. For example, in 2022, one registered patent in Taiwan of the Target Group was invalidated by the Taiwan Supreme Court although the Target Group believes that the invalidation did not have any effect on the business of the Target Group.

The Target Group's live streaming platforms which enable its users to purchase the virtual points to play online in-app games on its platforms may be adversely affected by changes to the regulation of gambling and gambling related activities under applicable laws.

The laws and regulations governing online games and games of chance for a prize in jurisdictions in which the Target Group operates and offers its in-app games are developing and evolving, and are subject to changes. For instance, given that the promotion of the Target Group's platforms is a form of inducement pursuant to the Act against Unjustifiable Premiums and Misleading Representations of Japan, the offering of virtual points on the Target Group's platforms may be subject to certain limitations relating to the value, kinds and means of offering. There is no assurance that changes in applicable laws will not have a material adverse effect on its operations in future periods.

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The Target Group is subject to regulations restricting gambling in jurisdictions in which it operates. Any non-compliance with the applicable laws and regulations (as amended from time to time) could subject the Target Group to administrative fines and sanctions imposed by the competent authorities, and in turn adversely affect its reputation, business, operational results, financial condition and prospects. Please refer to Appendix G titled “*Government Regulations – Japan – Act against Unjustifiable Premiums and Misleading Representations of Japan* and – *Taiwan – Criminal Code of Taiwan*” of this Circular for further details.

The Target Group relies on assumptions and estimates to calculate certain key operating metrics, and real or perceived inaccuracies in such metrics may harm its reputation and negatively affect its business.

All of the key operating metrics such as the MAUs and number of paying users of the Target Group’s various applications are calculated using internal company data collated by the Target Group. These key operating metrics have not been independently verified. While these numbers are based on what the Target Group believes to be reasonable calculations in line with market standards for such applicable periods, there are inherent challenges in measuring usage and user engagement across its large user base. For example, the Target Group treats each account as a separate user for the purposes of calculating its MAUs and paying users, because it may not always be possible to identify users that have set up more than one account. In reality, a single user may register multiple accounts across the Target Group’s platforms. Therefore, the calculations of its MAUs and paying users may not accurately reflect the actual number of people using its applications.

The measures of the growth and engagement metrics of users, live streamers and V-Livers of the Target Group may differ from estimates published by third parties or from similarly titled metrics used by its competitors due to differences in calculation methodology. If users, live streamers and V-Livers do not perceive the performance metrics adopted by the Target Group to be accurate representations of its user, live streamer and V-Liver base or engagement level, or if the Target Group discovers material inaccuracies in its performance metrics, its reputation may be negatively affected and users, live streamers and V-Livers may be less willing to allocate their time or spending to its platforms, which could negatively affect its business, operational results, financial condition and prospects.

Part of the revenues of the Target Group are recognised on a deferred basis, and it cannot be certain when such revenues will be recognised in its financial statements.

Changes in cash flow generated from the Target Group’s businesses may not always match its revenue trends due to its revenue recognition policy, under which proceeds from its sales of virtual points to its users are booked as deferred revenues and are only recognised when the virtual points are used by the users to purchase virtual gifts and given to the live streamers and V-Livers on its platforms. To determine the revenue to be recognised from the sale of a virtual point, the Target Group utilises an internal system to individually track the value of each virtual point purchased by users from the Target Group (regardless of the payment channel used by users to make the payment). Each virtual point held by a user in his/her account carries a distinct value in the system, and revenue is recognised when the virtual points are spent on a First-In-First-Out (FIFO) basis, i.e. virtual points purchased earlier are deemed to be spent first and therefore the relevant revenue is recognised first. Any virtual points purchased by a user in Japan and not used will expire after a year and the revenues from these virtual points will be recognised by the Target Group at such time. To the extent that virtual points are purchased by users in one jurisdiction and used to redeem virtual gifts which are given to live streamers or V-Livers in another jurisdiction, the

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Target Group allocates the revenue based on location of live streamers or V-Livers who receive the virtual gifts. The operating entity for the jurisdiction where the virtual points are purchased records the amount represented by the virtual points spent to redeem the virtual gifts as payables to the operating entity for the jurisdiction where the live streamers or V-Livers who receive the virtual gifts are based. On the other hand, the latter entity records the same amount as receivables from the former entity. These receivables and payables are offset with each other in the consolidated financial statements of the Target Group.

Since the Target Group does not know in advance precisely when its users give the virtual gifts to the live streamers and V-Livers on its platforms, it is difficult for the Target Group to accurately predict its revenues and cash flow. Accordingly, the quarter-to-quarter comparisons of the operational results of the Target Group included elsewhere in this Circular may not be indicative of its future performance. Moreover, a decline in its sales of virtual points in any one quarter may not be immediately reflected in its revenue results for that quarter. Such a decline, however, may negatively affect its revenue in future quarters. Accordingly, the effect of significant downturns in sales and market acceptance of its virtual points and virtual gifts, and potential changes in the number of its active paying users may not be fully reflected in its operational results until future periods. Its revenue recognition policy also makes it more difficult for the Target Group to rapidly increase its revenue through additional sales in any period, as revenue from its paying users is only recognised when its paying users use their virtual points to purchase virtual gifts and give to the live streamers and V-Livers, which may occur in subsequent periods.

The Target Group's operational results are subject to fluctuations due to seasonality.

The revenue streams of the Target Group are subject to seasonality and other fluctuations in its business. Factors that may contribute to the fluctuations of its revenue and periodic results include (i) seasonal promotional and marketing activities, such as online competitions and offline events; (ii) fluctuations in overall consumer demand for online live entertainment services during certain months and holidays; (iii) timing of promotional and marketing activities; and (iv) macro-economic and local economic conditions, and their effect on discretionary consumer spending. Furthermore, the Target Group does not know in advance when its users will utilise their virtual points to purchase virtual gifts on its platforms. As a result and taking into consideration the short operating history of some of its products, it may be difficult for the Target Group to accurately identify recurring seasonal trends in its business. Accordingly, the period-to-period comparisons of the operational results of the Target Group included elsewhere in this Circular may not be indicative of its future performance and the Target Group's operating results in future quarters or years may fall below the expectations of securities analysts and investors.

Fluctuations in foreign currency exchange rates in countries and areas where the Target Group operates its business will affect its financial results, which it reports in U.S. Dollars.

The Target Group operates in multiple jurisdictions, which exposes it to the effects of fluctuations in currency exchange rates. The Target Group earns revenue denominated in Japanese Yen, New Taiwan Dollars, U.S. Dollars, Hong Kong Dollars, and Singapore Dollars, among other currencies. The Target Group incurs expenses for employee compensation and other operating expenses in the local currencies in the jurisdictions in which it operates, including the jurisdictions described above. Fluctuations in the exchange rates between the various currencies that the Target Group uses could result in expenses being higher and revenue being lower than would be the case if exchange rates were

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stable. There is no assurance that fluctuations in foreign currency exchange rates will not have a material adverse effect on its operational results in future periods. The Target Group does not generally enter into hedging contracts to limit its exposure to fluctuations in the value of the currencies that its businesses use. Furthermore, the substantial majority of its revenue is denominated in the currencies in the markets in which the Target Group operates and is different from its reporting currency in U.S. Dollars. Because fluctuations in the value of such currencies are not necessarily correlated, there can be no assurance that the operational results of the Target Group will not be adversely affected by such volatility in exchange rates.

The Target Group is subject to risks relating to liabilities relating to subsidiaries that it has liquidated, dissolved or otherwise wound up prior to the Completion of the Proposed Business Combination.

The Target Group may liquidate, dissolve or otherwise wind up certain subsidiaries prior to the Completion of the Proposed Business Combination, as a result of strategic re-positioning of its business or internal group restructuring. Such subsidiaries may be subject to claims, allegations or lawsuits, government investigations, and other proceedings, as well as liabilities as a result of their violation of laws and regulations. If the Target Group is held liable for the liabilities of such subsidiaries, the Target Group's business, operational results, financial condition and prospects could be materially and adversely affected.

If the Target Group's goodwill or intangible assets become impaired, it may be required to record a significant charge to earnings.

The Target Group reviews its intangible assets for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable, such as a decline in share price and market capitalisation. The Target Group tests goodwill for impairment at least once a year. If such goodwill or intangible assets are deemed to be impaired, an impairment loss equal to the amount by which the carrying amount exceeds the fair value of the assets would be recognised. The Target Group may be required to record a significant charge in its financial statements during the period in which any impairment of goodwill or intangible assets is determined, which would negatively affect the operational results.

The Target Group is or may be subject to risks associated with strategic partnerships or acquisitions.

As in the past, the Target Group continues to look for opportunities to invest in, partner with or acquire other businesses that it believes will strengthen its operations in areas such as in-app games and short form videos, among others. However, the Target Group may fail to select appropriate acquisition targets, negotiate acceptable arrangements (including arrangements to finance acquisitions) or integrate the acquired businesses and their personnel into its own. Furthermore, even if the Target Group identifies a target, there can be no assurance that such an acquisition may be completed. This may impede its future expansion plans and result in a waste of its resources.

If these investments and acquisitions do not perform as well or are not as profitable as anticipated, do not bring about the synergies to its business as anticipated, or if the industry, regulatory or economic environments deteriorate, they could result in significant impairment of goodwill, intangible assets and investments. Moreover, acquisitions of businesses and assets may result in an increase in capital expenditure and other expenses

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in integrating new businesses and personnel into its own, require significant management attention and result in a diversion of resources away from its existing business, which in turn could have an adverse effect on its business operations. Further, acquisitions could result in increased leverage, potentially dilutive issuances of equity securities and exposure to potential unknown liabilities of the acquired business. The costs of identifying and consummating acquisitions may also be significant. In addition to possible shareholders' approval, the Target Group may also have to obtain approvals and licences from relevant government authorities for the acquisitions and comply with applicable laws and regulations, which could result in increased costs and delays. In addition, strategic partnerships could subject the Target Group to a number of risks, including risks associated with sharing proprietary information and non-performance by third parties. The Target Group may not be able to monitor or control the actions of its strategic partners and, to the extent any such strategic partner suffers negative publicity or harm to its reputation from events relating to its own business, the Target Group may also suffer negative publicity or harm to its reputation by association.

The Target Group is subject to risks relating to litigation, which could adversely affect its business, operational results, financial condition and prospects.

The Target Group has been, and may become, subject to claims, allegations or lawsuits, government investigations, and other proceedings brought by its competitors, users, live streamers, V-Livers, business partners, employees, short sellers, investment research firms or other individuals or entities relating to intellectual property, consumer protection, privacy, labour and employment, unfair competition, securities, tax, marketing and communications practices, commercial disputes, breach of contract or other matters. Any such allegations or lawsuits, with or without merit, or any perceived unfair, unethical, fraudulent or inappropriate business practice by the Target Group or perceived malfeasance by the Target Group's management could harm its reputation and user, live streamer and V-Liver base and significantly divert the attention of the Target Group's management from the daily operations. The Target Group will also need to incur additional costs to manage and defend litigation and related indemnity. The Target Group may be required to pay damages or settle litigation claims, all of which could have a material adverse impact on the Target Group's business and operational results.

In addition, the Target Group's live streamers and V-Livers may be the subject of litigation. For instance, the Target Group's live streamers and V-Livers may be involved in contractual disputes over their non-compete obligations with their former platforms. Although such allegations or lawsuits will not subject the Target Group to liability or compensation and the Target Group is not liable to indemnify the live streamers and V-Livers for their obligations owed to their former platforms, these allegations or lawsuits may generate negative publicity that significantly harms the reputation of the Target Group, which may in turn materially and adversely affect the Target Group's user base and ability to attract users.

To the best knowledge of the Target Group, during the Period Under Review and up to the Latest Practicable Date, there has not been any past instance where (i) the Target Group was subject to any claims, allegations or lawsuits, government investigations, and other proceedings brought by its competitors, users, live streamers, V-Livers, business partners, employees, short sellers, investment research firms or other individuals or entities relating to intellectual property, consumer protection, privacy, labour and employment, unfair competition, securities, tax, marketing and communications practices, commercial disputes, breach of contract or other matters; or (ii) Target Group's reputation was harmed

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as a result of its live streamers or V-Livers being subject to allegations or lawsuits, in each case resulting in a material adverse impact to the Target Group's operations and/or financials.

The Target Group is subject to anti-corruption, anti-bribery and other laws and regulations, and the third party payment channels that the Target Group cooperates with are subject to anti-money laundering laws and regulations.

The Target Group is subject to anti-corruption, anti-bribery and other relevant laws and regulations in the markets it operates. The third party payment channels that the Target Group cooperates with are subject to anti-money laundering laws and regulations. Please refer to Appendix G titled "*Government Regulations – Japan – Act on Prevention of Transfer of Criminal Proceeds of Japan* and – *Taiwan – Regulations Governing Anti-Money Laundering of Financial Institutions of Taiwan*" of this Circular for further details.

The Target Group performs compliance processes, maintains internal control systems (which include procedures to prevent money laundering and counter terrorism financing) and organises refresher trainings to its employees to be made aware potential money laundering activities that may be carried out on its platform. Specifically, in respect of the live streamers and V-Livers, the Target Group requires all contracted or non-contracted live streamers and V-Livers who are entitled to revenue sharing to submit their personal details to the Target Group, including their full name, date of birth, address, official identification documents and the bank account number. The full name and bank account number have to match with the records of the recipient financial institution before the payment can go through. For Taiwan, the Target Group assists to submit to the tax authorities such payment information for the filing of income tax purpose and for Japan, the Target Group annually provides tax authorities with the individual name, address, payment amount and withholding tax for all the live streamers and V-Livers who earned more than approximately USD334.1 (equivalent to local currency JPY50,000) for the year. In addition, for Japan, the names of live streamers and V-Livers are passed through an "anti-social check", such term being a euphemism in Japan for organised crime which is considered a serious threat to businesses. In respect of the users, the Target Group requires them to provide their email address and/or mobile phone number at the initial setting-up of his/her account on the 17LIVE application, and anti-money laundering considerations are mitigated in multiple ways, including (i) the anti-money laundering checks performed by financial institutions and payment processing platforms processing the payment from users to the Target Group via credit card payment gateways or direct bank-to-bank transfers, which constitute more than 99.8% of the total revenue of the Target Group in FY2020 to FY2022; (ii) the no-refund policy (exceptions are made in the very limited circumstances of credit card fraud) and the no-transfer policy (with no exception) adopted by the Target Group. In addition, the revenue sharing arrangement (where a live streamer or V-Liver will generally only be entitled to less than 50% of the initial monetary value of the virtual points paid by the user) does not make 17LIVE an effective platform to conduct money laundering activities.

To the best knowledge of the Target Group, and as of the Latest Practicable Date, there has not been any breach or alleged breach of anti-corruption, anti-bribery, anti-money laundering and other laws and regulations that resulted in a material adverse impact on the Target Group's financials and/or operations and there were no due diligence findings of any such breach or alleged breach. Although the Target Group performs compliance processes, maintains internal control systems (which include procedures to prevent money laundering and counter terrorism financing) and relies on contractual protection, it is exposed to the risk of fraud or other illegal activity committed by its employees, live streamers, V-Livers,

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users or other business partners. For example, it does not generally require real-name registration by its users and it may not be able to verify the basic information provided by its users as being true and accurate. If the Target Group fails to detect or prevent any misconduct or violation of applicable laws, regulations or internal controls by these third parties, or determines that its compliance processes or internal control systems are not conducted or operated properly, the Target Group could become subject to investigations and enforcement actions, which may result in penalties, fines and sanctions and in turn adversely affect its reputation, business, operational results, financial condition and prospects. In particular, the Target Group currently engages third party online payment platforms to process payment for its virtual points. These third party online payment platforms may also be subject to anti-money laundering obligations under applicable anti-money laundering laws and regulations in jurisdictions where the Target Group operates its business, including the establishment of a customer identification programme, the monitoring and reporting of suspicious transactions, the preservation of user information and transaction records, and the provision of assistance to the public security department and judicial authority in investigations and proceedings in relation to anti-money laundering matters. Any breach or alleged breach of these anti-money laundering laws by third party online payment platforms used by the Target Group could harm the Target Group's reputation and materially and adversely affect the Target Group's business, operational results, financial condition and prospects.

The risk management and internal control systems of the Target Group may not be able to exhaustively assess or mitigate all risks.

The Target Group's internal control system includes an organisational framework and, policies and procedures that are designed to monitor and control potential risk areas relevant to its business operations. Although the Target Group's internal control procedures are designed to monitor its operations and ensure overall compliance, there is no assurance that its risk management and internal control systems will be able to identify, prevent and manage all risks or all non-compliance incidents exhaustively in a timely manner, and it may not be always possible to detect and prevent every fraud and other misconduct in a timely manner.

The Target Group's risk management and internal controls also depend on the effective implementation of such systems by its employees. Due to the significant size of the Target Group's operations, there is no assurance that such implementation will not involve any human errors or mistakes, which may materially and adversely affect the Target Group's business and operational results.

As the Target Group is likely to offer a broader and more diverse range of services in the future, its risk management capabilities are likely to require further enhancement. If the Target Group fails to timely adapt its risk management policies and procedures to its changing business, its business, financial condition, operational results and prospects could be materially and adversely affected.

The Target Group's insurance may not sufficiently cover, or may not cover at all, losses and liabilities that it may encounter.

The Target Group's business insurance is limited and it does not maintain business interruption insurance to cover its operations. The Target Group has determined that the costs of insuring for related risks and the difficulties associated with acquiring such insurance on commercially reasonable terms make it impractical to have such insurance. Any uninsured damage to the Target Group's platforms, technology infrastructures or

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disruption of business operations could require it to incur substantial costs and divert its resources, which could have an adverse effect on its business, operational results, financial condition and prospects. Please refer to Section 14.10 titled “*Information on the Target Company – Insurance*” of this Circular for further details.

The Target Group faces risks related to natural disasters, health epidemics, acts of terrorism, acts of war, political transformations and other catastrophes, which could significantly disrupt its operations.

The Target Group’s business could be adversely affected by any occurrence of force majeure events, acts of war, terrorist attacks, political unrest, social and economic chaos, natural disasters such as earthquakes, typhoons, nuclear disasters, floods, tsunamis, snowstorms, sandstorms, droughts and extreme and adverse bad weather conditions in the markets in which the Target Group operates, which are beyond the control of the Target Group. Such force majeure events may materially and adversely affect the economy, infrastructure and livelihood of the users, live streamers and V-Livers, and could materially and adversely affect the Target Group’s business, operational results, financial condition and prospects.

The Target Group’s services rely on the technical infrastructure and other utilities, which may be subject to damage from natural disasters and other calamities. The Target Group does not carry insurance to cover damage caused by earthquakes, typhoons or other natural disasters or any resulting business interruption. It is possible that the Target Group may be unable to recover certain data in the event of a server failure. There is no assurance that any backup systems will be adequate to protect it from the effects of fire, floods, typhoons, earthquakes, power loss, telecommunications failures, break-ins, wars, riots, terrorist attacks or similar events. Any of the foregoing events may give rise to server interruptions, breakdowns, system failures, technology platform failures or internet failures, which could cause the loss or corruption of data or malfunctions of software or hardware as well as adversely affect the Target Group’s ability to provide services on its platforms.

In recent years, there have been outbreaks of epidemics globally such as COVID-19, Ebola and Zika. The operations of the Target Group could be disrupted if any of its live streamers, V-Livers or employees were suspected of having any epidemic illnesses, since this could cause the live streamers and V-Livers to be unable to broadcast and require the Target Group to quarantine its employees, disinfect the facilities and cancel its offline events, which could severely disrupt its operations and materially and adversely affect its business, operational results, financial condition and prospects.

The business, operational results, financial condition and prospects of the Target Group, as well as its ability to obtain financing, may be adversely affected by downturns, or perceived downturns, in the global economies or the economies of countries and markets it operates in.

Economic conditions in the countries and regions in which the Target Group operates are sensitive to global economic conditions, as well as changes in domestic economic and political policies. The global macroeconomic environment faces challenges, including the slow recovery from the COVID-19 pandemic, the rising U.S.-PRC and PRC-Taiwan tensions and the Russia-Ukraine war. Rising political tension between the PRC and the U.S. could reduce the levels of trade, investment, technological transfers and other economic activities between the two major economies, which would have a material adverse effect on global economic conditions. There have been concerns over unrest and terrorist threats in the

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Middle East, Europe and Africa, which have resulted in volatility in oil and other markets, and over the conflicts involving Ukraine and Syria. For example, the Russia-Ukraine conflict may continue to intensify, resulting in significant geopolitical tensions in Europe and across the world. There have also been concerns over the relationship among the PRC and other Asia Pacific countries, which may result in or intensify potential conflicts in relation to territorial disputes.

Any severe or prolonged slowdown in the global economies or the economies of the countries and regions in which the Target Group operates may materially and adversely affect its business, operational results, financial condition and prospects, given that the Target Group's products and services may be viewed as discretionary by its users, who may choose to discontinue or reduce spending on such products and services during an economic downturn, which would in turn negatively impact its business and operational results.

In addition, changes in the stability of global financial markets may adversely affect the Target Group's ability to access capital markets to meet liquidity needs. The weakness in the economy could erode investors' confidence, which constitutes the basis of the credit market. The recent financial turmoil affecting the financial markets and banking system may significantly restrict the Target Group's ability to obtain financing in the capital markets or from financial institutions on commercially reasonable terms, or at all.

16.2 Risks relating to Doing Business in Jurisdictions in which the Target Group Operates

The Target Group may be subject to licensing requirements and restrictions on foreign investment in jurisdictions in which it operates.

During the Period Under Review and up to the Latest Practicable Date, the Target Group does not require licences and approvals to operate its business. However, one of the Target Company's subsidiaries in Japan, Machipopo, has submitted a notification to the Japanese government that it is an issuer of "prepaid payment instruments for own business" pursuant to the PSA with respect to the virtual points available on 17LIVE, and is therefore required to submit a notification within a prescribed time period if the unused balance of the virtual points issued has exceeded the applicable notification threshold at the end of March or September each year and is required to make a restricted deposit in the amount equal to at least 50% of the total amount of unused balance of the prepaid payment instruments at the end of March and September each year, if such total amount is more than JPY10 million. During the Period Under Review and up to the Latest Practicable Date, the Target Group has complied with all applicable requirements under the PSA. On 13 October 2023, Machipopo transferred its business to 17LIVE Japan, pursuant to which 17LIVE Japan became the issuer of virtual points on 17LIVE in Japan. 17LIVE Japan is required to, and is prepared to, file a notification under the PSA as the new issuer within one month of the business transfer. As of the date of this Circular, the shareholder of Machipopo has approved its dissolution, which is expected to be completed by end of 2023. As of the Latest Practicable Date, 17LIVE Japan has not filed the notification under the PSA. 17LIVE Japan intends to complete such filing prior to the EGM and Shareholders will be updated on the filing at the EGM. The business transfer is part of the Target Group's internal restructuring to streamline the group structure and improve operational efficiency, and will not affect the Target Group's financials and/or business in Japan. If the Target Group fails to comply with the notification or other applicable requirements under the PSA in the future, Target Group's business in Japan may be subject to a suspension order for a period of not more than six months, and the Target Group's operations and/or financials may be materially and

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adversely affected. Please refer to Appendix G titled “*Government Regulations – Japan – Payment Services Act of Japan*” of this Circular for further details.

In addition, under the TBA, 17LIVE Japan submitted a notice to the Minister of Internal Affairs and Communications of Japan as a telecommunications business operator on 26 November 2020. In the notice, 17LIVE Japan reported its services as “video chat service” under the category of “internet connection service”. Given that the Target Group provides text messaging function in the live streaming sessions on its platforms, it may also be required to report its services as “text chat service” in addition to “video chat service”. Based on the advice received by 17LIVE Japan from its Japanese legal adviser, the Target Group believes that even if the wordings “text chat service” were not included in the notification, it is unlikely that such notification would be regarded as a violation of the TBA. However, if the Target Group is considered to have violated the TBA and an employee of the Target Group is prosecuted, its business, reputation and operational results and prospects could be materially and adversely affected. Please refer to Appendix G titled “*Government Regulations – Japan – Telecommunications Business Act of Japan*” of this Circular for further details.

If any licences and approvals are required for the Target Group to operate its business in the future, there is no assurance that the Target Group would be able to obtain such licences or approvals in a timely manner, or at all, which would subject it to the sanctions described above or other sanctions as stipulated in the new regulatory rules, and materially and adversely affect its business and impede its ability to continue its operations.

The Target Group’s subsidiary in Japan and Taiwan may also be subject to restrictions on foreign investment and ownership of business. Please refer to Section 16.2 titled “*Risk Factors – Risks relating to Doing Business in Jurisdictions in which the Target Group Operates – The Target Group may be adversely affected by Taiwan laws and regulations regarding restrictions on PRC ownership and investment*”, Appendix G titled “*Government Regulations – Japan – Foreign Exchange and Foreign Trade Act of Japan*” and Appendix G titled “*Government Regulations – Taiwan – Statute for Investment by Foreign Nationals of Taiwan*” of this Circular for further details. During the Period Under Review and up to the Latest Practicable Date, the Target Group is not required to obtain regulatory approvals in respect of its interests in its subsidiaries in Japan and Taiwan. If the Target Group becomes subject to such requirements in the future and fails to obtain the relevant approvals, the Target Group’s investments in its subsidiaries in Japan and Taiwan may be restricted and the Target Group may be subject to a monetary fine or other enforcement actions, which may adversely affect its reputation, business, operational results, financial condition and prospects.

The Target Group may be adversely affected by Taiwan laws and regulations regarding restrictions on PRC ownership and investment.

The Target Group may be affected by Taiwan laws and regulations concerning PRC ownership and investment. The Target Group operates its business in Taiwan through its Taiwan-incorporated subsidiaries and branch offices, which include 17LIVE Taiwan, HandsUp, NEI, Wave and NETW, (together, the “**Group Taiwanese Entities**”). The Target Group’s Taiwan business accounted for approximately 17.3%, 17.4%, 23.9% and 25.3% of the revenue for FY2020, FY2021, FY2022 and 1H FY2023, respectively. The Target Company is required to obtain prior approval from the Department of Investment Review, Ministry of Economic Affairs of Taiwan (the “**Taiwan DIR**”) for the Target Company’s investment in the Group Taiwanese Entities if the Target Company becomes a PRC

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investor. Furthermore, as PRC investors are only allowed to invest in specific businesses explicitly listed on the positive list as promulgated by the Taiwan DIR, the registered scope of business of Group Taiwanese Entities may need to be adjusted accordingly for compliance. Please refer to Appendix G titled “*Government Regulations – Taiwan – ROC Act*” of this Circular for the definition of “PRC investor” and further details.

The Target Company or the Resulting Issuer will be considered a PRC investor if any individual, juristic person, organisation or any other institution of PRC (“**Mainland Person(s)**”) directly or indirectly hold more than 30% of its shares in aggregate or have control⁵ over it. As at the date of this Circular, no Mainland Persons, individually or in aggregate, hold more than 30% of the shares of the Target Company or have control of the Target Company, and the Target Company is able to monitor potential changes in its shareholding structure resulting from proposed direct or indirect transfers of its shares through the transfer restrictions in its shareholders agreement, and consider the potential implication under the PRC ownership restrictions. As at Completion, Mainland Persons will not, individually or in aggregate, hold more than 30% of the Shares of the Resulting Issuer or have control over the Resulting Issuer, and the Resulting Issuer would not be required to obtain approvals by the Taiwan DIR to hold the interests in the Group Taiwanese Entities. After Completion, while it would be difficult for us to track the trading of all Shares in the secondary market, and we cannot assure that Mainland Persons will not, in aggregate, directly or indirectly acquire more than 30% (or such other limit as may be stipulated under applicable Taiwan laws and regulations at the relevant time) of the Shares from time to time, we will, monitor information available to us by conducting reasonable enquiry, including through the disclosures of substantial shareholding notifications. We will also actively conduct due diligence on any proposed director and executive officer who may be considered Mainland Person(s) in respect of the potential implication under the PRC ownership restrictions.

If the Target Company becomes a PRC investor, we will be prohibited from investing in Taiwan (including maintaining any existing investments in Taiwan) unless we obtain approval from the Taiwan DIR. In addition, in the event the PRC ownership restrictions are breached, the Taiwan DIR may impose fines or other penalties, including ordering the shareholder(s) (which have been considered as a PRC investor) of Group Taiwanese Entities to withdraw its investment in Group Taiwanese Entities, forbidding the shareholder to exercise its shareholder rights, or cancelling or invalidating the company registration of Group Taiwanese Entities. The quantum of the administrative fine is determined with reference to the amount invested in the Taiwan investee company, based on which the quantum of the fine expected to be imposed on the Target Company or the Enlarged Group if there is a breach of the PRC ownership restrictions is expected to be approximately NT\$4,026,400 in respect of 17LIVE Taiwan, NT\$610,000 in respect of HandsUp, NT\$210,000 in respect of NEI, NT\$510,200 in respect of Wave, NT\$210,000 in respect of NETW. Based on the Act and the Administrative Procedure Act of Taiwan, Taiwan DIR will issue an official letter to the breaching shareholder and seek for the shareholder’s explanation, and the relevant penalties will be imposed upon the conclusion of Taiwan DIR’s investigation, if there’s any breach. It will also request the company to take action(s) to

5 The definition of “control” under the ROC Act means any of the following: (i) the ability to control majority of the voting power pursuant to contractual arrangement with other investor(s); (ii) the ability to control the direction of the company’s financial, operation and human resource matters pursuant to law or contractual arrangement; (iii) the ability to appoint or dismiss the majority of the board or its equivalent organisation, and the operation of the company is controlled by the board or such equivalent organisation; (iv) the ability to control majority in voting power of the board or its equivalent organisation, and the operation of the company is controlled by the board or such equivalent organisation; or (v) other circumstances would be deemed to have control pursuant to IFRS or applicable enterprise accounting standards.

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rectify such breach within a certain period of time pursuant to the Act. If the breach is not remedied (including if approval from the Taiwan DIR is not obtained) within the grace period, penalties may be imposed on the shareholder. If the PRC investor fails to meet the deadline for rectification, it may also be subject to consecutive fines until the breach is rectified. In addition, a PRC Investor may only invest in a Taiwan company which engages in business items set out in the “Positive List” approved by the MOEA from time to time. Although not all the registered business items of Group Taiwanese Entities and the business items they engage in are set out in the “Positive List” in force as at the Latest Practicable Date, the Taiwan DIR would request the relevant Group Taiwanese Entities to amend its registered business items and order that such Group Taiwanese Entities should not engage in businesses that are not in the Positive List during the review process. However, as the grant of approval by the Taiwan DIR is at its discretion, if the Company becomes a PRC Investor, there is no assurance that approval of the Taiwan DIR can be obtained within the stipulated deadline or at all. Under the ROC Act, the Taiwan DIR may reject the approval for various reasons, such as the investment causing a monopoly, oligopoly, or adverse impact on the national safety or domestic economy or financial market. Further, as the “Positive List” is subject to change by the MOEA, there is no assurance that the registered business items of Group Taiwanese Entities and the business items they engage in will always fall within the prevailing “Positive List”. If we become aware that the aggregate shareholding percentage of Mainland Persons has exceeded the relevant threshold and we become a PRC Investor, we will take appropriate actions to ensure compliance with the PRC ownership restrictions, including assessing if the registered business items of the Group Taiwanese Entities are on the “Positive List” in force at the relevant time, and if required, obtaining the requisite approvals from the Taiwan DIR.

Our operations in Taiwan attributed approximately 23.9% of our revenue for FY2022. If we become a PRC Investor and we are unable to obtain approval of the Taiwan DIR for the Company’s continued ownership of Group Taiwanese Entities, satisfy any conditions to which approval of the Taiwan DIR may be subject or undertake adequate remedial actions by the stipulated deadline or at all or maintain the registered business items of the Group Taiwanese Entities which are relevant to the core businesses of the Group Taiwanese Entities, the Company’s business, financial condition, operational results and prospects may be materially and adversely affected.

The Target Group may be adversely affected by the complexity, uncertainties and changes in licensing and regulation of live streaming and internet businesses.

The laws and regulations governing the online live social entertainment industry in jurisdictions in which the Target Group operates are developing and evolving and subject to changes. For example, in May 2022, Taiwan regulatory authorities announced the Draft OTT Law for public comments, under which the internet audio and video services providers are required to be registered with the competent authority. In August 2022, Taiwan regulatory authorities further announced the Digital Media Communication Regulation Act (Draft) (數位中介服务法草案) (the “**Digital Media Act**”) for public comments, under which digital media communication service providers, such as social media and mobile application operators, are required to disclose relevant information, including business details, terms and conditions of use, privacy policies, notification and complaint mechanism. Appendix G titled “*Government Regulations – Taiwan – Digital Media Act*” of this Circular for further details. It is unclear when the Draft OTT Law and Digital Media Act will take effect. Based on the proposed scope and content of the Draft OTT Law and Digital Media Act that is currently published, the Target Group is of the view that it will be able to comply with relevant requirements under the Draft OTT Law and Digital Media Act.

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Due to the increasing popularity and use of the internet and other online services, additional laws and regulations may be adopted with respect to the internet or other online services covering issues such as user privacy, pricing, content, copyright and distribution. The adoption of additional laws or regulations may subject the Target Group to additional regulatory or administrative requirements, resulting in an increase in its operating expenses.

Additional taxes paid with respect to the revenue recognition in Taiwan may adversely affect the financial conditions of the Target Group.

As a general principle of revenue recognition, since FY2022, the Target Group allocates revenue from selling its virtual points based on the location of live streamers or V-Livers who receive the virtual gifts redeemed from purchased virtual points. Before FY2022, the Target Group allocated revenue based on the location of the users who purchase virtual points. In relation to the Target Group's live commerce business, as of the Latest Practicable Date, the Target Group operates its live commerce business independently in each relevant jurisdiction. There has not been any cross-jurisdiction sale, and the Target Group allocates its live commerce revenue based on the location of the sale. If the virtual points are purchased by the users in Japan, then these sales revenues are reported in Japan for tax purposes. If the virtual points are purchased by the users in Taiwan, then these sales revenues are reported in Taiwan for tax purposes. However, for the financial years ended 31 December 2016, 2017, 2018, 2019 and 2020, Ichi Nana Inc. Taiwan Branch and 17LIVE Taiwan allocated sales revenue from points sold through the Taiwan Google Play and iOS App Store to the British Virgin Islands. In response to a tax inquiry by the Taiwan tax authorities in 2021, the Target Group changed its revenue recognition practice in Taiwan in compliance with Taiwan tax law and adjusted its historical financial statements to recognise the re-allocated revenues in Taiwan. The Target Group settled and paid all outstanding tax liabilities for the financial years ended 31 December 2016, 2017, 2018, 2019 and 2020 to the Taiwan tax authorities on 24 December 2021. During the Period Under Review and up to the Latest Practicable Date, no further queries were received from the Taiwan tax authorities in this regard. As of the Latest Practicable Date, the Target Group had no outstanding queries from tax authorities and the Target Group has engaged external tax advisers in Japan, Taiwan, Hong Kong, the United States and Singapore. However, there is no assurance that such principle of allocation of revenue by geography will be agreeable to the various tax authorities in the jurisdictions in which the Target Group operates. No such risk is associated with the Target Group's live commerce revenue, which is generated domestically in each relevant jurisdiction and is only allocated to the location where the sales took place.

The Target Group may be exposed to additional tax liability in the jurisdictions in which live streamers or V-Livers are located if the Target Group is treated as having a permanent establishment in such jurisdictions.

The Target Group may create a permanent establishment in the jurisdictions in which the live streamers or V-Livers are located, subject to whether the live streamers or V-Livers constitute dependent agents⁶ of the Target Group. If the Target Group is determined by relevant tax authorities as having a permanent establishment in a jurisdiction other than its

⁶ Based on the Organisation for Economic Cooperation and Development ("OECD") principles, a dependent agent is a person that provides a particular service to an enterprise from a country where the person is located. Such persons may be either individuals or companies and need not be residents of, nor have a place of business in, the country in which they act for the enterprise. Additionally, a dependent agent is also a person who is either legally and/or economically dependent of the enterprise that they are acting on behalf of.

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country of incorporation, as far as the Company's tax adviser is aware, the Target Group may be subject to additional income tax in such jurisdiction in respect of the revenue that is attributable to the permanent establishment in such jurisdiction. As a result, the Target Group's income tax expense could materially increase, which could have a material adverse effect on the Target Group's business, operational results, financial condition and prospects. However, it should be noted that the Target Group has changed its revenue recognition practice in 2021 to recognise revenue based on where live streamers or V-Livers are located, as described in the previous point for Taiwan, one of the Target Group's largest markets. No comments were raised by the Target Group's tax advisers on the change of revenue recognition practice and it is in line with the revenue recognition practices of companies comparable to the Target Group. The change in the revenue recognition practice is consistently implemented across the Target Group, except that it did not affect India in practice, as Indian users generally only consume domestic content. Additionally, the Company's tax adviser has also been made aware that the Target Group is in the midst of developing a transfer pricing policy to ensure that profits are reasonably allocated to the various jurisdictions in which the Target Group operates, which could potentially reduce the overall risk of relevant tax authorities subjecting the Target Group to additional income tax in these jurisdictions. The Target Group intends to finalise the transfer pricing policy before Completion, and the Proposed New Audit Committee will oversee the implementation of the transfer pricing policy.

Failure to comply with applicable foreign regulations, in particular regard to foreign exchange and enterprise income tax and value added tax in the PRC, may subject the Target Group to fines and other legal or administrative sanctions.

The Target Group mainly operates its business in Japan and Taiwan. Although the Target Group does not market or make its applications available for download from all app stores in the world including the PRC, some individuals located in jurisdictions where the Target Group does not operate may be able to download its applications through the APK file on its website or while travelling outside of these jurisdictions. The Target Group may generate revenue from these users, which may therefore subject the Target Group to various foreign regulations, such as licences, approvals and permits, as well as tax implications. The Target Group may be subject to tax audits or tax investigation by the tax authorities in jurisdictions in which it operates. For example, 17LIVE Japan was subject to a tax audit by the National Tax Agency of Japan with respect to the Japanese Consumption Tax for the financial years ended 31 December 2018 to 2021. As of the Latest Practicable Date, such tax audit has been completed. There was no offence uncovered through the tax audit and all tax liabilities relating to the tax audit have been recorded in the Target Group's consolidated financial statements for the financial years ended 31 December 2020, 2021 and 2022 and there is no additional potential tax liability for the Target Group in relation to such tax audit.

For instance, individuals located in the PRC have been able to download the Target Group's applications through the APK file on its website or while travelling outside of the PRC. The Target Group generated a certain amount of revenue from users located in the PRC for the financial year ended 31 December 2022 and continued to collect minimal amounts for the six months ended 30 June 2023 through NEHK. As the Target Group has not established a regular office or company bank account in the PRC, its PRC users were not able to make payments directly to the Target Group and instead made payments in Renminbi to a PRC individual not employed by the Target Group during 2017, and to one of the Target Group's employees in 2018. Each of these individuals in turn transferred the fees either to the Target Group's vendors or employees located in the PRC to offset payables, or to its bank accounts outside of the PRC, after deducting an agreed commission. Such business

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activities may subject the Target Group to various PRC regulatory requirements, such as licences, approvals and permits. In particular, under PRC regulations, certain foreign exchange activities can only be conducted by qualified financial institutions. If the Target Group were found to be in violation of such regulations, it may be subject to fines or other penalties. In addition, if the PRC tax authorities determine that the Target Group provided services in the PRC, given the cross-border nature of the internet and because certain buyers of its services are located in the PRC, it may be subject to enterprise income tax or value added tax. The PRC tax authorities may also impose late payment fees and other penalties on the Target Group for currently unpaid taxes. As of the Latest Practicable Date, the Target Group has ceased all business operations in the PRC, and individuals in the PRC can no longer download the Target Group's application or make payments to the Target Group through alternative means.

The Target Company faces uncertainties with respect to the indirect transfer of equity interest in a PRC subsidiary of the Target Group.

The Target Company conducted a restructuring of its group entities in 2021. In the restructuring, 17LIVE Japan purchased the 100% equity interests in NEHK, a Hong Kong subsidiary of the group, from NEGH, a Cayman subsidiary of the Target Group. NEHK holds 100% equity interests in NEBJ, a PRC subsidiary of the Target Group. Estimated PRC taxes, and the related late payment fees and penalties in relation to the transfer of NEHK potentially amount to up to US\$30,000 in aggregate as of the Latest Practicable Date. There may be tax consequences arising from the restructuring, and the Target Group may incur additional tax expenses including late payment fees and other penalties for under-payment of taxes. As a result, the business, operational results, financial condition and prospects may be adversely affected.

Uncertainties with respect to the tax treatment of the unutilised tax losses of Ichi Nana Inc. Taiwan Branch may adversely affect the financial conditions of the Target Group.

Ichi Nana Inc. Taiwan Branch had US\$33.5 million unutilised tax losses as of 31 December 2022. On 1 January 2023, Ichi Nana Inc. transferred the business of Ichi Nana Inc. Taiwan Branch to 17LIVE Taiwan. Ichi Nana Inc. Taiwan Branch's unutilised tax losses could potentially be carried over by 17LIVE Taiwan based on the interpretation of Article 43 of Taiwan Business Mergers and Acquisitions Act. However, there are uncertainties with respect to whether Article 43 applies to cross-border spin-off transactions and there is no precedent or Taiwan tax ruling to confirm the carryover treatment of cross-border spin-off transactions. Therefore, there is a risk that the losses may not be allowed to be carried over by 17LIVE Taiwan. No material adverse implication is expected on the Target Group's consolidated financial statements in the event the losses from Ichi Nana Inc. Taiwan Branch are not allowed to be carried over by 17LIVE Taiwan, as the Target Group did not recognise any deferred tax assets pertaining these unutilised tax losses from Ichi Nana Inc. Taiwan Branch.

Potential Taiwan tax liability for the transfer of know-how may adversely affect the financial conditions of the Target Group.

In September 2021, Ichi Nana Inc. Taiwan Branch transferred some know-how to 17LIVE Services Inc. without receiving any compensation. Under the Taiwanese transfer pricing regulations, any asset transfer between related parties should be transacted at the fair market value of the asset. The Taiwanese tax authority may require 17LIVE Taiwan (in its

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capacity as the successor entity of Ichi Nana Inc. Taiwan Branch) to prepare a valuation report to validate the transfer price of NT\$0. In the event that the valuation report indicates that the transfer price should be greater than NT\$0, 17LIVE Taiwan may be required by the Taiwanese tax authority to recognise a gain for the transfer of know-how based on the valuation report, which would need to be included for 17LIVE Taiwan's corporate income tax assessment. The resulting gain would be subject to a corporate income tax rate of 20%. In addition, 17LIVE Taiwan would be subject to 5% value-added tax on the transfer price adjusted based on the valuation report. As of the Latest Practicable Date, the tax exposure is unquantifiable due to the lack of the valuation report. The "know-how" here was the inherent skills and experience of the employees who resigned from Ichi Nana Inc. Taiwan Branch and joined 17LIVE Taiwan simultaneously, as part of the Target Group's internal restructuring, and there was no separate know-how or any other intellectual property that was transferred to the 17LIVE Taiwan. A valuation report will not be prepared on the basis that practically, employees' inherent skills and experience would be difficult to be financially valued. Generally speaking, except in limited circumstances, the statute of limitation for making tax assessments in Taiwan is five years from the tax return filing date. The maximum tax exposure is not quantifiable without a valuation report being produced, and as of the Latest Practicable Date, no valuation report has been prepared. The tax exposure that the Target Group may be subject to is covered under the representations and warranties from the Warrantors. Please refer to Clause 9.12 of Part A of Section D of Appendix K to this Circular for further details. The Target Group believes that this will not have a material adverse impact on its financials and/or operations.

The Target Group's business is subject to complex and evolving laws and regulations in various jurisdictions. The laws, regulations and actions, as well as the legal systems in these jurisdictions are subject to change and uncertain interpretation, and could result in claims, changes to its business practices, monetary penalties, increased cost of operations or declines in growth or engagement level of users, live streamers and V-Livers, restricted access to its services or otherwise harm its business.

The Target Group is subject to a variety of laws and regulations in jurisdictions where it operates its business that involve matters central to its business, including those relating to live streaming services, virtual gifting, social networking, live commerce services, gambling and gaming services, privacy and data protection, telecommunications service, online cultural activities, online transmission of audio-visual programmes, internet publication and cultural products, labour laws, intellectual property, national security, computer security, online content restrictions, protection of minors, youth welfare and rights, anti-money laundering, anti-corruption and anti-bribery, prevention of financing criminal activities and terrorism, electronic payment services regulations, currency control regulations, internet content and information security, consumer protection, competition, advertising, product liability and foreign investments. Furthermore, the introduction of new products and services, expansion of its activities in certain jurisdictions, or other actions that the Target Group may take, may subject it to additional laws, regulations, or other government scrutiny.

These foreign laws and regulations in jurisdictions where the Target Group operates its business, which in some cases can be enforced by private parties in addition to government entities, are constantly evolving and can be subject to significant change. As a result, the application, interpretation, and enforcement of these laws and regulations are often uncertain, particularly in the new and rapidly evolving industry in which the Target Group operates, and may be interpreted and applied inconsistently from market to market and

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inconsistently with its current policies and practices, which could adversely affect the manner in which the Target Group provides its services or its financial results. For example, the Target Group is subject to laws and regulations that dictate whether, how, and under what circumstances it can transfer, process and/or receive transnational data that is critical to its operations, including data relating to users, live streamers, V-Livers or partners outside Taiwan, and those laws and regulations are uncertain and subject to change. The regulatory framework for privacy issues in Asia is currently in a state of flux and is likely to remain in such state for the foreseeable future. It is possible that obligations imposed under applicable laws may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another and may conflict with other rules or its practices. Any failure or perceived failure by the Target Group to comply with its privacy policies, its privacy-related obligations to its users, live streamers, V-Livers or other third parties, or its privacy-related legal obligations, or any compromise of security that results in the unauthorised release or transfer of information or other data, may result in governmental enforcement actions, litigation or public statements against it by consumer advocacy groups or others and could cause its users, live streamers and V-Livers to lose trust in the Target Group, which could have an adverse effect on its business. Furthermore, if third parties with whom the Target Group works, such as its users, live streamers, V-Livers, its service partners and content creation partners, or its third party service providers, violate applicable laws or the Target Group's policies, such violations may put the Target Group's user, live streamer and V-Liver information at risk and could have an adverse effect on the reputation and business of the Target Group.

The legal systems in the jurisdictions in which the Target Group operates vary significantly from jurisdiction to jurisdiction. Some jurisdictions have a civil law system, such as Japan and Taiwan which are based on written statutes, and others are based on common law, such as Singapore and Hong Kong. Unlike the common law system, prior court decisions on specific cases under the civil law system may be cited for reference, but the statutory laws serve as the primary source of the law. In addition, certain laws and regulations in other jurisdictions where Target Group operates its business, including those pertaining to data protection, privacy and competition, gambling and gaming, may be more restrictive than those in Singapore.

Proposed or new legislation and regulations could also significantly affect its business. There are currently a number of proposals pending before foreign legislative and regulatory bodies. Japan promulgated an amendment to the Act on the Protection of Personal Information on 12 June 2020, which has been in force since 1 April 2022. In addition, some countries are considering passing or have passed legislation imposing data protection requirements or requiring local storage and processing of data or similar requirements that could increase the cost and complexity of delivering its services. In Singapore, the Protection from Online Falsehoods and Manipulation Act 2019 (the "**POFMA**") came into effect in Singapore on 2 October 2019. The POFMA primarily aims to prevent the electronic communication of false statements of fact in Singapore and enable measures to be taken to counteract the effects of such communication. The POFMA grants power to the competent authority in Singapore to issue binding codes of practices applicable to digital advertising intermediaries and internet intermediaries as a more proactive step to prevent abuse of their platforms and keep their platforms safe and secure. The POFMA also sets out the actions and orders which may be made against internet intermediaries and providers of mass media services. These include directions which may be made to an internet intermediary that provided the service by means of which the relevant material was communicated in Singapore, such as a targeted correction direction i.e. to communicate by means of that services to all end users in Singapore, a correction notice or a disabling

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direction i.e. to disable access by end-users in Singapore. In addition, amendments relating to the enforcement under the Personal Data Protection Act 2012 of Singapore (the “**PDPA**”), came into effect on 1 October 2022. The PDPA governs the collection, use and disclosure of personal data by organisations, and is administered and enforced by the Information Communications Media Development Authority (which is also designated as the Personal Data Protection Commission under the PDPA). It sets out, among other things, data protection obligations which all organisations are required to comply with in undertaking activities relating to the collection, use or disclosure of personal data. The recent amendments to the PDPA enhanced the Personal Data Protection Commission’s power to accept voluntary undertakings as part of its enforcement regime and increased the financial penalty cap which may be imposed on organisations for breaches under the PDPA from the previously fixed S\$1 million to 10% of the organisation’s annual turnover in Singapore for organisations with annual local turnover exceeding S\$10 million, whichever is higher.

These laws and regulations, as well as any associated inquiries or investigations or any other government actions, may be costly to comply with and may delay or impede the development of new products, result in negative publicity, increase the operating costs of the Target Group, demand significant time and attention from the Target Group’s management, and subject the Target Group to penalties that may harm its business, including fines or demands or orders that it modifies or ceases its existing business practices.

The Target Group may be adversely affected if any sales are made to certain countries that are or become subject to international sanctions.

The United States and other jurisdictions or organisations, including the European Union, the United Nations and Australia, have in place economic sanctions against certain countries or against targeted industry sectors, groups of companies or persons, and/or organisations within such countries. Since the Target Group operates its business in the United States and Asia, it may be subject to sanctions administered by the United States, the United Nations and other relevant sanctions authorities if it sold its products or provided its services to persons or entities on the sanctions list, such as the sanctions list maintained by the U.S. Department of Treasury’s Office of Foreign Assets Control (“**OFAC**”). Countries that are currently under the OFAC sanction include Syria, Iran, Russia, Belarus, Cuba and others.

In addition, the Target Group has implemented and will continue to implement enhanced internal control and risk management measures which it believes enable it to monitor and evaluate its business to address economic sanctions risks. If the Target Group, due to either its own deliberate or inadvertent acts or those of others, sells its products or provides its services to persons or entities being sanctioned by relevant authorities, its reputation could be damaged and it may face civil, administrative or criminal penalties or incur significant expenses, which could have a material and adverse effect on its business, operational results, financial condition and prospects.

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The ability of the Target Company's subsidiaries to distribute dividends or transfer profits to the Target Group may be subject to restriction under the laws of the jurisdiction in which such subsidiary operates.

The Target Company is a holding company, and its subsidiaries are located in jurisdictions where the Target Group operates its business, including Japan, Taiwan, Hong Kong, Singapore, the United States and India. Internal sources of funds to meet its cash needs include dividends paid by its subsidiaries. The distribution of dividends to the Target Company from its subsidiaries is subject to restrictions imposed by the applicable laws and regulations in these markets, which are more fully described in Section 28.2 titled "*Dividend Policy – The Target Group*" of this Circular. In addition, except for the limitations described in Appendix G titled "*Government Regulations*" of this Circular, although there are currently no foreign exchange control regulations which restrict the ability of its subsidiaries in Japan, Taiwan, Hong Kong, Singapore, the United States and India to distribute dividends to the Target Company, the relevant regulations may be changed and the ability of these subsidiaries to distribute dividends to the Target Company may be restricted in the future.

It may be difficult for overseas regulators to conduct an investigation or collect evidence in jurisdictions in which the Target Group operates.

Shareholder claims or regulatory investigations generally are difficult to pursue as a matter of law or practicality in jurisdictions in which the Target Group operates. The Japanese securities laws do not expressly permit overseas regulators to conduct investigations in Japan. However, a foreign government may request the Japanese government to cooperate in accordance with mutual legal assistance treaties, and in the absence of such mutual legal assistance treaty, a foreign government may request cooperation by the Japanese government in criminal investigation of a specific case in accordance with the Act on International Assistance in Investigation and Other Related Matters of Japan. In Taiwan, where a foreign government has undertaken an investigation, prosecution or judicial procedure in connection with any suspected violation of foreign financial regulatory legislation, and such foreign government requests assistance with investigation in accordance with the treaty or agreement made pursuant to the Taiwan Securities and Exchange Act, the Taiwan prosecutor's office may require institutions, juristic persons, associations, or natural persons related to the securities trading to present relevant account books or documents or to appear at its offices. When necessary, the Taiwan prosecutor's office may request the foreign government to send representatives to participate in its investigations. However, during the Period Under Review and up to the Latest Practicable Date, the Taiwan government has not entered into such treaty or arrangement with the competent authority in Singapore.

It will be difficult to enforce liabilities against the Target Group's assets based in some parts of Asia.

Substantially all of the Target Group's assets are located in Asia and substantially all of its directors and executive officers reside outside of Singapore. As a result, it may not be possible for investors in Singapore to enforce their legal rights, to effect service of process upon the Target Group's directors or executive officers or to enforce judgments of the Singapore courts predicated upon civil liabilities and criminal penalties of directors and executive officers of the Target Group under Singapore securities laws. Moreover, the Target Group's management has been advised that Taiwan and other jurisdictions within Asia where the Target Group operates do not have treaties providing for the reciprocal recognition and enforcement of judgments of courts with Singapore. Pursuant to the Taiwan

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Code of Civil Procedure, a foreign judgment needs to be recognised by a Taiwan court before being enforced, which renders its enforceability uncertain. The Code of Civil Procedure of Japan also contains similar provisions. Further, it is unclear if extradition treaties now in effect between Singapore and some markets within Asia, such as Taiwan and Japan, would permit effective enforcement of criminal penalties of the Singapore securities laws in those jurisdictions. Moreover, there is no extradition treaty between Singapore and Taiwan or Japan, and an extradition relies solely on the cooperation between the governments.

You may face difficulties in protecting your interests, and your ability to protect your rights through Singapore courts may be limited, because the Target Company and VTAC are incorporated under Cayman Islands law.

The Target Company and VTAC are exempted companies with limited liability incorporated under the laws of the Cayman Islands. Their corporate affairs are governed by their respective memorandum and articles of association, the Cayman Companies Act and the common law of the Cayman Islands. The rights of shareholders to take action against the directors, actions by minority shareholders and the fiduciary duties of the directors of the Target Company and VTAC under Cayman Islands law are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as from the common law of England, the decisions of whose courts are of persuasive authority, but may not be binding, on a court in the Cayman Islands. The rights of the shareholders and the fiduciary duties of the directors of the Target Company and VTAC under Cayman Islands law are not as clearly established as they would be under statutes or judicial precedent in Singapore. In particular, the Cayman Islands has a less developed body of securities laws than Singapore. In addition, Cayman Islands companies may not have standing to initiate a shareholder derivative action in the Singapore courts.

Shareholders of Cayman Islands exempted companies have no general rights under Cayman Islands law to inspect corporate records or to obtain copies of lists of shareholders of these companies. The Target Company's and VTAC's directors have discretion under their memorandum and articles of association to determine whether or not, and under what conditions, their corporate records may be inspected by their shareholders, but are not obliged to make them available to their shareholders. This may make it more difficult for you to obtain the information needed to establish any facts necessary for a shareholder motion or to solicit proxies from other shareholders in connection with a proxy contest.

Certain corporate governance practices in the Cayman Islands, which is the home country of Target Company and VTAC, differ significantly from requirements for companies incorporated in other jurisdictions such as Singapore. Currently, the Target Company and VTAC do not plan to rely on home country practice with respect to any corporate governance matter. However, if they choose to follow the home country practice in the future, their shareholders may be afforded less protection than they otherwise would under rules and regulations applicable to Singapore issuers.

As a result of all of the above, Public Shareholders may have more difficulty in protecting their interests in the face of actions taken by the Management Team, the Board or Controlling Shareholders than they would as Public Shareholders of a company incorporated in Singapore.

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16.3 Risks relating to VTAC and the Proposed Business Combination

Our Directors and Executive Officers and their affiliates have interests that are different than, in addition to, or may conflict with, the interests of Shareholders, and therefore potential conflicts of interest exist in recommending that Shareholders vote in favour of the Proposed Business Combination.

When considering the Board's recommendation to vote in favour of the Proposed Business Combination, you should keep in mind that the Directors and Executive Officers have (subject always to their fiduciary duties under Cayman Islands law) interests in such proposals that are different from, in addition to, or may conflict with, your interests as Shareholders generally.

In particular, Mr. Chua Kee Lock (a) has interests as a direct or indirect individual investor in GPs that manage the Vertex Funds, which are shareholders of the Target Company; and (b) is a member of the investment committees ("ICs") formed by the fund managers appointed by the GPs which manage the Vertex Funds in his individual capacity. Mr. Chua's participation in the GPs and ICs of the Vertex Funds is in his individual capacity and not for and on behalf of the Sponsor Group. There are no representatives from the Sponsor Group in the GPs and ICs of the Vertex Funds. In addition, Mr. Chua has provided an undertaking to recuse himself from voting in his capacity as a member of the ICs in the Vertex Funds, in respect of any decision in relation to an initial business combination with a portfolio company that is under any of the Vertex Funds.

The personal and financial interests of the Directors and Executive Officers (such as Mr. Chua's interests set out above) may have influenced their motivation in identifying and selecting the Target Company for the Proposed Business Combination, subject always to their fiduciary duties under Cayman Islands law. You should consider these interests in considering the recommendations of the Board to vote for the Proposed Business Combination.

If our Sponsor, Directors, Executive Officers or any of their respective affiliates elect to purchase Shares from Public Shareholders, they may influence the vote on the Proposed Business Combination and reduce the public "float" of our Shares.

Our Sponsor, Directors, Executive Officers or any of their respective Associates may purchase Shares in privately negotiated transactions or in the open market prior to the EGM. Additionally, at any time prior to the EGM, subject to applicable securities laws (including with respect to material non-public information), our Sponsor, Directors, Executive Officers or any of their respective Associates may enter into transactions with investors and others to provide the latter with incentives to acquire Shares and vote their Shares in favour of the Proposed Business Combination, thereby increasing the likelihood of obtaining Shareholder approval for the Proposed Business Combination. This may result in the Completion of the Proposed Business Combination that may not otherwise have been possible. In addition, if such purchases are made, the public "float" of our Shares and the number of beneficial holders of our Shares may be reduced, possibly making it difficult to maintain or obtain the quotation, listing or trading of our Shares on the SGX-ST. However, our Sponsor, Directors, Executive Officers, advisers or any of their respective Associates are under no obligation or duty to enter into such transactions and as far as we are aware, they have no current commitments, plans or intentions to engage in such transactions and have not formulated any terms or conditions for any such transactions.

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The process of going public by means of an initial business combination with a SPAC may create additional risks for Shareholders.

Unlike in the case of a traditional underwritten initial public offering, going public via an initial business combination with a SPAC does not involve a book-building process. The value of the Target Company was established by means of negotiations among the Company, the Target Company, and the PIPE Investors who agreed to subscribe for the Base PIPE Shares at the time of the Proposed Business Combination, which may be less effective than a traditional book-building process, and will not reflect events that may have occurred between the date of the Sale and Purchase Agreement and Completion. Similarly, unlike a traditional initial public offering, there is no stabilising manager nor stabilising action for the Proposed Business Combination. As such, there may be share price volatility immediately after Completion of the Proposed Business Combination.

In addition, not going public by way of a traditional underwritten initial public offering may result in less coverage on the Company, the Target Company and the Proposed Business Combination by securities and industry analysts. Accordingly, investment banks may be less inclined to underwrite follow-on or secondary offerings by the Company, which may adversely affect the liquidity of the Company's securities.

If our due diligence investigation on the Target Group was inadequate, Shareholders could lose some or all of their investment following the Proposed Business Combination. After Completion of the Proposed Business Combination, we may be required to take write-downs or write-offs, restructuring and impairment or other charges that could have a significant negative effect on our financial condition, operational results and the price of our Shares, which could cause you to lose some or all of your investment.

While the Company and the Sole Issue Manager have conducted a due diligence investigation on the Target Group which we believe to be reasonable, there is no assurance that the due diligence uncovered all material issues relating to the Target Group and its business, and material information may later surface which could cause Shareholders to lose some or all of their investment. As a result, we may be forced to later write-down or write-off assets, restructure our operations, or incur impairment or other charges that could result in our reporting losses. Even if our due diligence investigation successfully identifies certain risks, unexpected risks may arise and previously known risks may materialise in a manner not consistent with our preliminary risk analysis. Even though these charges may be non-cash items and not have an immediate impact on our liquidity, the fact that we report charges of this nature could contribute to negative market perceptions about us or our Shares. Accordingly, any Shareholders who choose to retain their Shares following the Completion of the Proposed Business Combination could suffer a reduction in the value of their Shares. Such Shareholders are unlikely to have a remedy for such reduction in value.

We did not obtain an independent financial adviser's evaluation on whether the Proposed Business Combination constitutes an interested person transaction under the Mainboard Rules.

We are not required to obtain an opinion from an independent financial adviser that the terms of the Proposed Business Combination are on normal commercial terms and are not prejudicial to the interest of the Company and minority Shareholders as we are not completing the Proposed Business Combination with an interested person (as determined under Chapter 9 of the Listing Manual). The Sale and Purchase Agreement in respect of the

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Proposed Business Combination was entered into between the Company (i.e. the entity at risk), the Vendor and the Warrantors. The Vendor is not an “interested person” as defined in Rule 904(4) of the Mainboard Rules. The Vendor is not a Director or CEO of the Company, or an Associate of a Director or CEO of the Company. Further, the Vendor is not a Controlling Shareholder of the Company. As at 30 March 2023, the Shareholders with the largest direct interests in the Company are Vertex SPV, Venezia and Income Insurance Limited (formerly known as NTUC Income Insurance Co-operative Limited), each of which hold less than 15% of the Shares. Further, the Vendor is not an Associate of the deemed Controlling Shareholders of the Company, namely, Temasek and Tembusu, and is hence not an “interested person” in respect of the Company. The Vertex Funds hold an aggregate of 16.2% of the Vendor. Pavilion, which is an indirect wholly-owned subsidiary of Temasek, holds 3.9% of the Vendor. Each of Vertex SPV, the Vertex Funds and Pavilion is an independently managed Temasek portfolio company. Temasek is not involved in the business or operational decisions of these entities, including their decisions in relation to the Target Group and the Company. Accordingly, the Proposed Business Combination will not constitute an “interested person transaction” pursuant to Rule 904(5) of the Mainboard Rules. In relation to Rule 210(11)(m)(ix) of the Mainboard Rules, given that the Vendor is not the founding shareholder of the Company or a member of the Management Team of the Company or their respective Associates, Chapter 9 of the Mainboard Rules would not apply to the Proposed Business Combination. Accordingly, we are not required to obtain an opinion from an independent financial adviser that the terms of the Proposed Business Combination are on normal commercial terms and are not prejudicial to the interest of the Company and minority Shareholders, and Vertex SPV, Venezia and Income Insurance Limited will be able to vote on the resolution in respect of the Proposed Business Combination at the EGM.

For completeness, while the Sponsor Group has invested in the Target Group through the Vertex Funds and hold LP interests in each of the Vertex Funds, the Sponsor Group does not hold majority of the LP interests in any of the Vertex Funds. The Vertex Funds are managed by independent GPs and operate independently from the Sponsor Group, and interest in each of the GPs of the Vertex Funds are held by the team of investment professionals (in their individual capacities) managing the relevant Vertex Fund. Given that the GPs who manage the Vertex Funds are not subsidiaries of the Sponsor, the Sponsor does not have control or influence over the operations of or the decision-making of the Vertex Funds, including investment decisions on the Proposed Business Combination involving the Target Group. There are no differences in rights (including economic rights) accorded to the Sponsor Group as a LP interest holder of the Vertex Funds compared to the other LP interest holders of the Vertex Funds, and the Sponsor Group does not enjoy any special rights as a LP interest holder of the Vertex Funds which have not been accorded to other LP interest holders of the Vertex Funds. Given that the Sponsor Group does not hold any direct or indirect interest in the GPs of the Vertex Funds, it does not receive any benefits (monetary or otherwise), including carried interest, arising from the investment performance and returns of the Vertex Funds pursuant to the Proposed Business Combination, whether through the GPs of the Vertex Funds or otherwise. Similarly, none of the other LP interest holders of the Vertex Funds receives any benefits (monetary or otherwise), including carried interest, arising from the investment performance and returns of the Vertex Funds pursuant to the Proposed Business Combination, whether through the GPs of the Vertex Funds or otherwise. There are no representatives from the Vertex Funds and/or the Sponsor Group on the board of the Vendor. There are two representatives from the Vertex Funds on the board of the Target Company, but there are no representatives from the Sponsor Group on the board of the Target Company.

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If we are unable to complete the Proposed Business Combination with the Target Company or another initial business combination by 20 January 2024 (unless extended by 12 months as may be approved by Shareholders and SGX-ST, such extension up to no more than 12 months and subject to an overall maximum time frame of 36 months from Listing Date), the Company will be liquidated.

If we are unable to complete the Proposed Business Combination with the Target Company or another initial business combination by 20 January 2024 (unless extended by 12 months as may be approved by Shareholders and SGX-ST, such extension up to no more than 12 months and subject to an overall maximum time frame of 36 months from Listing Date), the Company will have to cease all operations except for the purpose of winding up, redeem all outstanding shares, and proceed to liquidation and dissolution in accordance with the Memorandum and Articles of Association. In such event, the proceeds held in the Escrow Account could be subject to claims by third parties which could take priority over those of yours as Shareholders which could result in you losing some or all of your investment.

If we are unable to complete the Proposed Business Combination with the Target Company or another initial business combination by 20 January 2024 and we qualify for an extension under the Listing Manual and receive the SGX-ST's approval and Shareholders' approval for an extension, we may have up to no more than another 12 months from the relevant deadline to complete the Proposed Business Combination (subject to an overall maximum time frame of 36 months from the Listing Date). In other words, our Shareholders may be forced to wait for at least 24 months from the Listing Date (or such period as may be extended pursuant to approvals from SGX-ST and our Shareholders, such extension up to no more than 12 months and subject to an overall maximum time frame of 36 months from the Listing Date) before being allowed to redeem the Shares if we do not complete the Proposed Business Combination with the Target Company or another initial business combination. In such case, our Shareholders may not receive the full amount of their investment even in the event of a redemption or Liquidation and receive only S\$5.00 per Share (being the initial investment per Unit made by our Shareholders in the Offering as 100% of the gross proceeds raised from the Offering and issuance of the Cornerstone Units and Sponsor IPO Investment Units will be placed in the Escrow Account), or less than S\$5.00 per Share in certain circumstances (such as where investments made from the amounts in the Escrow Account diminish in value), on the redemption of their Shares, and our Warrants will expire worthless.

The Proposed Business Combination remains subject to conditions that we cannot control and if such conditions are not satisfied or waived, the Proposed Business Combination may not be consummated.

The Proposed Business Combination is subject to a number of conditions (as set out Section 5.10 titled "*Proposed Business Combination – Conditions Precedent*" of this Circular). There are no assurances that all conditions to the Proposed Business Combination will be satisfied or that the conditions will be satisfied in the time frame expected. If the conditions to the Proposed Business Combination are not met (and are not waived, to the extent waivable), then either the Company or the Target Company may, subject to the terms and conditions of the Sale and Purchase Agreement, terminate the Sale and Purchase Agreement or amend the Long Stop Date.

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Delays in completing the Proposed Business Combination may substantially reduce the expected benefits of the Proposed Business Combination.

It may take longer and cost more than we expect to satisfy the conditions to the Completion of the Proposed Business Combination. Any delay in completing, or any additional conditions imposed in order to complete, the Proposed Business Combination may materially adversely affect the expected outlook of and benefits from the Proposed Business Combination.

We may be targeted by derivative lawsuits that could result in substantial costs and may delay or prevent the Proposed Business Combination from being completed.

Derivative lawsuits could be brought against us in connection with the Proposed Business Combination and we may be required to incur substantial costs and exert management time and resources in defending these claims, whether or not they have merit. Any adverse judgment resulting in monetary damages could adversely affect our liquidity and financial condition. Additionally, any adverse judgment resulting in an injunction prohibiting the Proposed Business Combination may delay or prevent the Proposed Business Combination from being completed within the expected timeframe, or at all, which may adversely affect our and the Target Group's respective businesses, operational results, financial condition and prospects.

Changes in laws or regulations, or a failure to comply with any laws and regulations, may adversely affect the Company's business, including its ability to negotiate and complete the Proposed Business Combination, operational results, financial condition and prospects.

We are subject to laws and regulations enacted by national, regional and local governments. Compliance with, and monitoring of, applicable laws and regulations may be difficult, time-consuming and costly. Those laws and regulations and their interpretation and application may also change from time to time and those changes, as well as a failure to comply with such laws and regulations, could have a material adverse effect on our business, operational results, financial condition and prospects.

16.4 Risks relating to Ownership of the Company's Shares and Warrants following Completion of the Proposed Transactions

Existing Shareholders will face immediate and substantial dilution following Completion and may experience future dilution to shareholdings.

Completion will result in immediate dilution to the shareholding of existing Shareholders from the allotment and issuance of the Consideration Shares to the Vendor (or if the Vendor so nominates, to the Vendor Shareholders), the allotment and issuance of the PIPE Shares to the PIPE Investors, and the allotment and issuance of the Special Bonus Shares to the Non-Redeeming Shareholders and the PIPE Investors pursuant to the Proposed Business Combination. Existing Shareholders may also face dilution after Completion arising from the allotment and issuance of the EIS Shares to the Key Executives, the allotment and issuance of the Earnout Shares to the Earnout Shareholders, the allotment and issuance of the ESOP Shares in accordance with the Company ESOP and the vesting of the Promote Shares. Please refer to Section 23.6 titled "*Enlarged Group Corporate and Shareholding Structure – Dilution Effect Resulting from the Proposed Transactions and the Exercise of the Warrants*" of this Circular for further details.

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In addition, following Completion, it is possible that the Enlarged Group may require further funding in order to grow and expand its operations. Under such circumstances, secondary issue(s) of securities may be necessary to raise the required capital to develop these growth opportunities. If new Shares are issued and placed to new and/or existing Shareholders, they may be priced at a discount to the then prevailing market price of Shares trading on the SGX-ST, in which case existing Shareholders' equity interest will be diluted. If the Enlarged Group fails to utilise the new equity to generate a commensurate increase in earnings, the EPS of the Enlarged Group will be diluted and this could lead to a decline in the market prices of its Shares.

Warrants will become exercisable after Completion of the Proposed Business Combination and result in dilution to Shareholders.

Investors may experience a dilution of their percentage ownership if they do not exercise their Warrants or if other investors exercise their Warrants. The terms of the Warrants provide, among others, for the issue of Shares in the Company upon any exercise of the Warrants, in each case in accordance with their respective terms. For further details on the terms of the Warrants, please refer to Section 29.2 titled "*Material Contracts – The Company – Warrant Agreement*" of this Circular. Based on the 12,481,799 Public Warrants and 16,000,000 Private Placement Warrants outstanding as at the Latest Practicable Date, if all Warrants (including the Private Placement Warrants) were exercised, this would result in a maximum dilution of approximately 5.6% of our Enlarged Share Capital. Notwithstanding that investors may choose not to exercise their Warrants, their proportionate ownership and voting interest in us could in any case be reduced by the issue of Shares pursuant to the terms of the Warrants. The exercise of the Warrants, including by other Warrant holders, will result in a dilution of the value of such investors' interests if the value of a Share exceeds the Warrant Exercise Price at the relevant time. The potential for the issue of additional Shares pursuant to the exercise of the Warrants could have an adverse effect on the market price of the Shares. There is no assurance that the Warrants will be "in the money" prior to their expiration or that the holders of the Warrants will exercise their Warrants.

No prior market for the Shares on an Enlarged Group basis exists.

The Shares have never been traded on the SGX-ST on an Enlarged Group basis. As such, there can be no assurance that an active trading market for the Shares will develop or, if developed, will be sustained.

Although we have received the SGX-ST's approval-in-principle for the listing of and quotation for the Consideration Shares, the Earnout Shares, the EIS Shares, the ESOP Shares and the Special Bonus Shares on the Mainboard of the SGX-ST, this should not be taken as an indication of the merits of the Proposed Business Combination, the Enlarged Group or the Shares. The Offering Price of the Shares may not be indicative of prices that will prevail in the trading market. You may not be able to resell the Shares at the Offering Price or at a price that is attractive to you. The trading prices of the Shares could be subject to fluctuations in response to variations in the operational results of the Enlarged Group, changes in general economic conditions, changes in accounting principles or other developments affecting the Enlarged Group, its customers or competitors, changes in financial estimates by securities analysts, the operating and stock price performance of other companies and other events or factors, many of which are beyond our control. Volatility in the price of the Shares may be caused by factors outside of our control or may be unrelated or disproportionate to the operational results of the Enlarged Group. An

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inactive market may also impair the ability of the Enlarged Group to raise capital by selling Shares, attract and motivate its personnel through equity incentive awards. Although it is currently intended that the Shares will remain listed on the SGX-ST, there is no guarantee of the continued listing of our Shares. If the Shares are no longer listed on the SGX-ST, there may be no active or liquid market for the Shares.

Future issuances of the Enlarged Group's Shares may not be available to existing Shareholders.

Should the Enlarged Group issue new Shares in the future, it will not be obligated to offer those Shares to existing Shareholders, except in a rights issue, preferential offering, bonus issue and scrip dividends, among others. The Enlarged Group will have discretion in electing the method of issuance of new Shares and may be subject to the general mandate threshold, which may affect its ability to make the Shares available to its existing Shareholders.

Accordingly, existing Shareholders may be unable to participate in future offerings of new Shares and may experience dilution to their shareholding interests as a result. In addition, the Company may also issue new Shares or convertible securities, share options or share awards under any employee share schemes that are currently in place or may be implemented after Completion. This may lead to further dilution to the shareholdings of the existing Shareholders.

Future sale of securities by the Vendor may adversely affect the price of the Shares.

Following Completion, the Vendor Shareholders will hold approximately 77.2% of the Enlarged Share Capital upon Completion (assuming that there is No Redemption and that the total proceeds raised from the PIPE Financing is S\$10.0 million) and approximately 91.5% of the Enlarged Share Capital upon Completion (assuming that there is Maximum Redemption and that the total proceeds raised from the PIPE Financing is S\$10.0 million). A significant portion of Vendor Shareholders are not subject to a moratorium and are free to trade their Consideration Shares immediately upon Completion. Any sale of a significant number of such Consideration Shares could materially and adversely affect the market price of the Shares. Furthermore, although the Consideration Shares held by certain Vendor Shareholders will be subject to a moratorium (the details of which are set out in Section 23.7 titled "*Enlarged Group Corporate and Shareholding Structure – Moratorium*" of this Circular), any sale of a significant number of such Shares after expiration of the applicable moratorium period or any permitted sale during the applicable moratorium period by the Vendor Shareholders, or the perception that such sales may occur, could materially and adversely affect the market price of the Shares and may thereby also affect the Enlarged Group's ability to raise funds through the issue of equity or other forms of securities. These factors may also affect the Company's ability to attract subscriptions for additional equity securities in the future, at a time and price the Company deems appropriate.

The Enlarged Group may not be able to successfully execute the Company's plans.

The future plans for the Company are as described in Section 15 titled "*Prospects, Business Strategies and Future Plans*" of this Circular. No assurance can be given that the Enlarged Group will be able to successfully execute these plans. It is also not possible to predict with certainty, the length of time that may be needed to successfully execute these plans. Until such time that the plans described above are successfully executed, the aforementioned

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liabilities and other liabilities of the Company will remain within the Enlarged Group, and such liabilities would continue to require cost, resources and attention of the management of the Enlarged Group.

The Enlarged Group may not be able to pay dividends.

There is no assurance that the Company will pay dividends in the future or, if the Company does pay dividends in the future, when the Company will pay them. The declaration and payment of future dividends will depend upon, *inter alia*, the Enlarged Group's actual and future financial performance and financial condition, level of cash and retained earnings, current capital commitments, projected capital expenditure and other investment plans, the terms of the borrowing arrangements (if any), future plans for expansion, and any other factors which the Proposed New Board may deem appropriate. This may be affected by numerous factors including but not limited to general economic conditions, market sentiment, market competition and the success of the Enlarged Group's future plans and business strategies, many of which are beyond the Enlarged Group's control. As such, there is no assurance that the Enlarged Group will be able to pay dividends to its Shareholders after Completion. For further details on the dividend policy of the Enlarged Group, please refer to Section 28.3 titled "*Dividend Policy – The Enlarged Group*" of this Circular.

Further, companies in the Enlarged Group may enter into loan agreements in the future, which contain covenants that may limit when and how much dividends the companies in the Enlarged Group can declare and pay. There is no assurance that the Enlarged Group will be able to obtain the approval of the relevant lenders for the declaration and payment of dividends, and there is therefore no assurance that the Enlarged Group will be able to declare and pay dividends after Completion.

The price of the Shares may fluctuate or decline following Completion.

The Issue Price of the Consideration Shares allotted and issued in relation to the Proposed Business Combination may not be indicative of the price of the Shares that will prevail in the trading market. The market price of the Shares may fluctuate significantly and rapidly as a result of, amongst other things, the following factors, some of which are beyond the control of the Enlarged Group:

- (a) the success or failure of the Enlarged Group's management team in implementing business and growth strategies;
- (b) announcements by the Enlarged Group of significant contracts, acquisitions, strategic partnerships or capital commitments;
- (c) loss of the Enlarged Group's major customers or suppliers (including popular live streamers, V-Livers and users);
- (d) any negative publicity on the Enlarged Group or any of its Proposed Directors, Proposed Executive Officers, Substantial Shareholders, business partners, customers and suppliers (including popular live streamers, V-Livers and users), whether or not they are justified;
- (e) involvement by the Enlarged Group in material litigation, arbitrations proceedings and/or investigations by government authorities;

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- (f) unforeseen contingent liabilities of the Enlarged Group;
- (g) additions or departures of key personnel of the Enlarged Group;
- (h) loss of an important business relationship or adverse financial performance by a significant customer or group of customers;
- (i) changes in securities analysts' estimates of the Enlarged Group's financial performance and recommendations;
- (j) changes in conditions affecting the industry, the general economic conditions or stock market sentiments or other events or factors;
- (k) differences between the Enlarged Group's actual financial operating results and those expected by investors and securities analysts;
- (l) changes in market valuations and share prices of companies with businesses that are similar to those of the Enlarged Group that may be listed in Singapore or elsewhere;
- (m) variation in the operational results of the Enlarged Group;
- (n) changes in general market conditions and broad market fluctuations; and
- (o) foreign exchange fluctuations and translations.

In addition, the market price of the Shares may decline as a result of the Completion of the Proposed Business Combination if (a) the Company does not achieve the perceived benefits of the Proposed Business Combination as rapidly as, or to the extent anticipated by, Shareholders or securities analysts; or (b) the effect of the Proposed Business Combination on the Enlarged Group's financial statements is not consistent with the expectations of Shareholders or securities analysts.

Accordingly, Shareholders may experience a loss as a result of the decreasing market price of the Shares.

16.5 Risks relating to Redemption of VTAC Shares and Warrants

Investors may experience dilution resulting from the exercise of the Redemption Right by other Shareholders in connection with the Proposed Business Combination.

Our Shareholders (save for Vertex SPV and Venezia) may redeem all or a portion of their Shares upon Completion of the Proposed Business Combination at a per-Share price equal to the Redemption Price. Prior to the Completion of the Proposed Business Combination, we will not know how many Shareholders will exercise their Redemption Right. If a significant number of Shares are submitted for Redemption, there may be a risk that Shareholders that remain invested in us (or the Resulting Issuer) will experience dilution, such dilution being the difference between the adjusted NAV per Share arising from the Redemption and the NAV per Share just before such Redemption. In addition to dilution, there will be less cash available at the Completion of the Proposed Business Combination.

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We may redeem your unexpired Warrants prior to their exercise at a time that is disadvantageous to you.

We have the ability, at our option, to redeem all (and not part of) the outstanding Warrants at any time after they become exercisable and prior to their expiration, for cash at any time during the 30-day Redemption Period and any Warrants outstanding as at the Warrant Redemption Date shall be redeemed and settled on a “cashless basis” (wherein the number of Redemption Shares to be received upon redemption shall be the product of Warrants held by such Warrantholder, multiplied by 0.361 (rounded down to the nearest whole number of Redemption Shares)), provided that the Reference Value of our Shares equals or exceeds S\$9.00 per Share (subject to adjustments in compliance with the Warrant Conditions). Redemption of the outstanding Warrants could force you to (i) exercise your Warrants and pay the exercise price therefor at a time when it may be disadvantageous for you to do so or (ii) sell your Warrants at the then-current market price when you might otherwise wish to hold your Warrants. In addition, given that the stipulated ratio of 0.361 Redemption Share for each Warrant redeemed and settled on a “cashless basis” is fixed (regardless of any adjustments to the Warrant Exercise Price of the Warrants as there will be a corresponding and proportionate adjustment to the redemption trigger price in accordance with the Warrant Conditions), there may be limited upside for Warrantholders in the event their Warrants are redeemed by us as such Warrantholder would not receive any incremental gain on their investment even where the Reference Price exceeds S\$9.00. None of the Private Placement Warrants will be redeemable by us if at the time of the redemption such Private Placement Warrants continue to be held by the original purchasers thereof or any of their Permitted Transferees, and have not yet been transferred (other than to Permitted Transferees).

If a Shareholder fails to comply with the procedures to redeem our Shares in connection with the Proposed Business Combination, such Shares may not be redeemed.

If a Shareholder fails to adhere to the Redemption processes and mechanisms set out in this Circular, the Memorandum and Articles of Association or in any relevant document in respect of the Proposed Business Combination in order to validly redeem the Shares, such Shareholder’s Shares may not be redeemed and they may not be able to recover all or part of their initial investment.

17. SELECTED FINANCIAL INFORMATION OF THE TARGET GROUP

The following selected financial information of the Target Group should be read in conjunction with the full text of this Circular, including Section 18 titled “Management’s Discussion and Analysis of Financial Position and Results of Operations of the Target Group” of this Circular, the “Independent Auditor’s Report and Audited Consolidated Financial Statements of the Target Group for the financial years ended 31 December 2020, 2021 and 2022” as set out in Appendix A to this Circular, the “Interim Consolidated Financial Statements of the Target Group for the Six-Month Period Ended 30 June 2023” as set out in Appendix B to this Circular and the “Unaudited Pro Forma Consolidated Financial Information of the Enlarged Group for the Financial Year Ended 31 December 2022 and the Six-Month Period Ended 30 June 2023” as set out in Appendix C to this Circular.

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This Circular contains the audited consolidated financial statements for the financial years ended 31 December 2020, 2021 and 2022 of the Target Group, the unaudited interim consolidated financial statements for the six months ended 30 June 2022 and 30 June 2023 of the Target Group, the unaudited proforma financial information for the financial years ended 31 December 2020, 2021 and 2022 of the Target Group and the unaudited proforma financial information for the financial year ended 31 December 2022 and the six months ended 30 June 2022 and 30 June 2023 of the Target Group, together with the related notes thereto, each of which has been prepared in accordance with the IFRS.

A summary of the financial information of the Target Group during the Period Under Review is set out below:

Results of Operations of the Target Group

	FY2020	FY2021	FY2022	1H FY2023
	(Audited)	(Audited)	(Audited)	(Unaudited)
	US\$			
Operating revenue	411,360,430	497,782,292	363,717,850	150,984,528
Cost of revenue	(236,001,310)	(310,035,338)	(237,568,755)	(87,925,616)
Gross profit	175,359,120	187,746,954	126,149,095	63,058,912
Operating expenses				
Selling expenses	(97,079,510)	(129,179,652)	(64,310,830)	(24,315,104)
General and administrative expenses	(49,786,248)	(31,592,573)	(24,402,012)	(12,219,602)
Research and development expenses	(4,072,531)	(16,609,117)	(27,312,262)	(13,517,949)
Total operating expenses	(150,938,289)	(177,381,342)	(116,025,104)	(50,052,655)
Operating income	24,420,831	10,365,612	10,123,991	13,006,257
Non-operating income and expenses				
Other gains and losses				
– Revaluation (loss)/gain on financial liabilities	(59,105,881)	112,407,180	(55,860,150)	(127,649,235)
– Others	(12,554,312)	(2,790,961)	3,045,118	(638,459)
	(71,660,193)	109,616,219	(52,815,032)	(128,287,694)
Finance costs	(974,233)	(743,168)	(171,948)	(53,763)

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	FY2020	FY2021	FY2022	1H FY2023
	(Audited)	(Audited)	(Audited)	(Unaudited)
	US\$			
Total non-operating income and expenses	(72,634,426)	108,873,051	(52,986,980)	(128,341,457)
(Loss)/profit before income tax	(48,213,595)	119,238,663	(42,862,989)	(115,335,200)
Income tax expense	(5,286,793)	(9,727,770)	(8,153,842)	(2,909,563)
(Loss)/profit for the period/year from continuing operations	(53,500,388)	109,510,893	(51,016,831)	(118,244,763)
Profit for the period/year from discontinued operations	1,552,129	–	–	–
(Loss)/profit for the period/year	(51,948,259)	109,510,893	(51,016,831)	(118,244,763)
Other comprehensive income:				
<i>Items that may be reclassified to profit or loss</i>				
Foreign currency translation	(211,943)	(2,976,784)	(3,951,456)	(1,210,349)
<i>Items that will not be reclassified to profit or loss</i>				
Change in credit risk of financial liabilities at fair value through profit or loss	(175,000)	(19,500)	700	(20,700)
Other comprehensive income for the period/year, net of tax	(386,943)	(2,996,284)	(3,950,756)	(1,231,049)
Total comprehensive income for the period/year	(52,335,202)	106,514,609	(54,967,587)	(119,475,812)
(Loss)/income attributable to:				
Owners of the Company				
– continuing operations	(53,490,390)	109,510,893	(51,016,831)	(118,244,763)
– discontinued operations	1,552,129	–	–	–
Non-controlling interests				
– continuing operations	(9,998)	–	–	–
	(51,948,259)	109,510,893	(51,016,831)	(118,244,763)

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	FY2020	FY2021	FY2022	1H FY2023
	(Audited)	(Audited)	(Audited)	(Unaudited)
	US\$			
Total comprehensive income attributable to:				
– continuing operations	(51,906,485)	106,514,609	(54,967,587)	(119,475,812)
– discontinued operations	(428,717)	–	–	–
	<u>(52,335,202)</u>	<u>106,514,609</u>	<u>(54,967,587)</u>	<u>(119,475,812)</u>
Basic earnings per share				
Owners of the Company				
– continuing operations	(1.05)	3.31	(1.35)	(3.12)
– discontinued operations	0.03	–	–	–
Basic earnings per share⁽¹⁾	<u>(1.02)</u>	<u>3.31</u>	<u>(1.35)</u>	<u>(3.12)</u>
Adjusted earnings per share				
Diluted earnings per share				
Owners of the Company				
– continuing operations	(1.05)	(0.01)	(1.35)	(3.12)
– discontinued operations	0.03	–	–	–
Diluted earnings per share	<u>(1.02)</u>	<u>(0.01)</u>	<u>(1.35)</u>	<u>(3.12)</u>

Note:

- (1) For illustrative purposes, the EPS for the Period Under Review have been computed based on the Target Group's (loss)/profit attributable to owners of the Company for each financial year and the Target Company's weighted average number of shares of 51,133,758 shares for financial year 31 December 2020, 33,047,738 shares for financial year ended 31 December 2021, and 37,923,882 shares for financial year ended 31 December 2022 and for the six-month period ended 30 June 2023.

Financial Position of the Target Group

	FY2020	FY2021	FY2022	1H FY2023
	(Audited)	(Audited)	(Audited)	(Unaudited)
	US\$			
ASSETS				
Non-current assets				
Property, plant and equipment	1,686,922	2,017,633	795,789	1,186,719
Right-of-use assets	8,688,274	8,114,534	1,848,265	3,405,201
Intangible assets	30,529,783	28,424,508	26,543,128	25,188,892
Deferred tax assets	3,169,184	2,194,774	1,537,813	2,302,375
Guarantee deposits	3,403,741	3,645,149	3,696,046	3,490,677
Total non-current assets	<u>47,477,904</u>	<u>44,396,598</u>	<u>34,421,041</u>	<u>35,573,864</u>

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	FY2020	FY2021	FY2022	1H FY2023
	(Audited)	(Audited)	(Audited)	(Unaudited)
	US\$			
Current assets				
Prepaid operating expenses	1,473,165	4,457,704	3,369,559	2,581,499
Financial assets at fair value through profit or loss	144,745	108,813	–	–
Other current assets ⁽¹⁾	1,277,185	2,433,266	2,325,918	751,940
Trade and other receivables ⁽²⁾	32,678,926	34,243,046	24,053,674	20,551,791
Cash and cash equivalents	92,491,374	59,090,846	39,259,309	39,865,932
Total current assets	128,065,395	100,333,675	69,008,460	63,751,162
Total assets	175,543,299	144,730,273	103,429,501	99,325,026
LIABILITIES				
Current liabilities				
Trade and other payables	89,624,295	82,752,531	59,043,917	47,259,978
Contract liabilities	8,032,045	9,982,872	7,273,934	6,860,310
Financial liabilities at fair value through profit or loss ⁽³⁾⁽⁴⁾	821,000	295,000	211,102,456	1,023,000
Income tax payable	12,628,013	12,043,085	5,255,771	3,415,305
Lease liabilities	2,260,100	2,639,683	920,219	1,614,677
Loans and borrowings	5,696,687	1,164,988	–	–
Provisions ⁽⁵⁾	775,918	1,630,178	893,360	855,409
Other current liabilities	129,817	201,020	106,744	407,506
Total current liabilities	119,967,875	110,709,357	284,596,401	61,436,185
Net current assets/(liabilities)	8,097,520	(10,375,682)	(215,587,941)	2,314,977
Non-current liabilities				
Financial liabilities at fair value through profit or loss	278,664,192	154,948,006	–	337,749,391
Loans and borrowings	1,161,649	–	–	–
Deferred tax liabilities	1,939,550	1,406,024	855,590	329,955
Lease liabilities	7,423,678	6,429,734	1,012,263	1,772,991
Provisions	223,135	308,592	164,036	359,504
Total non-current liabilities	289,412,204	163,092,356	2,031,889	340,211,841
Total liabilities	409,380,079	273,801,713	286,628,290	401,648,026

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	FY2020	FY2021	FY2022	1H FY2023
	(Audited)	(Audited)	(Audited)	(Unaudited)
	US\$			
Equity				
Share capital	2,876	3,792	3,792	3,792
Share premium	21,383,500	25,409,440	25,409,440	25,409,440
Other reserves	8,959,154	1,100,037	(2,010,481)	(2,889,929)
Accumulated deficit	(264,182,310)	(155,584,709)	(206,601,540)	(324,846,303)
Total equity	(233,836,780)	(129,071,440)	(183,198,789)	(302,323,000)
Total liabilities and equity	175,543,299	144,730,273	103,429,501	99,325,026

Notes:

- (1) In 2020, US\$66,222 was advanced to a live streamer for penalty expenses for his/her departure from another platform, which the Target Group had agreed to bear in connection with its acquisition of the live streamer. The dispute was resolved in 2021.
- (2) In 2020, US\$81,651 was lent to employees. These loans were interest-free, unsecured (i.e. did not require collateral from the employees) and repayable on demand. These loans were fully repaid in 2021. The Target Group may provide loans to employees should there be a request in exceptional circumstances, which will be approved on a case-by-case basis.
- (3) The fair value of financial liabilities was determined using the market approach, making reference to the transaction price of the Target Group's most recent round of pre-listing investment and taking into consideration factors such as market volatility. The change in the financial liabilities at fair value through profit and loss during the Period Under Review was primarily attributable to the then market volatility.
- (4) Please refer to Note 22 to Appendix A titled "*Independent Auditor's Report and Audited Consolidated Financial Statements of the Target Group for the Financial Years Ended 31 December 2020, 2021 and 2022*" of this Circular for further details.
- (5) The changes in provisions from FY2021 to FY2022 are primarily attributable to the changes in provisions for VAT penalties. In FY2021, the Target Group had made a provision for VAT penalties in the amount of US\$722,540. The VAT audit was completed by the tax authority in FY2022 and therefore the provision for VAT penalties in FY2022 was reduced to US\$130,252.

Cash Flow

	FY2020	FY2021	FY2022	1H FY2023
	(Audited)	(Audited)	(Audited)	(Unaudited)
	US\$			
Cash flows from operating activities				
(Loss)/profit before income tax from continuing operations	(48,213,595)	119,238,663	(42,862,989)	(115,335,200)
Profit before income tax from discontinued operations	1,552,129	-	-	-
Adjustments for:				
Expected credit losses	652,863	516,189	-	-
Impairment of goodwill	10,594,732	-	-	-
Impairment of other intangible assets	1,708,445	-	-	-

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	FY2020	FY2021	FY2022	1H FY2023
	(Audited)	(Audited)	(Audited)	(Unaudited)
	US\$			
Gain on disposal of subsidiaries	(1,292,787)	–	–	–
Loss on repurchase of preference shares	–	2,708,549	–	–
Depreciation expense	2,709,947	2,868,002	2,590,617	1,053,772
Amortisation expense	3,176,250	2,217,357	2,300,960	1,333,837
Loss on disposal of property, plant and equipment	414,804	197,391	995,365	339,744
Share-based payments	2,988,723	1,923,761	840,238	351,601
Revaluation loss/(gain) on financial liabilities	59,105,881	(112,407,180)	55,860,150	127,649,235
Finance costs	974,233	743,168	171,948	53,763
Loss/(gain) on termination of leases	80,350	–	(338,996)	(3,942)
Professional fees in relation to the Proposed Business Combination	–	–	–	1,534,899
Operating cash flows before changes in working capital	34,451,975	18,005,900	19,557,293	16,977,709
Changes in working capital				
Trade and other receivables	(19,820,226)	(2,014,087)	10,189,372	3,501,883
Prepaid operating expenses	(168,625)	(2,984,539)	1,088,145	788,060
Other current assets	990,789	(1,222,303)	107,348	1,573,978
Trade and other payables	50,627,470	(6,871,764)	(23,708,614)	(13,318,838)
Other current liabilities	(768,638)	71,203	(94,276)	300,762
Contract liabilities	1,397,341	1,950,827	(2,708,938)	(413,624)
Provisions	730,569	939,717	(881,374)	(37,951)
Cash flows from operations	67,440,655	7,874,954	3,548,956	9,371,979
Interest paid	(564,621)	(398,700)	(4,583)	–
Income tax paid	(156,886)	(10,388,203)	(14,008,601)	(5,383,534)
Net cash flows from/(used in) operating activities	66,719,148	(2,911,949)	(10,464,228)	3,988,445
Investing activities				
Decrease/(increase) in financial assets at fair value through profit or loss	(144,745)	35,932	108,813	–
Purchase of property, plant and equipment	(1,475,026)	(1,051,686)	(438,061)	(964,143)

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	FY2020	FY2021	FY2022	1H FY2023
	(Audited)	(Audited)	(Audited)	(Unaudited)
	US\$			
Purchase of intangible assets	(206,551)	(118,393)	(467,858)	–
Decrease/(increase) in guarantee deposits	711,818	(241,408)	(50,897)	205,369
Acquisition of a subsidiary	3,889,743	–	–	–
Disposal of subsidiaries	668,886	–	–	–
Net cash flows from/(used in) investing activities	3,444,125	(1,375,555)	(848,003)	(758,774)
Financing activities				
Proceeds from issuance of preference shares	28,100,000	–	–	–
Proceeds from issuance of warrants	328,000	–	–	–
Repayments of principal portion of lease liabilities	(1,095,629)	(2,348,051)	(2,854,123)	(739,698)
Proceeds from loans and borrowings	6,672,000	–	–	–
Repayment of loans and borrowings	(705,277)	(5,833,334)	(1,166,666)	–
Repurchase and retirement of ordinary shares	(32,748,923)	(1,838,953)	–	–
Repurchase of restricted share units	(490,450)	(1,834,077)	–	–
Repurchase of preference shares	–	(14,563,055)	–	–
Interest paid	(181,480)	(202,422)	(164,210)	(51,684)
Net cash flows used in financing activities	(121,759)	(26,619,892)	(4,184,999)	(791,382)
Net increase/(decrease) in cash and cash equivalents	70,041,514	(30,907,396)	(15,497,230)	2,438,289
Net foreign exchange difference	685,208	(2,493,132)	(4,334,307)	(1,831,666)
Cash and cash equivalents at beginning of financial year	21,764,652	92,491,374	59,090,846	39,259,309
Cash and cash equivalents at end of financial period/ year	92,491,374	59,090,846	39,259,309	39,865,932

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18. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS OF THE TARGET GROUP

The following discussion and analysis of the Target Group's financial condition and results of operations should be read in conjunction with "Selected Financial Information of The Target Company" and the Target Group's consolidated financial statements and the related notes thereto, each included elsewhere in this Circular. In addition to historical consolidated financial information, the following discussions contain forward-looking statements that reflect the Target Group's plans, estimates, and beliefs that involve risks and uncertainties. The Target Group's actual results and the timing of selected events could differ materially from those anticipated in the forward-looking statements as a result of many factors, including those set forth under "Risk Factors" and elsewhere in this Circular. The Target Group's Audited Consolidated Financial Statements for FY2020, FY2021 and FY2022 are prepared and presented in accordance with IFRS. A review of the interim financial information for 1H FY2022 has been included as comparative figures in the consolidated financial statements for 1H FY2023.

Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

18.1 Overview

The Target Group operates the top pure-play live streaming platform in Japan with a market share by revenue of 20.8% for 2022 and commands a significant market share by revenue of 26.9% in Taiwan for 2022, according to the IMR Consultant. The Target Group had an average MAU of approximately 550,000 globally in 1H FY2023 and approximately 87,000 Contracted Streamers as of 30 June 2023.

The Target Group's business is broadly categorised into the Liver live streaming, V-Liver live streaming and other businesses. Please refer to Section 14.3 titled "*Information on the Target Company – Business Overview*" of this Circular for further details.

Liver live streaming

The Target Group launched its flagship product, 17LIVE, in Taiwan in July 2015, and subsequently in Japan in August 2017.

Complementary to its Liver live streaming offerings, the Target Group also launched in-app games on 17LIVE in Taiwan and Japan in May 2022 and August 2022 respectively, and has continued to expand its in-app game offerings and introduce more in-app game interactive features in both the Liver and V-Liver live streaming offerings.

The Target Group's operating revenue from Liver live streaming was US\$406.9 million, US\$489.7 million, US\$354.6 million, US\$195.6 million and US\$146.0 million for FY2020, FY2021, FY2022, 1H FY2022 and 1H FY2023 respectively.

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V-Liver live streaming

In 2018, the Target Group introduced V-Liver content as a genre on 17LIVE, which are computer-generated characters designed to represent real people, using motion capture technology to capture the movements, sounds and expressions of the human actors to be reflected on the V-Livers. The Target Group further expanded its V-Liver broadcasting functionality by integrating the Live2D functions on 17LIVE in April 2023, which allows users to use their smartphones to upload an avatar and conduct virtual streaming without any additional hardware or software, thereby significantly lowering the barriers to becoming a V-Liver.

The Target Group's operating revenue from V-Liver live streaming was US\$2.9 million, US\$3.3 million, US\$3.1 million, US\$1.9 million and US\$1.5 million for FY2020, FY2021, FY2022, 1H FY2022 and 1H FY2023 respectively.

Other businesses (Live commerce and Wave)

Since 2019, the Target Group has operated its live commerce business through HandsUp, a platform that allows merchants to sell their products through live streaming in Japan, and OrderPally, a B2B live commerce matching and order management SaaS platform connecting merchants and users in Taiwan.

The Target Group also operates Wave, an audio-centric live streaming and social platform, which was launched in Taiwan in 2018 and was subsequently introduced to Japan in 2022.

The Target Group's operating revenue from other businesses was US\$1.5 million, US\$4.7 million, US\$6.0 million, US\$3.0 million and US\$3.4 million for FY2020, FY2021, FY2022, 1H FY2022 and 1H FY2023 respectively.

18.2 Factors Affecting the Target Group's Results of Operations

The Target Group's business and operating results are affected by general factors affecting the live social entertainment industry in markets in which it operates, including macroeconomic trends such as an increasing GDP per capita in Asia, increasing number of smartphone users and internet penetration rate, increasing personal entertainment spend as a proportion of total income, shift in consumer behaviour and preferences to consume digital content, growth of the live social entertainment market and governmental policies and initiatives affecting the live social entertainment industry and growth of other forms of online entertainment.

The Target Group believes that its results of operations are also more directly affected by factors specific to the Target Group, including the Target Group's ability to:

- grow its user base and enhance user engagement;
- attract and retain popular live streamers and enrich the quality of its content offerings;
- effectively develop and improve technology infrastructure;
- provide effective customer service to attract and retain users;
- effectively acquire and utilise V-Liver proprietary IP and related technologies;

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- effectively implement omni-marketing strategies and organise offline events;
- effectively implement its monetisation strategies to generate sustainable revenue and profits;
- manage its costs and expenses; and
- maintain its position in core markets and successfully expand into and adapt to new markets.

Please refer to Section 14.3 titled “*Information on the Target Company – Business Overview*” of this Circular for further details.

18.3 Key Components of the Statements of Profit or Loss and Comprehensive Income of the Target Group

Operating Revenue

In the Period Under Review, the Target Group derived its operating revenue primarily from liver live streaming services, V-Liver live streaming services and other businesses. The following table sets forth a breakdown of the Target Group’s operating revenue by business segment in amount and as a percentage of its total operating revenue for the periods indicated:

	FY2020		FY2021		FY2022		1H FY2022		1H FY2023	
	US\$'000	%								
Operating Revenue:										
Liver Live Streaming	406,899	98.9	489,707	98.4	354,587	97.5	195,611	97.6	146,038	96.7
V-Liver Live Streaming ⁽¹⁾	2,914	0.7	3,326	0.7	3,107	0.9	1,854	0.9	1,545	1.0
Other Businesses ⁽²⁾	1,548	0.4	4,749	0.9	6,024	1.7	2,957	1.5	3,402	2.3
Total	411,360	100.0	497,782	100.0	363,718	100.0	200,421	100.0	150,985	100.0

Notes:

(1) In-app games are available in Liver live streaming and V-Liver live streaming offerings but due to current technical limitations, as of the Latest Practicable Date, the operating revenue which the Target Group generates from in-app games in V-Liver live streaming offerings has been consolidated into the business segment of Liver live streaming. The Target Group aims to have data infrastructure in place to track the operating revenue which the Target Group generates from in-app games in Liver live streaming and V-Liver live streaming offerings separately starting from 2024.

(2) Other businesses include live commerce and Wave.

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The following table sets forth a breakdown of the Target Group's operating revenue by geographic markets for the periods indicated. The Target Group's operating revenue is predominantly derived from Japan and Taiwan, comprising an aggregate of 94.1% of the Target Group's total operating revenue in 1H FY2023.

	FY2020		FY2021		FY2022		1H FY2022		1H FY2023	
	US\$'000	%								
Operating Revenue:										
Japan	285,841	69.5	364,878	73.3	251,927	69.3	140,198	70.0	103,852	68.8
Taiwan	71,023	17.3	86,735	17.4	86,830	23.9	44,889	22.4	38,216	25.3
Rest of the World	54,496	13.2	46,169	9.3	24,961	6.9	15,335	7.6	8,916	5.9
Total	411,360	100.0	497,782	100.0	363,718	100.0	200,421	100.0	150,985	100.0

Liver Live Streaming and V-Liver Live Streaming Revenues

The Target Group's operating revenue is affected by Spend Rate and ARPPU.

The Target Group's live streaming revenues comprise revenues from (i) virtual gifting, (ii) subscription, and (iii) in-app games. Revenues are generated through virtual points that the Target Group sells to its users, which the users can exchange for virtual gifts. The Target Group first introduced the V-Liver live streaming segment in 2018. Since 2022, in line with its business growth plans, the Target Group began tracking and focusing on the development of its V-Liver live streaming business.

Virtual Gifting Revenues. The Target Group generates substantially all of its operating revenue through sales of virtual points to its users to exchange for virtual gifts presented to Livers and V-Livers during live streams. Virtual gifts can be exchanged using virtual points at different prices and virtual points can be purchased on 17LIVE in different packages, which can cost users anywhere from approximately US\$1 to US\$30,000. Please refer to Section 14.3 titled "*Information on the Target Company – Business Overview – The Target Group's Business Lines – Live Streaming – Gifting*" of this Circular for further details.

Both Liver and V-Liver live streaming virtual gifts are consumable virtual gifts that the users can present to live streamers and V-Livers to express appreciation and support. Accordingly, revenues from the sale of virtual points are first recorded as contract liabilities and are recognised as revenues upon conversion of virtual points to virtual gifts and gifted to live streamers or V-Livers based on the contract location of the live streamers and V-Livers. Virtual points can be sold in bundled packages, and the sale price is proportionally allocated to each virtual point based on the total package price, and recognised as revenue upon utilisation. The Target Group does not have further obligations to the users immediately after the consumable virtual gifts are consumed or after the effective period for time-based virtual items expires. As of the Latest Practicable Date, virtual points purchased by users in Japan will only be valid for one year. This one-year validity period of the purchased virtual points only applies to virtual points purchased by users in Japan – this is primarily due to certain depository requirements under the PSA. Upon the expiration of the unused virtual points, restricted deposits representing such expired virtual points may be released to form part of the Target Group's working capital. The one-year validity period does not apply to virtual points purchased by a user outside of Japan because there is no

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such statutory depository restriction in other applicable jurisdictions. In order to continue producing appealing content to attract and retain user traffic, the Target Group shares revenues with live streamers and V-Livers in accordance with its revenue sharing arrangements. The portion of revenue shared with live streamers and V-Livers is accounted for as the Target Group's cost of revenue. If virtual points are provided to users free of charge for marketing purposes, although the live streamers and V-Livers receive remuneration from virtual gifts redeemed from such free virtual points (which will be based on the same pre-agreed revenue sharing percentage as for the virtual gifts redeemed from paid virtual points), the Target Group does not recognise any revenue when users convert these free virtual points to virtual gifts. When providing free virtual points, the Target Group tags and tracks the free virtual points and how they are spent. Such free virtual points are valid for one year, and the Target Group has no further obligations to the user after it expires.

Users purchase virtual points, which are stored in their wallets, and use those virtual points to redeem for virtual gifts as appreciation for the streamers. The streamers receive virtual points in their wallets equivalent to the value of the virtual gifts they received. Virtual points can only be used once and cannot be used multiple times. While a "user" can be both a user and a streamer using the same account on 17LIVE, the wallet containing the virtual points that he/she has purchased as a user is separate from the wallet containing the virtual points that he/she has received as a streamer.

Subscription Revenues. The Target Group generates a portion of its revenues from subscription fees paid by users on a monthly basis for value-added and exclusive services such as the options to join the fan group of their preferred live streamers and V-Livers, becoming part of the live streamers' and V-Livers' core community (i.e. becoming an "army subscriber") and enjoy exclusive fan group streaming. 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. The membership subscription does not include elements of discount or bundled sales.

In-app Games Revenues. The Target Group also generates a small portion of its operating revenue from sales of virtual points used to play in-app games available on its platforms complementary to live streaming, including half-screen in-app casual games for users to play while simultaneously watching a live stream, and half-screen interactive in-app games that users play together with live streamers and V-Livers.

Revenues generated from sale of virtual points used to play in-app games or purchase virtual in-game equipment and tools when watching a live stream or a V-liver stream are recognised when the virtual points are used.

Other Business Revenues

The Target Group's other business revenues primarily derive from its live commerce business and Wave.

The Target Group's live commerce revenues primarily derive from SaaS subscription fees and revenue sharing arrangements for the live commerce services provided by the Target Group through HandsUp in Japan and OrderPally in Taiwan, and revenues are recognised when the services are provided. The Target Group offers merchants a three-month trial

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account, or three trial live streams. The subscription period is generally six or twelve months. The Target Group's live commerce revenues are also derived from commission arrangements through 17Shop.

The Target Group's revenues derived from Wave are primarily sales of virtual points to its users to exchange for virtual gifts presented to live streamers. For further details, please refer to Section 14.3 titled "*Information on the Target Company – Business Overview – The Target Group's Business Lines – Live Commerce and Wave*" of this Circular.

Cost of Revenue

The following table sets forth a breakdown of the Target Group's cost of revenue by types in amount and as a percentage of its total cost of revenue for the periods indicated.

	FY2020		FY2021		FY2022		1H FY2022		1H FY2023	
	US\$'000	%	US\$'000	%	US\$'000	%	US\$'000	%	US\$'000	%
Cost of revenue:										
Revenue Sharing Fees and Live Streaming Costs	175,878	74.5	236,935	76.4	172,687	72.7	101,296	75.1	64,804	73.7
Channel Costs	47,302	20.0	51,059	16.5	39,793	16.7	22,778	16.9	13,490	15.3
Server and Bandwidth Costs	8,881	3.8	19,790	6.4	20,459	8.6	10,585	7.8	8,932	10.2
Other Costs	3,941	1.7	2,252	0.7	4,630	1.9	281	0.2	700	0.8
Total	236,001	100.0	310,035	100.0	237,569	100.0	134,939	100.0	87,926	100.0

Revenue Sharing Fees and Live Streaming Costs

Revenue sharing fees represent the Target Group's payment to its live streamers and V-Livers based on a percentage of revenue from sales of virtual gifts and other subscription-based privileges attributable to such live streamers and V-Livers. When a user sends a virtual gift to a live streamer or V-Liver, the Target Group shares a pre-agreed portion of the resulting revenue with the live streamer, the V-Liver or their affiliated talent agency, which is generally in line with that offered by the Target Group's competitors. When users send virtual gifts to live streamers and V-Livers, virtual points representing the value of such virtual gifts are tagged to the live streamers and V-Livers. In addition, the Target Group has the discretion to grant bonuses to a live streamer and V-Liver if he/she reaches a pre-determined target of streaming hours or receives a certain amount of virtual gifts.

The Target Group also shares a pre-agreed portion of revenue with live streamers and V-Livers generated from subscription fees paid by users for enrolling in a subscription plan of a live streamer or V-Liver. Each subscription plan is assigned with predetermined number of virtual points in the Target Group's system and when subscription fees are paid by users, the predetermined number of virtual points in the system will be tagged to such live

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streamers and V-Livers, and the live streamers and V-Livers will accrue the virtual points on a daily basis during the subscription period.

The cumulative virtual points which are tagged to each live streamer or V-Liver are then quantified and accounted for as revenue sharing costs (included in cost of revenue) at the end of each month and settled in cash, and extinguished from the Target Group's system.

Live streaming costs represent the Target Group's payment to talent agencies, which are independent third parties, and are contractually agreed fixed sums under the respective agreements. These payments cover the recruitment, acquisition, and compensation of new live streamers and V-Livers. The costs also account for efforts to increase revenue from existing live streamers and V-Livers, such as launching special campaigns on the Target Group's platforms. Please refer to Section 14.3 titled "*Information on the Target Company – Business Overview – Live Streaming – Features of the Target Group's Platforms*" of this Circular for further details.

Channel Costs

Channel costs consist primarily of fees the Target Group pays to third party payment channels and distribution channels which include (i) in-app channels such as iOS App Store and Google Play and (ii) the Target Group's official web-based store where users can purchase virtual points. The Target Group's third party payment and distribution channels typically charge processing and commission fees, respectively, calculated as a percentage of payments and sales arising from the transactions conducted through the respective platforms.

Server and Bandwidth Costs

Server and bandwidth costs consist primarily of fees and charges that the Target Group pays to telecommunication service providers for bandwidth and content delivery-related service.

Other Costs

Other costs of revenue mainly consist of the Target Group's content production cost. These costs are predominantly costs incurred in developing and producing professional generated content.

Gross Profit and Gross Profit Margin

The following table sets forth a breakdown of gross profit and gross profit margin of the Target Group.

	FY2020	FY2021	FY2022	1H FY2022	1H FY2023
		(Audited)			(Unaudited)
Gross Profit (US\$'000)	175,359	187,747	126,149	65,482	63,059
Gross Profit Margin (%)	42.6	37.7	34.7	32.7	41.8

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The following table sets forth a breakdown of gross profit and gross profit margin of the Target Group in local currencies.

	FY2020		FY2021		FY2022		1H FY2022		1H FY2023	
	Gross Profit	Gross Profit Margin								
	(Audited)				(Unaudited)					
Japan (JPY in billion)	14.7	48.1	16.8	41.9	13.7	41.6	6.7	38.7	7.0	50.2
Taiwan (TW\$ in million)	517.3	24.7	593.4	24.4	513.5	19.9	226.4	17.6	259.0	22.2

Operating Expenses

Selling Expenses

Selling expenses primarily comprise (i) marketing expenses, (ii) employee benefits expense, (iii) depreciation and amortisation, (iv) professional fees, including consulting fees, and (v) others. The Target Group's selling expenses are US\$97.1 million, US\$129.2 million, US\$64.3 million, US\$37.1 million, and US\$24.3 million for FY2020, FY2021, FY2022, 1H FY2022 and 1H FY2023, respectively. The selling expenses of the Target Group as a percentage of its total operating expenses are 64.3%, 72.8%, 55.4%, 57.7% and 48.6% for FY2020, FY2021, FY2022, 1H FY2022 and 1H FY2023, respectively.

General and Administrative Expenses

General and administrative expenses primarily comprise (i) employee benefits expense, (ii) depreciation and amortisation, (iii) professional fees, including audit fees, consulting fees and legal fees, (iv) provision for expected credit losses for trade receivables, (v) provision for expected credit losses for other receivables and (vi) others. The Target Group's general and administrative expenses are US\$49.8 million, US\$31.6 million, US\$24.4 million, US\$14.1 million, and US\$12.2 million for FY2020, FY2021, FY2022, 1H FY2022 and 1H FY2023, respectively. The general and administrative expenses of the Target Group as a percentage of its total operating expenses are 33.0%, 17.8%, 21.0%, 21.9% and 24.4% for FY2020, FY2021, FY2022, 1H FY2022 and 1H FY2023, respectively.

Research and Development Expenses

Research and development expenses primarily comprise (i) employee benefits expense, including wages and salaries, welfare and share-based compensation for research and development personnel, (ii) depreciation and amortisation, (iii) professional fees, including consulting fees, and (iv) others. The Target Group's research and development expenses are US\$4.1 million, US\$16.6 million, US\$27.3 million, US\$13.1 million, and US\$13.5 million for FY2020, FY2021, FY2022, 1H FY2022 and 1H FY2023, respectively. The research and development expenses as a percentage of its total operating expenses are 2.7%, 9.4%, 23.5%, 20.4% and 27.0% for FY2020, FY2021, FY2022, 1H FY2022 and 1H FY2023 respectively. During the Period under Review, we expensed majority of research and development expenses as incurred. The percentage of operating revenue of the Target Group spent on R&D activities is 1.0%, 3.3%, 7.5%, 6.6% and 9.0% for FY2020, FY2021, FY2022, 1H FY2022 and 1H FY2023, respectively.

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Non-Operating Income and Expenses

The Target Group's non-operating income and expenses comprise (i) other gains and losses, which include revaluation losses on financial liabilities and impairment of goodwill, primarily attributable to the changes in valuation of preference shares and warrants which are classified as financial liabilities and not conditional on or relevant to the Target Group's operations, and (ii) finance costs, which include interest expenses in connection with loans and borrowings and lease liabilities.

The following table sets forth a breakdown of the Target Group's non-operating income and expenses by types in amount and as a percentage of its total non-operating income and expenses for the periods indicated.

	FY2020		FY2021		FY2022		1H FY2022		1H FY2023	
	US\$'000	%	US\$'000	%	US\$'000	%	US\$'000	%	US\$'000	%
Non-Operating Income and Expenses:										
Revaluation (loss)/gain on financial liabilities	(59,106)	81.4	112,407	103.2	(55,860)	105.4	(38,014)	108.7	(127,649)	99.5
Others	(12,554)	17.3	(2,791)	(2.6)	3,045	(5.7)	3,157	(9.0)	(638)	0.5
Other Gains and Losses	(71,660)	98.7	109,616	100.7	(52,815)	99.7	(34,857)	99.7	(128,288)	100.0
Finance Costs	(974)	1.3	(743)	(0.7)	(172)	0.3	(110)	0.3	(54)	0.0
Total	(72,634)	100.0	108,873	100.0	(52,987)	100.0	(34,967)	100.0	(128,341)	100.0

18.4 Results of Operations

1H FY2023 Compared to 1H FY2022

Operating Revenue

The Target Group's operating revenue decreased by 24.7% from US\$200.4 million in 1H FY2022 to US\$151.0 million in 1H FY2023, which was mainly attributable to the decrease in Liver live streaming revenues.

This is primarily due to the decrease in the number of users on 17LIVE resulting mainly from the normalisation and resumption of economic activities after the ease of the COVID-19 pandemic restrictions. Additionally, the Target Group made a deliberate shift in its strategy to focus on profitability by targeting quality users over scale. The introduction of new business initiatives such as V-Liver live streaming offerings, in-app games and live commerce also began to gain traction. As a result, while the average monthly MAU decreased from approximately 1,149,000 in 1H FY2022 to approximately 550,000 in 1H FY2023, the Target Group observed an increase in the Spend Rate from 10.7% to 16.1% whilst maintaining the ARPPU at US\$302 over the same period.

Operating revenue derived from other businesses increased by 15.0% from US\$3.0 million in 1H FY2022, compared to US\$3.4 million in 1H FY2023.

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Cost of Revenue

The Target Group's cost of revenue decreased by 34.8% from US\$134.9 million in 1H FY2022 to US\$87.9 million in 1H FY2023, which was primarily attributable to a decrease in revenue sharing fees and live streaming costs by 36.0% from US\$101.3 million in 1H FY2022 to US\$64.8 million in 1H FY2023, mainly due to a decrease in the number of Contracted MAS as a result of the ease of the COVID-19 pandemic restrictions.

The channel costs decreased by 40.8% from US\$22.8 million in 1H FY2022 to US\$13.5 million in 1H FY2023 mainly due to a shift in transactions towards the Target Group's official web-based store, resulting from optimised payment methods. In particular, in 1H FY2023, more users shifted towards third party payment methods/channels available on the Target Group's official website as compared to payments made through in-app channels. The channel costs of the Target Group therefore decreased by 40.8% because of such users' shift in payment methods, as well as a general decrease in sales volume. The server and bandwidth costs decreased by 15.6% from US\$10.6 million in 1H FY2022 to US\$8.9 million in 1H FY2023 mainly due to improved operating efficiency. Other costs increased by 149.3% from US\$0.3 million in 1H FY2022 to US\$0.7 million in 1H FY2023.

Gross Profit and Gross Profit Margin

As a result of the foregoing, the Target Group's gross profit remained relatively stable and decreased by 3.7% from US\$65.5 million in 1H FY2022 to US\$63.1 million in 1H FY2023, and its gross profit margin improved by 9.1% from 32.7% in 1H FY2022 to 41.8% in 1H FY2023.

This is primarily attributable to: (i) an increasing contribution from high-margin in-app game revenue, which is not subject to revenue sharing arrangements with live streamers and V-Livers; (ii) a decrease in channel costs resulting from optimised payment methods; and (iii) a decrease in server and bandwidth costs resulting from improvement in operating efficiency.

Operating Expenses

The Target Group's operating expenses decreased by 22.2% from US\$64.3 million in 1H FY2022 to US\$50.1 million in 1H FY2023, which was primarily attributable to a decrease in selling expenses.

Selling Expenses. The Target Group's selling expenses decreased by 34.5% from US\$37.1 million in 1H FY2022 to US\$24.3 million in 1H FY2023, primarily attributable to a decrease in marketing expenses in line with the Target Group's strategic shift to return-driven marketing strategy.

General and Administrative Expenses. The Target Group's general and administrative expenses decreased by 13.1% from US\$14.1 million in 1H FY2022 to US\$12.2 million in 1H FY2023, primarily due to a decrease in employee benefits expense, resulting from a streamlined staffing structure implemented by the Target Group as part of its cost optimisation initiatives.

Research and Development Expenses. The Target Group's research and development expenses remained relatively stable, and increased by 2.9% from US\$13.1 million in 1H FY2022 to US\$13.5 million in 1H FY2023.

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Operating Income

As a result of the foregoing, the Target Group's operating income increased from US\$1.1 million in 1H FY2022 to US\$13.0 million in 1H FY2023.

Non-Operating Income and Expenses

The Target Group's non-operating income and expenses increased by 267.0%, from a loss of US\$35.0 million in 1H FY2022 to a loss of US\$128.3 million in 1H FY2023, which was primarily attributable to revaluation loss on financial liabilities by US\$89.6 million from a loss of US\$38.0 million in 1H FY2022 to a loss of US\$127.6 million in 1H FY2023. Such financial liabilities were in relation to the fair value adjustment for preference shares and warrants.

Income Tax Expenses

The Target Group's income tax expenses decreased by 64.3% from US\$8.1 million in 1H FY2022 to US\$2.9 million in 1H FY2023, primarily attributable to a lower taxable income and the restructuring of the Target Group, which led to a more tax-efficient structure.

Loss for the Period

As a result of the foregoing, the Target Group's loss for the period changed from a net loss of US\$42.0 million in 1H FY2022 to a net loss of US\$118.2 million in 1H FY2023.

FY2022 Compared to FY2021

Operating Revenue

The Target Group's operating revenue decreased by 26.9% from US\$497.8 million in FY2021 to US\$363.7 million in FY2022, which was mainly attributable to the decrease in Live live streaming revenues.

This is primarily due to the decrease in the number of the Target Group's spenders attributable to a lower user base resulting mainly from the Target Group's deliberate shift in its strategy to focus on profitability by targeting quality users rather than pure scale. The outcome of this shift was an increase in Quality MAU and Spend Rate. MAU dropped from approximately 1,159,000 in FY2021 to approximately 886,000 in FY2022, however the Spend Rate increased from 12.8% to 14.0% over the same period.

However, despite the effective monetisation strategy implemented by the Target Group, the ARPPU dropped from an average of US\$358 in FY2021 to US\$294 in FY2022, as users reduced entertainment budgets post-COVID-19 pandemic and with the ease of COVID-19 pandemic restrictions, and users gradually returned to more offline activities, resulting in lower demand for online entertainment, including interactive live streaming.

Operating revenue derived from other businesses increased to US\$6.0 million in FY2022, compared to US\$4.7 million in FY2021.

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Cost of Revenue

The Target Group's cost of revenue decreased by 23.4% from US\$310.0 million for FY2021 to US\$237.6 million for FY2022, which was primarily attributable to (i) a decrease in revenue sharing fees and live streaming costs by 27.1% from US\$236.9 million for FY2021 to US\$172.7 million for FY2022 and (ii) a decrease in channel costs by 22.1% from US\$51.1 million for FY2021 to US\$39.8 million for FY2022, both due to a decrease in the number of Contracted MAS as a result of the ease of the COVID-19 pandemic restrictions. The server and bandwidth costs increased by 3.4% from US\$19.8 million for FY2021 to US\$20.5 million for FY2022. Other costs increased by 105.6% from US\$2.3 million for FY2021 to US\$4.6 million for FY2022.

Gross Profit and Gross Profit Margin

As a result of the foregoing, the Target Group's gross profit decreased by 32.8% from US\$187.7 million for FY2021 to US\$126.1 million for FY2022, and its gross profit margin remained relatively stable for FY2021 and FY2022.

This is primarily due to the Target Group's continued enhancement in revenue sharing percentage with live streamers in Taiwan to maintain a competitive rate and attract top-tier talents. Such decrease was partially offset by the Target Group's shift from an hourly wage scheme to a pure revenue sharing model in Japan. Additionally, there was a shift in payment channels from "in-app" purchase to the official web-based store, which offers a lower transaction fee.

Operating Expenses

The Target Group's operating expenses decreased by 34.6% from US\$177.4 million for FY2021 to US\$116.0 million for FY2022, which was primarily attributable to the decrease in selling expenses.

Selling Expenses. The Target Group's selling expenses decreased by 50.2% from US\$129.2 million for FY2021 to US\$64.3 million for FY2022, primarily attributable to strategic focus on selecting marketing channels and shifted focus to higher marketing return. As a result, the Target Group's selling expenses as a percentage of total operating expenses for FY2022.

General and Administrative Expenses. The Target Group's general and administrative expenses decreased by 22.8% from US\$31.6 million for FY2021 to US\$24.4 million for FY2022, primarily due to a decrease in staffing costs arising from a generally streamlined staffing structure and a decrease in professional fees.

Research and Development Expenses. The Target Group's research and development expenses increased by 64.4% from US\$16.6 million for FY2021 to US\$27.3 million for FY2022, due to (i) an expansion of its research and development team for its in-app game offerings in relation to Liver and V-Liver live streaming services, and (ii) an increase of rental fees of cloud services, software and servers utilised by its research and development personnel to accommodate the newly introduced interactive in-app games on 17LIVE.

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Operating Income

As a result of the foregoing, the Target Group's operating income remained relatively stable, and decreased by 2.3% from US\$10.4 million for FY2021 to US\$10.1 million for FY2022.

Non-Operating Income and Expenses

The Target Group's non-operating income and expenses changed from an income of US\$108.9 million for FY2021 to a loss of US\$53.0 million for FY2022, which was primarily attributable to revaluation losses on financial liabilities, loss on disposal of property, plant and equipment, and foreign exchange gains. In particular, the Target Group's revaluation losses on financial liabilities changed from a gain of US\$112.4 million for FY2021 to a loss of US\$55.9 million for FY2022. Such financial liabilities were in relation to the fair value adjustment for preference shares and warrants.

Income Tax Expenses

The Target Group's income tax expenses decreased by 16.2% from US\$9.7 million for FY2021 to US\$8.2 million for FY2022 which was primarily attributable to decrease in assessable profit.

Loss for the Year

As a result of the foregoing, the Target Group's income for the year changed from a net profit of US\$109.5 million for FY2021 to a net loss of US\$51.0 million for FY2022.

FY2021 Compared to FY2020

Operating revenue

The Target Group's operating revenue increased by 21.0% from US\$411.4 million for FY2020 to US\$497.8 million for FY2021, which was mainly attributable to the increase in its Live live streaming revenues.

This is primarily due to the increase in the number of its spenders attributable to the growth in the Target Group's user base and an improvement in its monetisation strategy. The COVID-19 pandemic played a significant role in the growth of user base due to the social distancing measures and lockdowns, as people increasingly turned to consuming digital content for entertainment. In line with the shift in user behaviour, the Spend Rate increased from 9.3% for FY2020 to 12.8% in FY2021, and the ARPPU increased from approximately US\$322 for FY2020 to approximately US\$358 for FY2021, underscoring the heightened online spending tendencies of users during lockdowns.

Operating revenue derived from other businesses increased by 206.8% from US\$1.5 million for FY2020 to US\$4.7 million for FY2021.

Cost of Revenue

The Target Group's cost of revenue increased by 31.4% from US\$236.0 million for FY2020 to US\$310.0 million for FY2021, which was primarily attributable to an increase in revenue sharing fees and live streaming costs by 34.7%, from US\$175.9 million for FY2020 to US\$236.9 million for FY2021. The increase was largely driven by the recruitment of more

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live streamers, many of whom joined for a supplemental income source and due to the social distancing measures imposed during the COVID-19 pandemic. Additionally, there was a change in the revenue sharing model in Japan and Taiwan. The Target Group introduced the hourly wage scheme in Japan, and enhanced the revenue sharing percentage with live streamers in Taiwan to maintain a competitive rate and attract top-tier talent.

The channel cost increased by 7.9% from US\$47.3 million for FY2020 to US\$51.1 million for FY2021. The server and bandwidth costs increased by 122.8% from US\$8.9 million for FY2020 to US\$19.8 million for FY2021. Other costs decreased by 42.9% from US\$3.9 million for FY2020 to US\$2.3 million for FY2021.

Gross Profit and Gross Profit Margin

As a result of the foregoing, the Target Group's gross profit increased by 7.1% from US\$175.4 million for FY2020, to US\$187.7 million for FY2021.

The Target Group's gross profit margin decreased by 4.9% from 42.6% pts for FY2020 to 37.7% pts for FY2021, which was mainly attributable to the increase in the revenue sharing with live streamers, particularly resulting from the Target Group's introduction of hourly wage schemes for live streamers in Japan and the enhanced revenue sharing percentage with live streamers in Taiwan in FY2021.

Operating Expenses

The Target Group's operating expenses increased by 17.5% from US\$150.9 million for FY2020 to US\$177.4 million for FY2021, which was primarily attributable to the increase in selling expenses and increase in research and development expenses.

Selling Expenses. The Target Group's selling expenses increased by 33.1% from US\$97.1 million for FY2020 to US\$129.2 million for FY2021, which was primarily attributable to its increased marketing efforts focused on further building its user base and promoting its brands across various marketing channels to generate new user traffic.

General and Administrative Expenses. The Target Group's general and administrative expenses decreased by 36.5% from US\$49.8 million for FY2020 to US\$31.6 million for FY2021, primarily due to decrease in staffing costs arising from a generally streamlined staffing structure and a decrease in amortisation expense.

Research and Development Expenses. The Target Group's research and development expenses increased by 307.8% from US\$4.1 million for FY2020 to US\$16.6 million for FY2021, which was primarily attributable to the Target Group's allocation of employee resources from general and administrative divisions to R&D divisions in FY2021 due to technological upgrade. The Target Group continued to invest significant resources into its R&D for new features and products, as well as for improvement of its technology infrastructure. The Target Group's research and development expenses as a percentage of total operating revenue also slightly increased from 1.0% for FY2020 to 3.3% for FY2021.

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Operating Income

As a result of the foregoing, the Target Group's operating income decreased by 57.6% from US\$24.4 million for FY2020 to US\$10.4 million for FY2021.

Non-Operating Income and Expenses

The Target Group's non-operating income and expenses changed significantly from a loss of US\$72.6 million for FY2020 to an income of US\$108.9 million for FY2021, which was primarily attributable to the change in other gains and losses from a loss of US\$71.7 million for FY2020 to a gain of US\$109.6 million for FY2021, which was as a result of the revaluation gains on financial liabilities. The Target Group's revaluation gains on financial liabilities changed from a loss of US\$59.1 million for FY2020 to a gain of US\$112.4 million for FY2021. Such financial liabilities were in relation to the fair value adjustment for preference shares and warrants.

Income Tax Expenses

The Target Group's income tax expenses increased by 84.0% from US\$5.3 million for FY2020 to US\$9.7 million for FY2021, primarily due to increase in assessable profit resulting from higher level of revenues in relation to the Target Group's operations in Japan.

Income for the Year

As a result of the foregoing, the Target Group's income for the year changed from a net loss of US\$51.9 million for FY2020 to a net profit of US\$109.5 million for FY2021.

18.5 Non-IFRS Financial Measures: Adjusted Net Income/Loss, EBITDA and Adjusted EBITDA

To supplement the Target Group's consolidated financial statements, which are prepared and presented in accordance with IFRS, the Target Group also uses adjusted net loss, EBITDA and adjusted EBITDA as an additional financial measure, which is not required by, or presented in accordance with, IFRS.

These non-IFRS financial measures eliminate the impact of items that are not indicative of the performance of the Target Group's business, and the Target Group believes that they provide useful information to investors and others in understanding and evaluating the Target Group's consolidated results of operations in the same manner as they help the Target Group's management. However, the Target Group's presentation of adjusted net income/loss, EBITDA and adjusted EBITDA may not be comparable to similarly titled measures presented by other companies. These non-IFRS financial measures have limitations as an analytical tool, and should not be considered in isolation from, or as a substitute for an analysis of, the Target Group's results of operations or financial condition as reported under IFRS.

The Target Group defines EBITDA as operating income before depreciation and amortisation. The Target Group defines adjusted EBITDA as EBITDA net of share-based payment. The Target Group defines adjusted net profit/(loss) as profit/(loss) for the year, excluding the revaluation (loss)/gain on financial liabilities as they are not expected to recur after Completion. The changes in the valuation of the Target Group's financial liabilities for the Period Under Review were primarily attributable to changes in valuation of its

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preference shares, which was calculated using the market approach, the Backsolve Method. The Backsolve Method is sensitive to certain key assumptions and inputs, including the volatility in share price of listed comparable companies and the expected timing of exit events. The changes in the valuation of the Target Group's preference shares for the Period Under Review were primarily attributable to the volatility in share price of comparable listed companies.

The table below presents reconciliations of the Target Group's adjusted net profit/loss to profit/(loss) for the period/year, the most directly comparable financial measure calculated and presented in accordance with IFRS, for the periods indicated:

	FY2020	FY2021	FY2022	1H FY2022	1H FY2023
	(US\$'000 except adjusted profit margin)				
(Loss)/profit for the period/ year	(51,948)	109,511	(51,017)	(41,974)	(118,245)
Add/(less): Revaluation (loss)/gain on financial liabilities	59,106	(112,407)	55,860	38,014	127,649
Adjusted profit/(loss) for the period/year	7,158	(2,896)	4,843	(3,960)	9,404
Adjusted profit margin	1.7%	(0.6%)	1.3%	(2.0%)	6.2%

The table below presents reconciliations of the Target Group's EBITDA and adjusted EBITDA to operating income, the most directly comparable IFRS financial measure, for the periods indicated:

	FY2020	FY2021	FY2022	1H FY2022	1H FY2023
	(US\$'000 except adjusted EBITDA margin)				
Operating Income for the Year/Period	24,421	10,366	10,124	1,135	13,006
Add: Depreciation	2,710	2,868	2,591	1,648	1,054
Add: Amortisation	3,176	2,217	2,301	1,096	1,334
EBITDA	30,307	15,451	15,016	3,879	15,394
Add: Share-based payment	2,989	1,924	840	470	352
Adjusted EBITDA	33,296	17,375	15,856	4,350	15,745
Adjusted EBITDA margin	8.1%	3.5%	4.4%	2.2%	10.4%

18.6 Consolidated Balance Sheet Position

The Target Group's total liabilities and equity as of 31 December 2022 were US\$103.4 million, comprising of current liabilities of US\$284.6 million, non-current liabilities of US\$2.0 million and equity-deficit of US\$183.2 million. The Target Group's current liabilities were primarily attributable to its financial liabilities at fair value through profit or loss of US\$211.1 million in relation to its preference shares and the change in its valuation, and trade and other payables of US\$59.0 million. The Target Group's equity-deficit was primarily attributable to its accumulated deficit of US\$206.6 million which was partially offset by its share premium of US\$25.4 million.

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The Target Group's total liabilities and equity as of 30 June 2023 were US\$99.3 million, comprising of current liabilities of US\$61.4 million, non-current liabilities of US\$340.2 million and equity-deficit of US\$302.3 million. The Target Group's current liabilities were primarily attributable to its trade and other payables of US\$47.3 million. The Target Group's equity-deficit was primarily attributable to its accumulated deficit of US\$324.8 million which was partially offset by its share premium of US\$25.4 million.

18.7 Liquidity and Capital Resources

The Target Group's principal sources of liquidity have been investments from its shareholders through private placements and cash generated from operating activities.

The Target Group's principal sources of liquidity have been investments from its shareholders through private placements and cash generated from operating activities.

As of 30 June 2023, the Target Group had approximately US\$39.9 million in cash and cash equivalents, which consist of cash on hand, checking and demand deposits and cash equivalents. The Target Group's cash and cash equivalents are primarily denominated in JPY as well as in local currencies of the markets in which it operates. The Target Group intends to finance its future working capital requirements and capital expenditures, and fund its operations and expansion plans post-Completion of the Proposed Business Combination, through cash and cash equivalents on hand as well as the proceeds raised from the Escrow Account and the PIPE Financing. The Target Group's operations are not funded by shareholders' loans or bank borrowings. As of 30 June 2023, the Target Group did not take out any credit arrangement or bank loan. Please refer to Section 22 titled "*Use of Proceeds*" of this Circular for further details.

The Proposed Directors are of the reasonable opinion that, after taking into consideration the above and notwithstanding that the Target Group had a net current liabilities position and recorded negative cash flow used in operating activities for both FY2021 and FY2022, having made due and careful enquiry and after taking into account the expected cash flows generated from the Target Group's operations and the Target Group's currently available cash and cash equivalents as well as the net proceeds from the Proposed Transactions, the working capital available to the Target Group as at the date of this Circular is sufficient for the Target Group to meet the present working capital requirements and for at least the next 12 months after Completion.

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The following table sets forth a summary of the Target Group's net cash flows from operating activities, investing activities and financing activities for the periods indicated.

	FY2020	FY2021	FY2022	1H FY2022	1H FY2023
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Summary Consolidated Cash Flow Data:					
Net cash flows from/(used in) operating activities	66,719	(2,912)	(10,464)	(16,051)	3,988
Net cash flows from/(used in) investing activities	3,444	(1,376)	(848)	(560)	(759)
Net cash flows from/(used in) financing activities	(122)	(26,620)	(4,185)	(2,606)	(791)
Net increase/(decrease) in cash and cash equivalents	70,042	(30,907)	(15,497)	(19,218)	2,438
Net foreign exchange differences	685	(2,493)	(4,334)	(3,700)	(1,832)
Cash and cash equivalents at beginning of financial year	21,765	92,491	59,091	59,091	39,259
Cash and cash equivalents at end of financial year	92,491	59,091	39,259	36,173	39,866

Operating Activities

Net cash generated from operating activities was US\$4.0 million in 1H FY2023. This amount represents the Target Group's loss before tax of US\$115.3 million, as well as certain adjustments including revaluation losses on financial liabilities of US\$127.6 million, trade and other payables of US\$13.3 million which was primarily attributable to revenue sharing fees and one-off retrospective tax paid in Japan which amounted to US\$4.3 million⁷, and partially offset by trade and other receivables of US\$3.5 million.

Net cash used in operating activities was US\$16.1 million in 1H FY2022. This amount represents the Target Group's loss before tax of US\$33.8 million, as well as certain adjustments including revaluation losses on financial liabilities of US\$38.0 million, trade and other payables of US\$20.0 million which was primarily attributable to revenue sharing fees and selling expenses, and partially offset by trade and other receivables of US\$7.5 million.

Net cash used in operating activities was US\$10.5 million for FY2022, the difference between the net cash used in operating activities and the Target Group's loss before tax of US\$42.9 million was due to certain adjustments including revaluation losses on financial liabilities of US\$55.9 million, trade and other receivables of US\$10.2 million, which was primarily attributable to the sales of virtual points conducted through third party payment channels, and partially offset by trade and other payables of US\$23.7 million, which was primarily attributable to revenue sharing fees and selling expenses, and income tax paid of US\$14.0 million.

⁷ 17LIVE Japan was subject to a tax audit by the National Tax Agency of Japan ("NTAJ") with respect to the Japanese consumption tax ("JCT") for the financial years ended 31 December 2018 to 2021. 17LIVE Japan filed its amended JCT returns with the NTAJ for the financial years ended 31 December 2018 to 2021 in June 2023, resulting in payment of such one-off retrospective tax.

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Net cash used in operating activities was US\$2.9 million for FY2021. This amount represents the Target Group's income before tax of US\$119.2 million, as well as certain adjustments including revaluation gains on financial liabilities of US\$112.4 million, and partially offset by trade and other payables of US\$6.9 million, which was primarily attributable to selling expenses relating to certain one-off promotion events, and income tax paid of US\$10.4 million.

Net cash generated from operating activities was US\$66.7 million in FY2020. This amount represents the Target Group's loss before tax of US\$48.2 million, as well as certain adjustments including revaluation losses on financial liabilities of US\$59.1 million, trade and other receivable of US\$19.8 million, and partially offset by impairment for goodwill of US\$10.6 million, trade and other payables of US\$50.6 million. The trade and other payables and cash flows was mainly due to increased sales of virtual points.

Investing Activities

Net cash used in investing activities was US\$0.8 million in 1H FY2023, which was primarily attributable to acquisition of property, plant and equipment of US\$1.0 million, which mainly consisted of purchase of office furniture and other office set-up related costs, and partially offset by decrease in guarantee deposit of US\$0.2 million.

Net cash used in investing activities was US\$0.6 million in 1H FY2022, which was primarily attributable to acquisition of property, plant and equipment of US\$0.3 million, which mainly consisted of purchase of office equipment, and purchase of intangible assets of US\$0.2 million.

Net cash used in investing activities was US\$0.8 million for FY2022, which was primarily attributable to acquisition of property, plant and equipment of US\$0.4 million, which mainly consisted of the purchase of office furniture and other office set-up related costs and acquisition of intangible assets of US\$0.5 million, and partially offset by acquisition of financial assets at fair value through profit or loss of US\$0.1 million.

Net cash used in investing activities was US\$1.4 million for FY2021, which was primarily attributable to acquisition of property, plant and equipment of US\$1.1 million, which mainly consisted of the purchase of office furniture and other office set-up related costs, and increase in guarantee deposit of US\$0.2 million.

Net cash generated from investing activities was US\$3.4 million in FY2020, which was primarily attributable to the acquisition of a subsidiary resulting in cash inflow of US\$3.9 million, decrease in guarantee deposit of US\$0.7 million and disposal of subsidiaries of US\$0.7 million, and partially offset by purchase of property, plant and equipment of US\$1.5 million, which mainly consisted of the purchase of office furniture and other office set-up related costs and acquisition, and purchase of intangible assets of US\$0.2 million, which primarily represented the purchase of domain names in preparation for the continued expansion of the Target Group's platforms.

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Financing Activities

Net cash used in financing activities was US\$0.8 million in 1H FY2023, which was primarily attributable to the repayments of principal portion of lease liabilities of US\$0.7 million.

Net cash used in financing activities was US\$2.6 million in 1H FY2022, which was primarily attributable to the repayments of principal portion of lease liabilities of US\$1.3 million and repayment of loans and borrowings of US\$1.2 million.

Net cash used in financing activities was US\$4.2 million for FY2022, which was primarily attributable to repayments of principal portion of lease liabilities of US\$2.9 million and repayment of loans and borrowings of US\$1.2 million.

Net cash used in financing activities was US\$26.6 million for FY2021, which was primarily attributable to repurchase of preference shares of US\$14.6 million, repayment of loans and borrowings of US\$5.8 million, repayments of principal portion of lease liabilities of US\$2.3 million, repurchase of restricted share units of US\$1.8 million and repurchase and retirement of ordinary shares of US\$1.8 million.

Net cash used in financing activities was US\$0.1 million for FY2020, which was primarily attributable to repurchase and retirement of ordinary shares of US\$32.7 million and repayments of principal portion of lease liabilities of US\$1.1 million, partially offset by proceeds from issuance of preference shares of US\$28.1 million and proceeds from loans and borrowings of US\$6.7 million.

Capital Expenditures and Divestments

Material Capital Expenditures

The details of material capital expenditures made by the Target Group during the Period Under Review and the Latest Practicable Date are set forth in the table below.

	FY2020	FY2021	FY2022	1H FY2023	From 1 July 2023 to the Latest Practicable Date
	US\$				
Expenditures					
Leasehold improvement for the Target Group's head office in Taiwan	838,339	–	–	–	–
Leasehold improvement for the Target Group's office in Taiwan	–	121,143	–	–	–
Leasehold improvement for the Target Group's photo studio in Taiwan	–	–	129,681	–	–
Leasehold improvement for the Target Group's office in Taiwan	–	–	–	570,542	561,305
Domain name acquisition	142,830	–	–	–	–
Total	981,169	121,143	129,681	570,542	561,305

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The above capital expenditures were incurred in Taiwan and primarily financed by internally generated resources. In these periods, the Target Group's capital expenditures were mainly used for purchases of, intangible assets such as computer software, and plant and equipment such as servers and computers. As at the Latest Practicable Date, save as disclosed above, the Target Group does not have any material expenditure on capital investment in progress.

Material Divestments

The details of material divestments made by the Target Group during the Period Under Review and the Latest Practicable Date are set forth in the table below.

	FY2020	FY2021	FY2022	1H FY2023	From 1 July 2023 to the Latest Practicable Date
	US\$				
Divestments					
Disposal of leasehold improvement due to the Target Group's office relocation in Taiwan	–	–	843,987	–	–
Total	–	–	843,987	–	–

The above divestment was made in Taiwan. As at the Latest Practicable Date, saved as disclosed above, the Target Group did not have any material divestment of capital investment in progress.

Employee Share-based Payment

All of the Target Group's share-based payments are equity settled. Employee services received are measured at the fair value of the equity instruments awarded at the granting date, and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and exclude the impact of any service and non-market performance vesting conditions.

Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest.

In connection with the Proposed Business Combination, the Company shall allot and issue up to 2,114,891 ESOP Shares in accordance with the Company ESOP. Please refer to Section 12 titled "*Proposed Adoption of the Company Employee Share Option Plan*" of this Circular for further details.

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The following table summarises activities under the Target Group' employee share incentive plans as of the dates indicated:

	As of 31 December			As of 30 June
	2020	2021	2022	2023
Number of restricted share units outstanding	55,769,761	40,901,923	28,291,482	27,235,961

Impairment Assessment of Tangible and Intangible Assets (Excluding Goodwill)

The Target Group assesses impairment based on its subjective judgement and determines the separate cash flows of a specific group of assets, useful lives of assets and the future possible income and expenses arising from the assets depending on how assets are utilised and their industrial characteristics. Any changes of economic circumstances or estimates due to the change of the Target Group's strategy might cause material impairment on assets in the future.

Impairment Assessment of Goodwill

The impairment assessment of goodwill relies on the Target Group's subjective judgement, including identifying cash-generating units, allocating assets and liabilities as well as goodwill to related cash-generating units, and determining the recoverable amounts of related cash-generating units.

18.8 Capital Commitments

The following table sets forth the Target Group's capital commitments as at the Latest Practicable Date:

	Payment Due by Period				Total
	Less Than 1 Year	Over 1 Year but Less Than 3 Years	Over 3 Years but Less Than 5 Years	Over 5 Years	
	(US\$)				
Trade and other liabilities ⁽¹⁾	43,499,606	–	–	–	43,499,606
Lease liabilities ⁽²⁾	1,570,265	1,251,506	–	–	2,821,771

Notes:

- (1) Represents revenue sharing fees and content cost, as well as other payables including marketing expenses, accrued salaries and sales tax payable.
- (2) Represents future minimum lease payments under non-cancellable operating leases in connection with the leases of offices.

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The Target Group intends to finance the above capital commitments with funds from continuing operations. Other than those shown above, the Target Group did not have any significant capital and other commitments, long-term obligations, or guarantees as at the Latest Practicable Date.

18.9 Critical Accounting Policies

An accounting policy is considered critical if it requires an accounting estimate to be made based on assumptions about matters that are highly uncertain at the time such estimate is made, and if different accounting estimates that reasonably could have been used, or changes in the accounting estimates that are reasonably likely to occur periodically, could materially impact the consolidated financial statements.

The Target Group prepares its consolidated financial statements in accordance with International Financial Reporting Standards (“**IFRS**”), which collective term includes all applicable individual IFRS, International Accounting Standards (“**IAS**”) as issued by the International Accounting Standards Board (the “**IASB**”) and Interpretations issued by the International Financial Reporting Interpretations Committee (the “**IFRIC Interpretations**”) of the IASB.

The preparation of financial statements in conformity with IFRS, IAS, IFRIC Interpretations, and Interpretations issued by the Standard Interpretations Committee, which were subsequently endorsed by the IASB, require the use of certain critical accounting estimates. It also requires the Target Group’s management to exercise its judgement in the process of applying its accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3 to the Target Group’s consolidated financial statements included in this Circular. Since the use of estimates is an integral component of the financial reporting process, actual results could differ from the Target Group’s expectations as a result of changes in its estimates. Some of the Target Group’s accounting policies require a higher degree of judgement than others in their application and require the Target Group to make significant accounting estimates.

The following descriptions of critical accounting policies, judgements and estimates should be read in conjunction with the Target Group’s consolidated financial statements and accompanying notes and other disclosures included in this Circular. When reviewing the Target Group’s financial statements, you should consider (i) the Target Group’s selection of critical accounting policies, (ii) the judgements and other uncertainties affecting the application of such policies and (iii) the sensitivity of reported results to changes in conditions and assumptions.

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18.10 Changes in Accounting Policies

The audited consolidated financial statements of the Target Group and the unaudited condensed interim consolidated financial statements set out in Appendix A titled “*Independent Auditor’s Report and Audited Consolidated Financial Statements of the Target Group for the Financial Years Ended 31 December 2020, 2021 and 2022*” and Appendix B titled “*Interim Consolidated Financial Statements of the Target Group for the Six-Month Period Ended 30 June 2023*” to this Circular have each been prepared in accordance with IFRS.

The same accounting policies are applied throughout all periods presented in the audited consolidated financial statements and the unaudited condensed interim consolidated financial statements set out in Appendix A titled “*Independent Auditor’s Report and Audited Consolidated Financial Statements of the Target Group for the Financial Years Ended 31 December 2020, 2021 and 2022*” and Appendix B titled “*Interim Consolidated Financial Statements of the Target Group for the Six-Month Period Ended 30 June 2023*” to this Circular, respectively, subject to the new standards, interpretations and amendments adopted by the Group as disclosed in Note 2 to the Target Group’s consolidated financial statements included in this Circular.

The Target Group currently has no intention to make any changes to its accounting policy in the next 12 months that may result in material adjustments to the disclosed financials for the Period Under Review.

18.11 Off-balance Sheet Commitments and Arrangements

The Target Group has not entered into any off-balance sheet financial guarantees or other off-balance sheet commitments to guarantee the payment obligations of any third parties. The Target Group has not entered into any derivative contracts that are indexed to its shares and classified as shareholder’s equity or that are not reflected in its consolidated financial statements. Furthermore, the Target Group does not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity. The Target Group does not have any variable interest in any unconsolidated entity that provides it with financing, liquidity, market risk or credit support or engages in leasing, hedging or product development services.

18.12 Financial Risk Management

The Target Group is exposed to certain financial risks that arise in its normal course of business, such as market risk (including foreign exchange risk and interest rate risk) and credit risk. The Target Group has implemented risk management policies and guidelines that seek to minimise potential adverse effects on its financial performance. The Target Group does not hold or issue derivative financial instruments for speculative purposes.

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Foreign Exchange Risk

The Target Group uses US\$ as the presentation currency and one of the functional currencies. During the Period Under Review, the Target Company's subsidiaries had different functional currencies in JPY, TW\$, HK\$ and S\$, among other currencies. For FY2022, the percentage contribution of JPY and NT\$ to the Target Group's revenue was 69.3% and 23.9%, respectively.

As a result, the fluctuations as of US\$ against JPY, TW\$, HK\$ and/or S\$ have had, and may continue to have, a significant impact on the consolidated financial statements of the Target Group and affect its revenue, expenses, profits, assets and liabilities reflected therein. Please refer to Note 32(c) of Appendix A titled "*Independent Auditor's Report and Audited Consolidated Financial Statements of the Target Group for the Financial Years Ended 31 December 2020, 2021 and 2022*" to this Circular for further details. The highest and lowest exchange rates between US\$ and S\$ for each month during the six months immediately prior to the Latest Practicable Date are set forth below⁸:

	Highest exchange rate between US\$ and S\$	Lowest exchange rate between US\$ and S\$
May 2023	1.3562	1.3227
June 2023	1.3573	1.3352
July 2023	1.3559	1.3172
August 2023	1.3625	1.3289
September 2023	1.3726	1.3527
October 2023	1.3734	1.3631

The average exchange rates between US\$ and S\$ for FY2020, FY2021 and FY2022, 1H FY2022 and 1H FY2023 are set forth below⁹:

	FY2020	FY2021	FY2022	1H FY2022	1H FY2023
Average exchange rate between US\$ and S\$	1.3221	1.3490	1.3395	1.3905	1.3524

The Target Group's exposure to the risk of changes in foreign exchange rates relates primarily to its operating activities, when revenues or expenses are denominated in a different currency from its functional currency, and its net investments in foreign subsidiaries. The Target Group applies natural hedges by using accounts receivable and accounts payable denominated in the same currency. However, this natural hedge does not concur with the requirement for hedge accounting. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Target Group.

⁸ Source: Bloomberg L.P.. Bloomberg L.P. has not provided its consent for the inclusion of the exchange rates quoted under this Section and is therefore not liable for such information. While the Company, the Target Group, the Sole Issue Manager and Joint Financial Advisers have taken reasonable actions to ensure that the above exchange rates have been reproduced in their proper form and context, neither the Company, the Target Group, the Sole Issue Manager and Joint Financial Advisers, nor any other party have conducted an independent review of the information or verified the accuracy of the contents of the relevant information.

⁹ Calculated by using the average of the exchange rates between US\$ and S\$ on the last day of each month during the period, with exchange rates quote from Bloomberg L.P.

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The total exchange gains (losses), including realised and unrealised gains (losses) arising from significant foreign exchange variations on monetary items held by the Target Group for FY2020, FY2021 and FY2022, and for 1H FY2022 and 1H FY2023 amounted to US\$(1,209,154), US\$567,685, US\$2,826,708, US\$3,015,857 and US\$(637,915), respectively. The analysis of foreign currency market risk arising from significant foreign exchange variations is set forth below:

	FY2022	
	Change in exchange rate	Effect on profit (loss)
	%	US\$
	1%	(34,653)
JPY:US\$	(1)%	35,354
	1%	10,173
NT\$:US\$	(1)%	(10,379)
	1%	(76,773)
HK\$:US\$	(1)%	78,324

Interest Rate Risk

The Target Group is not exposed to material risks due to changes in market interest rate and it has not used any derivative financial instrument to manage its interest risk exposure.

After Completion, the Enlarged Group may invest the net proceeds from the Proposed Transactions in interest-bearing instruments. Investments in both fixed rate and floating rate interest earning instruments carry a degree of interest rate risk. Fixed rate securities may have their fair market value adversely impacted due to a rise in interest rates, while floating rate securities may produce less income than expected if interest rates fall.

Credit Risk

The Target Group is exposed to credit risk from its operating activities, primarily from trade and other receivables from third party payment channels which collected payments for its users' purchase of virtual points on behalf of the Target Group.

The Target Group's payment terms for each third party payment channel differ. Under the Target Group's standard payment terms, it generally grants credit terms ranging from 20 to 60 days, depending on factors including but not limited to their payment history, financial strength and internal payment schedule, as well as the size of the relevant transaction.

The Target Group will review the trade debts and follow up on the outstanding debts with the respective third party payment channel. According to the Target Group's policy, it will provide an allowance for expected credit losses for trade debts that are over due date and with recoverability issues. Specific provision or write-off will be made when the Target Group is of the view that the collectability of an outstanding debt is impaired or the debt is uncollectible.

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Except for those trade receivables that have been included in the allowance for expected credit losses and based on the third party payment channel's historical default rates and experience, the Target Group does not foresee any issue with collection of the outstanding debts. The Target Group incurred bad debts of US\$149,551, US\$0, US\$16,928 and US\$356,404 which were written off in FY2020, FY2021 and FY2022, and 1H FY2023, respectively. As of the Latest Practicable Date, approximately 98.7% of the Target Group's trade receivables as at 30 June 2023 had been collected.

18.13 Contingent Liabilities

The Target Group does not have any contingent liabilities as at the Latest Practicable Date.

18.14 Off-Balance Sheet Arrangements

The Target Group has no off-balance sheet arrangements that are not reflected in its financial statements as at the Latest Practicable Date.

Recently Issued Accounting Pronouncements

See Note 2 to the Target Group's consolidated financial statements included in this Circular for a detailed discussion.

Significant Developments after 30 June 2023 that May Affect the Target Group's Results of Operations

Save as disclosed in Section 14 titled "*Information on the Target Company*", Section 15 titled "*Prospects, Business Strategies and Future Plans*", Section 16 titled "*Risk Factors*" and Section 18 titled "*Management's Discussion and Analysis of Financial Position and Results of Operations of the Target Group*" of this Circular, and the "*Independent Auditor's Report and Audited Consolidated Financial Statements of the Target Group for the Financial Years ended 31 December 2020, 2021 and 2022*", "*Interim Consolidated Financial Statements of the Target Group for the six-month period ended 30 June 2023*" and "*Unaudited Pro Forma Consolidated Financial Information of the Enlarged Group for the Financial Year ended 31 December 2020, 2021 and 2022 and the six-month period ended 30 June 2023*" as set out in Appendices A, B and C to this Circular, respectively, and barring any unforeseen circumstances, the Target Group is not aware of any other known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on net sales or revenues, profitability, liquidity or capital resources for the current financial year, or that may cause the financial information disclosed in this Circular to be not necessarily indicative of the Target Group's future operating results or financial condition. Please refer to the Section titled "*Cautionary Note on Forward-Looking Statements*" of this Circular.

19. CAPITALISATION AND INDEBTEDNESS

The following table, which should be read in conjunction with the full text of this Circular, including the "*Independent Auditors' Report and Audited Consolidated Financial Statements of the Target Group for the financial years ended 31 December 2020, 2021 and 2022*" as set out in Appendix A to this Circular, the "*Interim Consolidated Financial Statements of the Target Group for the Six-Month Period Ended 30 June 2023*" as set out in Appendix B to this Circular and the "*Unaudited Pro Forma Consolidated Financial Information of the Enlarged Group for the Financial Year Ended 31 December 2022 and the*

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Six-Month Period Ended 30 June 2023” as set out in Appendix C to this Circular, shows the Target Group’s cash and bank balances, capitalisation and indebtedness, which is prepared based on:

- (a) the Target Group’s audited financial statements for the financial year ended 31 December 2022; and
- (b) the Target Group’s unaudited management accounts as at 30 September 2023.

(US\$’000)	As at 31 December 2022	As at 30 September 2023
Cash and bank balances indebtedness	39,259	37,298
<i>Current:</i>		
– secured and guaranteed	0	0
– unsecured and non-guaranteed ⁽¹⁾	212,023	2,297
<i>Non-current:</i>		
– secured and guaranteed	0	0
– unsecured and non-guaranteed ⁽¹⁾	1,012	339,326
Total indebtedness	213,035	341,623
Total shareholders’ equity	(183,199)	(302,221)
Total capitalisation and indebtedness	69,095	76,700

Note:

- (1) Unsecured and non-guaranteed indebtedness pertains to financial liabilities at fair value through profit or loss and lease liabilities. Financial liabilities at fair value through profit or loss primarily consist of preference shares and warrants issued by the Target Company. These financial liabilities are expected to be converted to shareholders’ equity upon Completion.

Save for (a) the changes in working capital; and (b) the changes in shareholders’ equity and reserves arising from the day-to-day operations in the ordinary course of business, there were no material changes to the Target Group’s capitalisation and indebtedness as disclosed above as at the Latest Practicable Date.

Credit Facilities

As at 30 June 2023, the Target Group does not have any committed borrowing facilities.

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20. FINANCIAL EFFECTS OF THE PROPOSED TRANSACTIONS

The pro forma financial effects of the Proposed Business Combination on the share capital, earnings and the NTA of the Company have been prepared based on the audited consolidated financial statements of the Company for the financial year ended 31 December 2022 and the six-month period ended 30 June 2023 and the audited consolidated financial statements of the Target Group for the financial year ended 31 December 2022 and the six-month period ended 30 June 2023.

The pro forma financial effects of the Proposed Business Combination are for illustrative purposes only. The objective is to illustrate what the historical information might have been if the Proposed Business Combination had been completed at an earlier date. However, such information is not necessarily indicative of the actual results of the operations or the related effects in the financial position that would have been attained had the Proposed Business Combination been completed at such an earlier date. Given that the financial effects presented below are pro forma in nature and only for illustrative purposes, it does not necessarily represent the actual financial position and/or results of the Company or the Enlarged Group immediately after Completion.

20.1 Bases and Assumption

For illustrative purposes only, the financial effects of the Proposed Transactions are prepared based on, *inter alia*, the following assumptions:

- (a) the financial effects of the Proposed Transactions on the share capital, NTA and earnings of the Enlarged Group are computed based on the audited financial statements of the Company and the audited consolidated financial statements of the Target Group for FY2022 and the condensed interim financial statements of the Company and the reviewed interim financial statements of the Target Group for 1H FY2023;
- (b) the financial effects of the Proposed Transactions on the share capital and NTA of the Enlarged Group are computed assuming that the Proposed Transactions have been completed on 31 December 2022 and 30 June 2023 (as applicable);
- (c) the financial effects of the Proposed Transactions on the earnings and EPS of the Enlarged Group are computed assuming that the Proposed Transactions have been completed on 1 January 2022;
- (d) except for the financial effects of the conversion of the warrants and preference shares of the Target Group, the financial effects do not take into account any transactions effected or completed by the Enlarged Group subsequent to 31 December 2022 and 30 June 2023 (as applicable);
- (e) directly attributable costs in connection with the Proposed Transactions are assumed to be approximately S\$21.0 million (equivalent to approximately US\$15.5 million) assuming that there is No Redemption and approximately S\$19.0 million (equivalent to approximately US\$14.0 million) assuming that there is Maximum Redemption; and
- (f) the difference between the deemed consideration for the Proposed Business Combination and the fair value of the net assets of the Enlarged Group, if any, have not been considered and will be determined on the date of Completion when the Vendor has effectively obtained control of the Company. The actual difference could be materially different from the aforementioned assumption.

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For the avoidance of doubt, the financial effects of the Proposed Transactions on NTA and earnings reflect the following:

- (1) the 41,606,000 issued Shares held by the Non-Redeeming Shareholders and Vertex SPV assuming that there is No Redemption and 12,000,000 Shares held by the Non-Redeeming Shareholders and Vertex SPV assuming that there is Maximum Redemption;
- (2) the allotment and issuance of 160,162,651 Consideration Shares;
- (3) the allotment and issuance of 2,000,000 Base PIPE Shares;
- (4) the allotment and issuance of 3,760,600 Special Bonus Shares; and
- (5) the allotment and issuance of the Promote Shares to the Sponsor,

but do not take into consideration the following:

- (6) the allotment and issuance of 2,114,891 ESOP Shares;
- (7) the allotment and issuance of 24,408,000 Earnout Shares;
- (8) the allotment and issuance of 2,550,000 EIS Shares; and
- (9) the exercise of the Warrants.

20.2 Financial Effects on Share Capital

As at the Latest Practicable Date, there were 41,606,000 Shares, 12,481,799 Public Warrants and 16,000,000 Private Placement Warrants outstanding.

Assuming that there is No Redemption and that the total proceeds raised from the PIPE Financing is S\$10.0 million, the Enlarged Share Capital as at Completion is expected to be 207,529,251 Shares.

Assuming that there is Maximum Redemption and that the total proceeds raised from the PIPE Financing is S\$10.0 million, the Enlarged Share Capital as at Completion is expected to comprise 174,962,651 Shares.

	Effects of No Redemption	Effects of Maximum Redemption
Immediately before Completion	41,606,000 Shares	41,606,000 Shares
Minus: Redemption by Shareholders	0 Shares	29,606,000 Shares
Add: Number of Consideration Shares	160,162,651 Shares	160,162,651 Shares

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	Effects of No Redemption	Effects of Maximum Redemption
Add: Base PIPE Shares	2,000,000 Shares	2,000,000 Shares
Add: Special Bonus Shares	3,760,600 Shares	800,000 Shares
Enlarged Share Capital as at Completion	207,529,251 Shares	174,962,651 Shares

20.3 Financial Effects on NTA and NTA per Share

As of 31 December 2022

	VTAC	(+) Target Company	(+) Adjustments		Pro forma	
			No Redemption	Maximum Redemption	No Redemption	Maximum Redemption
Shares outstanding (millions)	41.6	148.9 ⁽¹⁾	N.M.	N.M.	207.5	175.0
NTA (US\$ million)	26.4	(209.7)	333.8	224.6	150.5	41.3
NTA per share (US\$)	0.64	(1.41)	N.M.	N.M.	0.73	0.24

Notes: N.M. means not meaningful. The pro forma adjustments relate to:

- (a) The effects of the reverse takeover accounting for the Proposed Business Combination, including the issuance of the Promote Shares to the Sponsor, with a resultant listing expense of US\$22.6 million. The Proposed Business Combination is classified as a reverse takeover of a SPAC (i.e. the Company), and the Company does not constitute a business under the definitions in IFRS 3. Accordingly, any excess of the fair value of the effective consideration transferred by the Target Company (the accounting acquirer) for the acquisition of the Company (the accounting acquiree), and the fair value of the net identifiable assets and liabilities of the Company acquired, is recorded as a share-based payment in accordance with IFRS 2 (i.e. listing expense). The fair value of the effective consideration transferred by the Target Company for the acquisition of the Company is determined based on (A) the number of Shares held by (i) the existing Shareholders (i.e. 41,606,000), (ii) the Special Bonus Shares expected to be issued to the Non-Redeeming Shareholders (i.e. 3,560,600), and (iii) the Promote Shares expected to be issued within 12 months of the Completion of the Proposed Business Combination (i.e. 5,096,735), multiplied by (B) the share price of the Company as of the date of the SPA (S\$4.81 per Share), for pro forma illustrative purposes. The fair value of the net identifiable assets and liabilities of the Company acquired is determined based on the audited/ unaudited balance sheets of the Company as of 31 December 2022 and 30 June 2023 respectively, where the carrying values of its assets and liabilities approximate their fair values, and as adjusted for (i) the conversion of all redeemable shares into equity, and (ii) the nominal proceeds of S\$25,000 expected to be received on issuance of the Promote Shares.
 - (b) Conversion of the redeemable shares of the Company of US\$130.8 million into equity
 - (c) Conversion of the warrants and preference shares of the Target Group aggregating to US\$211.1 million into equity
 - (d) Receipt of PIPE proceeds of US\$7.4 million
 - (e) Total estimated professional fees in relation to the Proposed Business Combination amounting to US\$15.5 million assuming that there is No Redemption and US\$14.0 million assuming that there is Maximum Redemption, which are deemed to have been incurred and settled in cash
- (1) Refers to the Basic Sale Shares

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As of 30 June 2023

	VTAC	(+ Target Company)	(+ Adjustments		Pro forma	
			No Redemption	Maximum Redemption	No Redemption	Maximum Redemption
Shares outstanding (millions)	41.6	148.9 ⁽¹⁾	N.M.	N.M.	207.5	175.0
NTA (US\$ million)	28.9	(327.5)	462.6	353.4	164.0	54.8
NTA per share (US\$)	0.69	(2.20)	N.M.	N.M.	0.79	0.31

Notes: N.M. means not meaningful. The pro forma adjustments relate to:

- (a) The effects of the reverse takeover accounting for the Proposed Business Combination, including the issuance of the Promote Shares to the Sponsor, with a resultant listing expense of US\$19.7 million
 - (b) Conversion of the redeemable shares of the Company of US\$129.7 million into equity
 - (c) Conversion of the warrants and preference shares of the Target Group aggregating to US\$338.8 million into equity
 - (d) Receipt of PIPE proceeds of US\$7.4 million
 - (e) Total estimated professional fees in relation to the Proposed Business Combination amounting to US\$15.5 million assuming that there is No Redemption and US\$14.0 million assuming that there is Maximum Redemption, which are deemed to have been incurred and settled in cash
- (1) Refers to the Basic Sale Shares

20.4 Financial Effects on Earnings and EPS

FY2022

	VTAC	(+ Target Company)	(+ Adjustments		Pro forma	
			No Redemption	Maximum Redemption	No Redemption	Maximum Redemption
Shares outstanding (millions as of 31 Dec 2022)	41.6	148.9 ⁽¹⁾	N.M.	N.M.	207.5	175.0
Net profit after tax (US\$ million)	5.3	(51.0)	21.2	17.7	(24.5)	(28.0)
Net profit after tax per share (US\$)	0.13	(0.34)	N.M.	N.M.	(0.12)	(0.16)

Notes: N.M. means not meaningful. The pro forma adjustments relate to:

- (a) The effects of the reverse takeover accounting for the Proposed Business Combination, including the issuance of the Promote Shares to the Sponsor, with a resultant listing expense of US\$22.6 million
 - (b) Reversal of interest expense on redeemable shares of the Company of US\$2.6 million
 - (c) Reversal of the revaluation loss on warrants and preference shares of the Target Group aggregating to US\$55.9 million and changes in credit risk of warrants and preference shares of the Target Group of US\$700
 - (d) Total estimated professional fees in relation the Proposed Business Combination amounting to US\$15.5 million assuming that there is No Redemption and US\$14.0 million assuming that there is Maximum Redemption, which are deemed to have been incurred and settled in cash
- (1) Refers to the Basic Sale Shares.

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1H FY2023

	VTAC	(+ Target Company)	(+ Adjustments)		Pro forma	
			No Redemption	Maximum Redemption	No Redemption	Maximum Redemption
Shares outstanding (millions as of 30 June 2023)	41.6	148.9 ⁽¹⁾	N.M.	N.M.	207.5	175.0
Net profit after tax (US\$ million)	2.7	(118.2)	129.8	126.3	14.3	10.8
Net profit after tax per share (US\$)	0.07	(0.79)	N.M.	N.M.	0.07	0.06

Notes: N.M. means not meaningful. The pro forma adjustments relate to:

- (a) Reversal of interest expense on redeemable shares of the Company US\$1.5 million
- (b) Reversal of the revaluation loss on warrants and preference shares of the Target Group aggregating to US\$127.6 million and changes in credit risk of warrants and preference shares of the Target Group of US\$20,700
- (c) Reversal of professional fees accrued and/or paid during the six-month period ended 30 June 2023 in relation to the Proposed Business Combination, which amounted to US\$2.2 million, and which are deemed to have been incurred on 1 January 2022
- (1) Refers to the Basic Sale Shares

21. NO MATERIAL EFFECT ON FINANCIAL POSITION

Save as disclosed in this Circular and all public announcements made by the Company, the Directors are not aware of any event which has occurred since the last audited balance sheet of 31 December 2022 and up to the Latest Practicable Date, which may have a material effect on the financial position and results of the Company.

Save as disclosed in this Circular, the directors of the Target Company are not aware of any event which has occurred since the last audited balance sheet of 31 December 2022 and up to the Latest Practicable Date, which may have a material effect on the financial position and results of the Target Company.

22. USE OF PROCEEDS

22.1 Use of Proceeds Raised from the Company's Initial Public Offering

According to the Prospectus, 100% of the gross proceeds raised (or S\$1.00 for every dollar raised) by the Company from the Offering, the issuance of the Cornerstone Units, the Sponsor IPO Investment Units and the Additional Units will be placed in the Escrow Account. Such monies in the Escrow Account may be used for the consummation of the initial business combination, and in the payment of deferred underwriting commissions to the Joint Global Coordinators, Joint Bookrunners and Joint Underwriters (as defined in the Prospectus).

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Based on the Prospectus, the Company intends to use the gross proceeds due to it from the Offering, the issuance of the Cornerstone Units, the Sponsor IPO Investment Units and the Additional Units for the purposes set out below:

- (a) Consummation of the initial business combination⁽¹⁾: S\$202.38 million (based on the Over-allotment Option) or S\$0.97 (as a dollar amount for each S\$1.00 of the gross proceeds due to the Company from the Offering, the issuance of the Cornerstone Units, the Sponsor IPO Investment Units and the Additional Units); and
- (b) Payment of deferred underwriting commissions to the Joint Global Coordinators, Joint Bookrunners and Joint Underwriters⁽¹⁾: S\$5.65 million (based on the Over-allotment Option) or S\$0.03 (as a dollar amount for each S\$1.00 of the gross proceeds due to the Company from the Offering, the issuance of the Cornerstone Units, the Sponsor IPO Investment Units and the Additional Units).

Note:

- (1) Assuming that there is No Redemption at the initial business combination.

For the avoidance of doubt, based on the Prospectus, the gross proceeds to be held in the Escrow Account does not include the proceeds from the issuance of the Private Placement Warrants. The gross proceeds raised from the issuance of the 16.0 million Private Placement Warrants in conjunction with the Offering will be S\$8.0 million based on the subscription price of S\$0.50 per Warrant. Such gross proceeds will not be placed in the Escrow Account and will instead be placed in a separate bank account and be used to pay for expenses incurred by the Company in connection with the Offering, and any remaining amounts, together with interest or other income earned on the escrowed funds from permitted investments, will be applied for general working capital expenses and for the purpose of identifying and completing an initial business combination.

The Company had raised approximately S\$208.03 million from the Offering, the issuance of the Cornerstone Units, the Sponsor IPO Investment Units and the Additional Units (the “**IPO Proceeds**”), which was placed in the Escrow Account. Consistent with its disclosure in the Prospectus, the Company intends to use the IPO Proceeds for the purposes set out below:

- (a) Consummation of the initial business combination⁽¹⁾: S\$202.38 million or S\$0.97 (as a dollar amount for each S\$1.00 of the gross proceeds due to the Company from the Offering, the issuance of the Cornerstone Units, the Sponsor IPO Investment Units and the Additional Units); and
- (b) Payment of deferred underwriting commissions to the Joint Global Coordinators, Joint Bookrunners and Joint Underwriters⁽¹⁾: S\$5.65 million or S\$0.03 (as a dollar amount for each S\$1.00 of the gross proceeds due to the Company from the Offering, the issuance of the Cornerstone Units, the Sponsor IPO Investment Units and the Additional Units).

Note:

- (1) Assumes that there is No Redemption at the initial business combination.

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Pursuant to the terms of the management and underwriting agreement that was entered into between the Company, the Sponsor, Vertex SPV, CS, DBS and Morgan Stanley Asia (Singapore) Pte., dated 13 January 2022 (the “MUA”), the Company will, subject to the terms and conditions specified in the MUA, pay the deferred underwriting commissions to the Joint Global Coordinators, Joint Bookrunners and Joint Underwriters (as defined in the Prospectus) within ten Market Days following Completion. Accordingly, the Company’s use of the gross proceeds raised from the Offering, the issuance of the Cornerstone Units, the Sponsor IPO Investment Units and the Additional Units is consistent with the intended use of proceeds disclosed in the Prospectus.

As at the Latest Practicable Date, the number of Private Placement Warrants purchased is 16.0 million and to the best of the knowledge of the Company and subject to Completion, no additional Private Placement Warrants are intended to be purchased by Vertex SPV. Accordingly, the gross proceeds raised from the issuance of the Private Placement Warrants is S\$8.0 million. Such gross proceeds were not placed in the Escrow Account and were instead placed in a separate bank account. The Company used such gross proceeds to pay for expenses incurred by the Company in connection with the Offering, and intends to use the remaining amounts, together with interest or other income earned on the escrowed funds from permitted investments, for general working capital expenses and for the purpose of identifying and completing the Proposed Business Combination. This is in line with the disclosure of the intended use of the gross proceeds from the issuance of the Private Placement Warrants in the Prospectus.

22.2 Use of Interests and Income Derived from the Amounts in the Escrow Account

As of the Latest Practicable Date, the Company has drawn down S\$10.39 million of the interest earned on the funds placed in the Escrow Account from permitted investments. As permitted by the Mainboard Rules, all the interest earned will be applied towards the payment of a substantial portion of the cost incurred by the Company in relation to the administrative expenses in connection with the IPO, general working capital expenses and related expenses and professional fees for the purposes of identifying and completing the Proposed Business Combination. For the avoidance of doubt, the Company has not drawn down and will not draw down on any portion of the Company’s IPO proceeds that is placed in the Escrow Account (i.e. S\$208,030,000) and such amount will continue to be on deposit in the Escrow Account for the purposes of the calculation of the Redemption Price.

22.3 Use of Proceeds Raised from the PIPE Financing and the Completion Remaining Escrow Amount

The estimated gross proceeds from the issuance of the Base PIPE Shares based on the Issue Price will be approximately S\$10.0 million.

For completeness, the Enlarged Group will not receive any proceeds from the issuance of the Consideration Shares, the Earnout Shares, the EIS Shares, the ESOP Shares and the Special Bonus Shares.

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The Enlarged Group intends to use the gross proceeds due to it from the issuance of the Base PIPE Shares as well as the Completion Remaining Escrow Amount for the purposes as shown below:

Scenario 1: Assuming that there is No Redemption

Application	Estimated amount (S\$) in millions	As a dollar amount for each S\$1.00 of the gross proceeds due to the Enlarged Group from the issuance of the Base PIPE Shares and the Completion Remaining Escrow Amount (S\$)
Acquire talent management agencies for V-Livers and Livers	45	0.21
Potential acquisition of suitable live streaming platforms (both V-Livers and Livers) to expand the user base and consolidate market share	55	0.25
Invest into R&D and product development, with a special focus on V-Liver/AR/AI technologies	45	0.21
Expand live streaming operations in geographies such as Southeast Asia and USA	40	0.18
General corporate and working capital purposes	33	0.15
Gross proceeds due to the Enlarged Group from the issuance of the Base PIPE Shares and the Completion Remaining Escrow Amount	218	1.00

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Scenario 2: Assuming that there is Maximum Redemption

Application	Estimated amount (S\$) in millions	As a dollar amount for each S\$1.00 of the gross proceeds due to the Enlarged Group from the issuance of the Base PIPE Shares and the Completion Remaining Escrow Amount (S\$)
Acquire talent management agencies for V-Livers and Livers	15	0.21
Potential acquisition of suitable live streaming platforms (both V-Livers and Livers) to expand the user base and consolidate market share	20	0.30
Invest into R&D and product development, with a special focus on V-Liver/AR/AI technologies	15	0.21
Expand live streaming operations in geographies such as Southeast Asia and USA	10	0.14
General corporate and working capital purposes	10	0.14
Gross proceeds due to the Enlarged Group from the issuance of the Base PIPE Shares and the Completion Remaining Escrow Amount	70	1.00

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Expenses

The total expenses paid and payable by the Enlarged Group in connection with the PIPE Financing and the Proposed Business Combination are as follows:

Scenario 1: Assuming that there is No Redemption

Application	Estimated amount (S\$) in millions
Professional fees and expenses incurred in connection with the Proposed Business Combination (including the fees and expenses payable to the Joint Financial Advisers and legal fees)	18.75
Expenses incurred in connection with the PIPE Financing (including the placement fees and expenses payable to the Joint Placement Agents) ⁽¹⁾	0.53
Miscellaneous expenses (including expenses incurred in connection with the Listing Application)	1.75
Total Expenses payable by the Enlarged Group	21.03

Note:

- (1) The placement fees and expenses payable to the Joint Placement Agents are computed based on the assumptions that (a) the total non-redeemed cash proceeds are S\$208 million (including but not limited to contributions by Vertex SPV) and (b) the total proceeds raised from the PIPE Financing is S\$10.0 million.

Scenario 2: Assuming that there is Maximum Redemption

Application	Estimated amount (S\$) in millions
Professional fees and expenses incurred in connection with the Proposed Business Combination (including the fees and expenses payable to the Joint Financial Advisers and legal fees)	16.74
Expenses incurred in connection with the PIPE Financing (including the placement fees and expenses payable to the Joint Placement Agents) ⁽²⁾	0.53
Miscellaneous expenses (including expenses incurred in connection with the Listing Application)	1.75
Total Expenses payable by the Enlarged Group	19.02

Note:

- (2) The placement fees and expenses payable to the Joint Placement Agents are computed based on the assumptions that (a) the total non-redeemed cash proceeds is S\$60.0 million (including but not limited to contributions by Vertex SPV) and (b) the total proceeds raised from the PIPE Financing is S\$10.0 million.

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The Company will pay the Joint Financial Advisers, as compensation for their services in connection with the PIPE Financing, a base fee of 2.85% of the gross proceeds from the PIPE Financing. This base fee will amount to approximately S\$0.1425 for each Base PIPE Share issued. In addition, the Company may, at its sole discretion, pay the Joint Financial Advisers an incentive fee of up to 0.15% of the gross proceeds from the PIPE Financing. This incentive fee will amount to approximately S\$0.0075 for each Base PIPE Share issued.

PIPE Investors who subscribe for Base PIPE Shares will be required to pay to the Joint Financial Advisers a brokerage fee of 1.0% of the offering price of the Base PIPE Shares (i.e. S\$5.00) (together with any applicable goods and services tax on such brokerage) at the time of settlement.

In the opinion of the Directors, no minimum amount must be raised from the issue of the Base PIPE Shares.

The Company will also pay the Joint Financial Advisers, as compensation for their services in connection with the Proposed Business Combination, including capital markets advisory and the role of joint financial advisers, (a) a base fee of S\$1,125,000 to DBS and (b) a base fee of S\$375,000 to UBS. In addition, the Company may, at its sole discretion, pay the Joint Financial Advisers an incentive fee of up to S\$500,000.

The foregoing represents the Enlarged Group's best estimate of its allocation of the proceeds due to the Enlarged Group from the issuance of the Base PIPE Shares and the Completion Remaining Escrow Amount based on the Enlarged Group's current plans and estimates regarding its anticipated expenditures. Actual expenditures may vary from these estimates, and the Enlarged Group may find it necessary or advisable to re-allocate the gross proceeds and the Completion Remaining Escrow Amount within the categories described above or to use portions of the gross proceeds and the Completion Remaining Escrow Amount for other purposes. The Enlarged Group will make periodic announcements on the use of gross proceeds from the issuance of the Base PIPE Shares and the Completion Remaining Escrow Amount as and when the funds are materially utilised and whether such use is in accordance with the stated use and in accordance with the percentage allocated. Where there is any material deviation from the stated use of proceeds, the Enlarged Group will announce the reasons for such deviation. The Enlarged Group will also provide a status report on the use of proceeds in its annual report.

Pending the use of the gross proceeds and the Completion Remaining Escrow Amount in the manner described above, the Enlarged Group may place the funds in fixed deposits with banks and financial institutions or use the funds to invest in short-term money market instruments, as the Proposed Directors may deem appropriate in their absolute discretion.

Any cash balances in the Enlarged Group, after the payment of the expenses listed above, shall be managed by the Proposed Management Team in their discretion, and may be used to discharge, reduce or retire indebtedness of the Target Company and/or the Enlarged Group (if any), if it deems fit.

For completeness, no introducer or consultant has been engaged by the Company or the Target Group to assist with the Restructuring, the PIPE Financing and/or in connection with the Proposed Business Combination.

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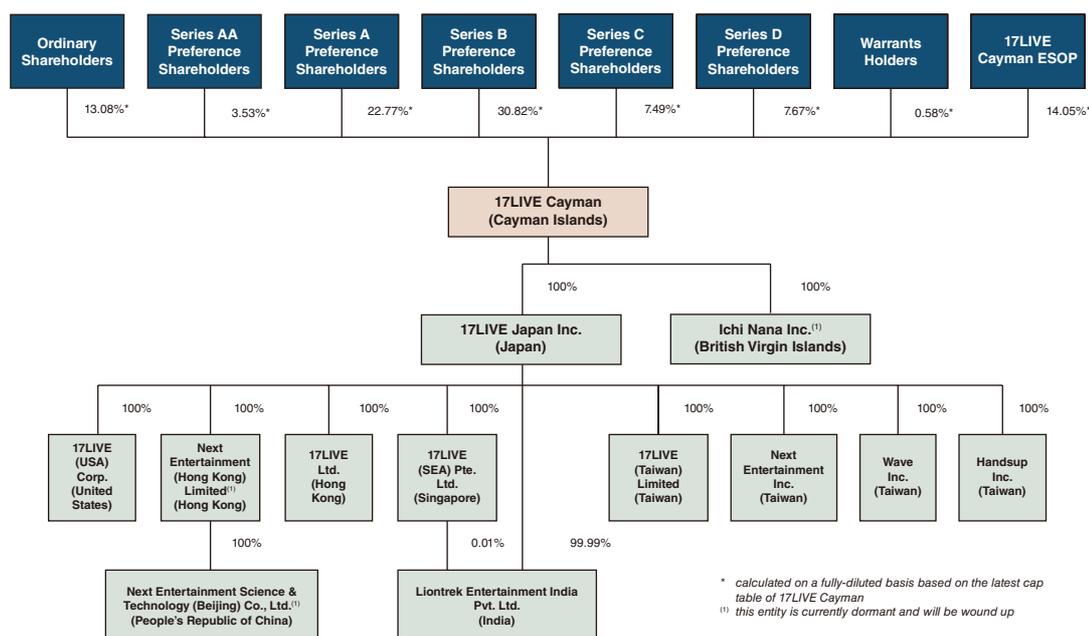
23. ENLARGED GROUP CORPORATE AND SHAREHOLDING STRUCTURE

23.1 Corporate Structure of the Company before Completion

The Company has no subsidiaries as at the Latest Practicable Date.

23.2 Corporate Structure of the Target Group as at the date of this Circular

As at the date of this Circular, the corporate structure of the Target Group is set out in the diagram below:



Note:

For completeness, each of NEGH, NEHK, NEBJ, Ichi Nana Inc. and Machipopo forms part of the Target Group during FY2020, FY2021 and FY2022 but was wound up or in the process of winding up as of the Latest Practicable Date as these entities no longer serve any function within the Target Group. In respect of Machipopo and Ichi Nana Inc., their respective historical functions relating to 17LIVE have been consolidated and assumed by 17LIVE Japan, as part of the Target Group's internal restructuring to streamline the group structure and improve operational efficiency. In respect of NEGH, NEHK and NEBJ, their respective historical functions relating to MeMe Live have ceased upon the integration of MeMe Live into 17LIVE to achieve greater synergy between the two live streaming businesses. This is part of the Target Group's internal restructuring pre-Completion which will not have material impact on the Target Group's business or operation as a whole. In respect of the winding up/dissolution of these entities which would be completed after Completion, there would not be material adverse implications to the Enlarged Group's business operations in the event that any such entity was not wound up/dissolved post-Completion, because all of these entities have ceased operations and are dormant; and (ii) the Enlarged Group will be responsible for ensuring that the above entities are wound up/dissolved and will bear the costs of such actions, and the Target Group does not expect such costs to be significant.

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The corporate information on the Target Company is set out below:

Registration number	:	320106
Date of incorporation	:	28 February 2017
Country of incorporation	:	Cayman Islands
Principal activities	:	(a) live streaming software, websites or applications, and (b) e-commerce platforms
Address of registered office	:	Harneys Fiduciary (Cayman) Limited, 4th Floor, Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman KY1-1002, Cayman Islands
Principal place of business	:	2-12-28, Kita-Aoyama, Minato City, Tokyo, Japan
Issued and paid-up share capital	:	US\$24,802.6 comprising 248,025,621 shares ⁽¹⁾
Present directors	:	Mr. Akio Tanaka Mr. Phua Jiexian Joseph Mr. Huang Li-An Mr. Chihoon Hyun Mr. Joo Hock Chua Mr. Kin Chung Terry Tsang Mr. Hock Chuan Tam
Present auditor	:	Ernst & Young LLP

Note:

(1) Excludes the issuance of 3,018,833 ratchet shares

The Target Company's telephone number at the principal place of business is (+81) 364475056. The website address and email address of the Target Company are https://about.17.live/and_investor_relations@17.live, respectively. The Target Company does not have a facsimile number. The information on the Target Company's website or any website directly or indirectly linked to such website or the websites of any of its related corporations or other entities in which the Target Company may have an interest is not incorporated by reference into this Circular and should not be relied on.

The Target Company is not listed on any stock exchange. The Target Company previously applied for a listing on the New York Stock Exchange on 11 May 2018 but this was withdrawn on 7 June 2018 due to certain administrative issues with one of the Target Company's institutional investors which was unable to complete the relevant know-your-customer procedures in time for the listing of the Target Company's shares on the New York Stock Exchange. Given this delay, and the market speculation in relation to the Target Company's proposed listing, the board of the Target Company determined that the listing on the New York Stock Exchange was not in the best interests of the shareholders of the Target Company, and withdrew its application for listing. This particular institutional investor did not become a shareholder of the Target Company after the listing application was withdrawn. Prior to this withdrawal, the Target Company received all the necessary corporate and regulatory approvals (including from the New York Stock Exchange) in relation to its listing.

LETTER TO SHAREHOLDERS

As at the Latest Practicable Date, the details of the subsidiaries of the Enlarged Group, which, in each case, account for 10% or more of the net assets, net liabilities or profit or loss before tax of the Target Group for any of FY2020, FY2021 and FY2022, are as follows:

Name	Country of Incorporation/ Principal Place of Business	Principal Activities	Proportion of Ownership Interest
17LIVE Cayman	Cayman Islands	Live streaming	100%
17LIVE HK	Hong Kong		
17LIVE Japan	Japan		
NEHK	Hong Kong		

The directors and auditors of the principal subsidiaries of the Target Group are set out below:

Principal Subsidiary	Auditor	Director/Responsible Person
17LIVE Japan	Not required to be audited in the country of incorporation ⁽¹⁾	Lien Chien-Lin
17LIVE Taiwan	Ernst & Young, Taiwan	Lien Chien-Lin
Ichi Nana Inc. Taiwan Branch	Ernst & Young, Taiwan	Lien Chien-Lin

Note:

(1) Audited by Ernst & Young LLP for consolidation purposes.

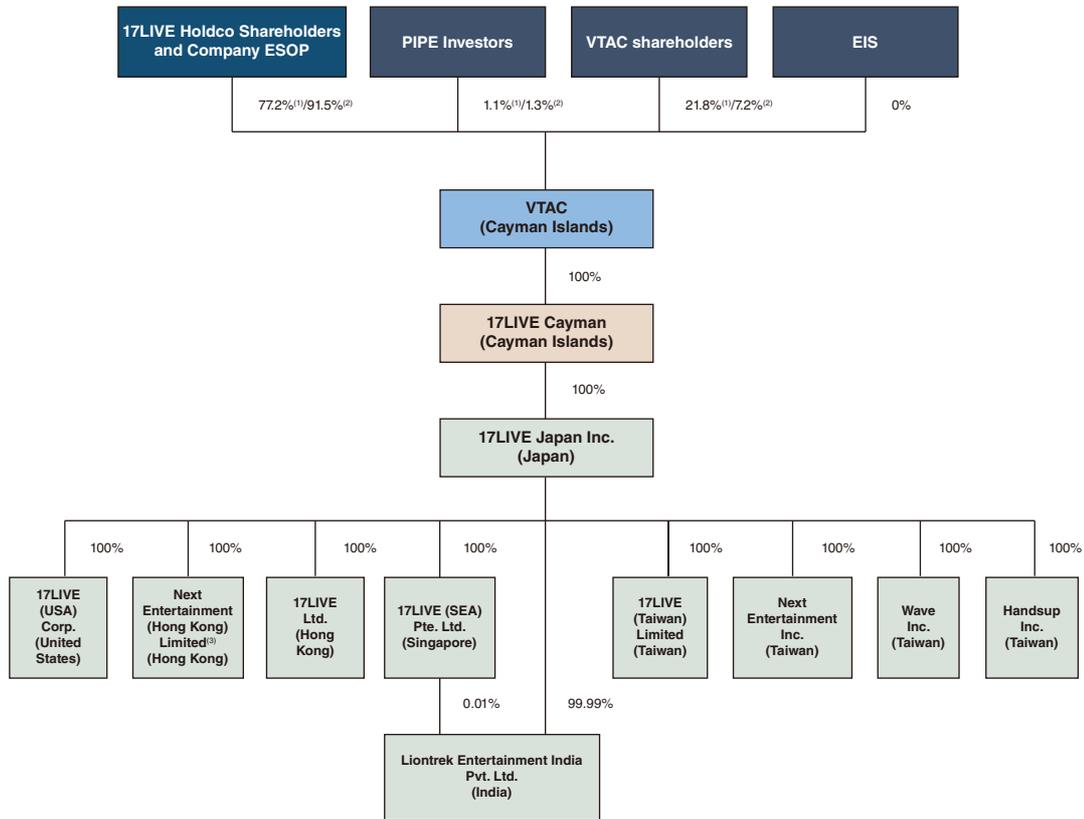
Although Ernst & Young LLP was not appointed as the auditor for 17LIVE Japan, for the purposes of the Proposed Business Combination, 17LIVE Japan was audited by a member firm of Ernst & Young Global, namely Ernst & Young Japan, for the purposes of group consolidation reporting to Ernst & Young LLP. The Company expects this arrangement to continue post-Completion, with Ernst & Young LLP as the independent auditor to the Target Group, and Ernst & Young LLP being appointed as the independent auditor to the Company and the Enlarged Group, subject to Shareholders' approval being obtained for the Proposed Transactions and for the Proposed Change of the Company's Independent Auditor.

None of the Proposed Independent Directors (namely Mr. Tan Hup Foi, Dr. Steve Lai Mun Fook, Mr. Hideto Mizuno and Ms. Chen Xiuling) sits or will sit on the board of the Enlarged Group's principal subsidiaries based in jurisdictions outside Singapore.

LETTER TO SHAREHOLDERS

23.3 Corporate Structure of the Enlarged Group after Completion

Upon Completion, the corporate structure of the Enlarged Group comprising the Company and the Target Group is expected to be as set out in the diagram below:



Notes:

- (1) Pro forma shareholding percentages are based on the assumptions that (i) 2,000,000 Base PIPE Shares are allotted and issued to PIPE Investors, and (ii) there is No Redemption.
- (2) Pro forma shareholding percentages are based on the assumptions that (i) 2,000,000 Base PIPE Shares are allotted and issued to PIPE Investors, and (ii) there is Maximum Redemption.
- (3) This entity is currently dormant and will be wound up.

23.4 SHARE CAPITAL OF THE TARGET COMPANY

As of the Latest Practicable Date, the issued and paid-up share capital of the Target Company was approximately US\$24,802.6 divided into 248,025,621 shares (excluding the issuance of 3,018,833 ratchet shares). The number of outstanding shares is 247,734,422 and 247,462,819 as of 1 January 2022 and 31 December 2022, respectively.

LETTER TO SHAREHOLDERS

As of the Latest Practicable Date, there are six classes of shares in the capital of the Target Company, being ordinary shares, series AA preference shares, series A preference shares, series B preference shares, series C preference shares and series D preference shares. All of the issued shares of the Target Company are fully paid-up. The rights and privileges attached to the Target Company's shares are stated in the Ninth Amended and Restated Memorandum and Articles of Association. The following table sets forth the details of each class of share of the Target Company:

	Ordinary shares	Series AA preference shares	Series A preference shares	Series B preference shares	Series C preference shares	Series D preference shares
Number of shares issued and fully paid	37,923,882	10,241,153	66,017,310	89,639,530	21,981,529	22,222,217
Number of shares as at 1 January 2022	38,195,485	10,241,153	66,017,310	89,350,622	21,707,635	22,222,217
Number of shares as at 31 December 2022	37,923,882	10,241,153	66,017,310	89,350,622	21,707,635	22,222,217

There has been no change in the voting rights attached to the shares of the Target Company in the three years prior to the Latest Practicable Date.

During the three years prior to the lodgement of this Circular, the Target Company did not issue any shares for a consideration other than for cash.

The Target Company adopted the 17LIVE Cayman ESOP in 2017, 2018 and 2020, respectively, pursuant to which 17LIVE RSUs are authorised to be granted to acquire the shares in the capital of the Target Company.

Pursuant to resolutions passed at the extraordinary general meeting of the Target Company on 19 December 2019 and 31 March 2020, the written resolutions of the board of directors of the Target Company on 10 November 2020, 22 July 2021, and the confirmation by the general counsel on 25 November 2021, the shareholders and the board of directors of the Target Company approved, *inter alia*, the following:

- (a) the creation and issuance of series AA preference shares of the Target Company;
- (b) the creation and issuance of series D preference shares of the Target Company;
- (c) the repurchase of ordinary shares, series AA preference shares, series A preference shares and series B preference shares of the Target Company; and
- (d) the increase in the number of ordinary shares of the Target Company to be issued under the 17LIVE Cayman ESOP.

There are no shares in the Target Company that are held by or on behalf of the Target Company or by the subsidiaries of the Target Company.

LETTER TO SHAREHOLDERS

Changes in Issued Share Capital

Details of the changes in the issued and paid-up capital of the Target Company and its subsidiaries for the last three years prior to the Latest Practicable Date are set out in the table below:

The Target Company

Date	Price Per Share	No. of Shares Issued/Reduced	Purpose of Issue/Reduction	Resultant Issued Share Capital
1 January 2020	US\$0.0001	9,964,361 series AA preference shares issued	Allotment to certain holders of series AA preference shares	US\$25,090.80
9 April 2020	US\$0.0001	13,888,886 series D preference shares issued	Allotment to certain holders of series D preference shares	US\$26,479.70
30 April 2020	US\$0.0001	1,587,300 series D preference shares issued	Allotment to a holder of series D preference shares	US\$26,638.40
26 August 2020	US\$0.0001	1,984,126 series D preference shares forfeited	Forfeiture from a holder of series D preference shares	US\$26,440.00
1 September 2020	US\$0.0001	8,730,157 series D preference shares issued	Allotment to certain holders of series D preference shares	US\$27,313.00
11 November 2020	US\$0.0001	25,991,209 ordinary shares repurchased	Repurchase from a holder of ordinary shares	US\$24,713.90
30 June 2021	US\$0.0001	1,107,156 series AA preference shares issued	Allotment to certain holders of series AA preference shares	US\$24,824.60
22 July 2021	US\$0.0001	286,942 ordinary shares repurchased	Repurchase from a holder of ordinary shares	US\$24,318.60
		4,773,386 series A preference shares repurchased	Repurchase from certain holders of series A preference shares	
2 August 2021	US\$0.0001	10,404,605 ordinary shares issued	Allotment to a holder of 17LIVE RSUs pursuant to the 17LIVE Cayman ESOP	US\$25,359.00

LETTER TO SHAREHOLDERS

Date	Price Per Share	No. of Shares Issued/Reduced	Purpose of Issue/Reduction	Resultant Issued Share Capital
4 November 2021	US\$0.0001	686,453 ordinary shares repurchased	Repurchase from certain holders of ordinary shares	US\$24,773.40
		830,364 series AA preference shares repurchased	Repurchase from certain holders of series AA preference shares	
		2,819,402 series A preference shares repurchased	Repurchase from certain holders of series A preference shares	
		1,519,605 series B preference shares repurchased	Repurchase from certain holders of series B preference shares	
5 November 2021	US\$0.0001	271,603 ordinary shares repurchased	Repurchase from a holder of ordinary shares	US\$24,746.30
23 September 2023	US\$0.0001	99,796 series B preference shares issued	Allotment to a holder of series B preference shares	US\$24,756.28
17 October 2023	US\$0.0001	189,112 series B preference shares issued	Allotment to a holder of series B preference shares	US\$24,802.58
		273,894 series C preference shares issued	Allotment to a holder of series C preference shares	

17LIVE Taiwan

Date	Price Per Share	No. of Shares Issued/Reduced	Purpose of Issue/Reduction	Resultant Issued Share Capital
17 August 2021	NT\$10	1,000,000 ordinary shares issued	Registered capital on incorporation	NT\$10,000,000
27 March 2023	NT\$10	12,791,000 ordinary shares issued	Division	NT\$137,910,000

LETTER TO SHAREHOLDERS

HandsUp

Date	Price Per Share	No. of Shares Issued/Reduced	Purpose of Issue/Reduction	Resultant Issued Share Capital
20 April 2020	NT\$10	2,997,000 ordinary shares issued	Allotment to holder of ordinary shares	NT\$30,000,000

NEI

Date	Price Per Share	No. of Shares Issued/Reduced	Purpose of Issue/Reduction	Resultant Issued Share Capital
31 August 2021	NT\$10	1,000,000 ordinary shares issued	Registered capital on incorporation	NT\$10,000,000

Wave

Date	Price Per Share	No. of Shares Issued/Reduced	Purpose of Issue/Reduction	Resultant Issued Share Capital
3 June 2021	NT\$10	2,500,000 ordinary shares issued	Allotment to holder of ordinary shares	NT\$25,010,000

17LIVE SEA

Date	Price Per Share	No. of Shares Issued/Reduced	Purpose of Issue/Reduction	Resultant Issued Share Capital
6 December 2021	S\$1	1 ordinary share issued	Registered capital on incorporation	S\$1

17LIVE USA

Date	Price Per Share	No. of Shares Issued/Reduced	Purpose of Issue/Reduction	Resultant Issued Share Capital
29 January 2021	US\$1	100 non-assessable common stocks issued	Registered capital on incorporation	US\$100

LETTER TO SHAREHOLDERS

17LIVE Japan

The issued and paid-up share capital of 17LIVE Japan was JPY100,000 as of the Latest Practicable Date. There has been no change in the issued and paid-up share capital, and voting rights attached to the shares of the 17LIVE Japan in the three years prior to the Latest Practicable Date.

17LIVE HK

The issued and paid-up share capital of 17LIVE HK was US\$10,000 as of the Latest Practicable Date. There has been no change in the issued and paid-up share capital, and voting rights attached to the shares of the 17LIVE HK in the three years prior to the Latest Practicable Date.

Liontrek

The issued and paid-up share capital of Liontrek was INR 9,711,000 as of the Latest Practicable Date. There has been no change in the issued and paid-up share capital, and voting rights attached to the shares of the Liontrek in the three years prior to the Latest Practicable Date.

Restructuring

Pursuant to the Restructuring, the 17LIVE Cayman Shareholders will transfer their respective shares in the Target Company to the Vendor. At Completion, the share capital of the Target Company will be converted and re-designated into one single class of ordinary shares. Following the Completion of the Proposed Business Combination, the Target Company will become a subsidiary of the Company. The Restructuring will not affect the share capital of 17LIVE Taiwan, HandsUp, NEI, Wave, 17LIVE SEA, 17LIVE USA, 17LIVE Japan, 17LIVE HK and Liontrek.

23.5 Changes in Shareholding Structure

As at the Latest Practicable Date, the Company's issued and paid-up share capital comprises 41,606,000 Shares. The Enlarged Share Capital upon Completion after the Proposed Business Combination, the Proposed Allotment and Issuance of the Consideration Shares, the Proposed Allotment and Issuance of the Base PIPE Shares and the Proposed Allotment and Issuance of the Special Bonus Shares (the "**Proposed Completion Transactions**") will comprise 207,529,251 Shares (assuming that there is No Redemption and that the total proceeds raised from the PIPE Financing is S\$10.0 million) and 174,962,651 Shares (assuming that there is Maximum Redemption and that the total proceeds raised from the PIPE Financing is S\$10.0 million).

Details of the changes in the aggregate interest (direct and indirect) of the Company before and after the Proposed Completion Transactions are set out in the table below:

LETTER TO SHAREHOLDERS

SIGNIFICANT CHANGES IN PERCENTAGE OF OWNERSHIP

The following table sets forth the significant changes in the shareholding interests of the Directors of the Company, the Proposed Directors of the Resulting Issuer and select shareholders (including Substantial Shareholders) of the Company and the Resulting Issuer since the Latest Practicable Date to (a) after Completion of the Proposed Business Combination, the Proposed Allotment and Issuance of the Consideration Shares and the Proposed Allotment and Issuance of the Special Bonus Shares, and (b) after Completion of the Proposed Business Combination, the Proposed Allotment and Issuance of the Consideration Shares, the Proposed Allotment and Issuance of the Base PIPE Shares and the Proposed Allotment and Issuance of the Special Bonus Shares. Save as disclosed below, there were no significant changes in the percentage of ownership of the Company in the last three years prior to the Latest Practicable Date. Save as disclosed below, to the best of the knowledge of the Directors, the Company is not directly or indirectly owned or controlled, whether severally or jointly, by any other person or government and there is no known arrangement, the operation of which may, at a subsequent date, result in a change in the control of the Company.

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Scenario 1: Assuming that there is No Redemption

Name	As at the Latest Practicable Date			After the Proposed Business Combination, the Proposed Allotment and Issuance of the Consideration Shares ^(1A) and the Proposed Allotment and Issuance of Special Bonus Shares ^(1B)			After the Proposed Business Combination, the Proposed Allotment and Issuance of the Consideration Shares ^(1A) , the Proposed Allotment and Issuance of the Base PIPE Shares ^(1C) and the Proposed Allotment and Issuance of Special Bonus Shares ^(1B)			
	Direct interest	%	No. of Shares	Direct interest	%	No. of Shares	Direct interest	%	No. of Shares	
Directors of the Company										
Mr. Chua Kee Lock	-	-	-	-	-	-	-	-	-	
Mr. Jiang Honghui	-	-	-	-	-	-	-	-	-	
Ms. Anupama Sawhney	-	-	-	-	-	-	-	-	-	
Dr. Steve Lai Mun Fook	-	-	-	-	-	-	-	-	-	
Mr. Low Seow Juan	-	-	-	-	-	-	-	-	-	
Mr. Tan Hup Foi	-	-	-	-	-	-	-	-	-	
Proposed Directors of the Resulting Issuer										
Mr. Phua Jie-xian Joseph ⁽³⁾	-	-	-	-	-	16,055,627 ⁽⁴⁾	7.82%	-	16,055,627 ⁽⁴⁾	7.74%
Mr. Akiyo Tanaka	-	-	-	-	-	19,453,132 ⁽²⁶⁾	9.47%	-	19,453,132 ⁽²⁶⁾	9.37%
Mr. Lien Chien-Lin ^{(3)(3A)}	-	-	-	-	0.57%	1,167,728	-	1,167,728	0.56%	-
Mr. Tan Hup Foi	-	-	-	-	-	-	-	-	-	-
Dr. Steve Lai Mun Fook	-	-	-	-	-	-	-	-	-	-
Ms. Chen Xiuling	-	-	-	-	-	-	-	-	-	-
Mr. Hideto Mizuno	-	-	-	-	-	-	-	-	-	-

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Name	As at the Latest Practicable Date				After the Proposed Business Combination, the Proposed Allotment and Issuance of Special Bonus Shares ^(1B)				After the Proposed Business Combination, the Proposed Allotment and Issuance of the Base PIPE Shares ^(1C) and the Proposed Allotment and Issuance of Special Bonus Shares ^(1B)				
	Direct interest		Indirect interest		Direct interest		Indirect interest		Direct interest		Indirect interest		
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	
Select Shareholders who are not Directors⁽²⁾													
Vertex SPV ⁽³⁾	6,000,000	14.42%	-	-	6,000,000	2.92%	-	-	6,000,000	2.89%	-	-	-
Vertex Master Fund I Pte. Ltd.	-	-	6,000,000 ⁽⁵⁾	14.42%	-	-	6,000,000 ⁽⁵⁾	2.92%	-	-	6,000,000 ⁽⁵⁾	2.89%	2.89%
Sponsor ⁽³⁾	-	-	6,000,000 ⁽⁵⁾	14.42%	-	-	30,057,918 ⁽⁵⁾⁽⁶⁾	14.64%	-	-	30,057,918 ⁽⁵⁾⁽⁶⁾	14.48%	14.48%
Ellensburg Holding Pte. Ltd.	-	-	6,000,000 ⁽⁷⁾	14.42%	-	-	30,057,918 ⁽⁷⁾	14.64%	-	-	30,057,918 ⁽⁷⁾	14.48%	14.48%
Fullerton (Private) Limited	-	-	6,000,000 ⁽⁸⁾	14.42%	-	-	30,057,918 ⁽⁸⁾	14.64%	-	-	30,057,918 ⁽⁸⁾	14.48%	14.48%
Venezio ⁽³⁾	6,000,000	14.42%	-	-	6,600,000	3.21%	-	-	6,600,000	3.18%	-	-	-
Napier Investments Pte. Ltd.	-	-	6,000,000 ⁽⁹⁾	14.42%	-	-	6,600,000 ⁽⁹⁾	3.21%	-	-	6,600,000 ⁽⁹⁾	3.18%	3.18%
Income Insurance Limited (formerly known as NTUC Income Insurance Co-operative Limited)	2,600,000 ⁽¹⁰⁾	6.25%	-	-	2,860,000 ⁽¹⁰⁾	1.39%	-	-	2,860,000 ⁽¹⁰⁾	1.38%	-	-	-
Fullerton Fund Management Company Ltd.	-	-	2,600,000 ⁽¹¹⁾	6.25%	-	-	2,860,000 ⁽¹¹⁾	1.39%	-	-	2,860,000 ⁽¹¹⁾	1.38%	1.38%
FFMC Holdings Pte. Ltd.	-	-	2,600,000 ⁽¹²⁾	6.25%	-	-	2,860,000 ⁽¹²⁾	1.39%	-	-	2,860,000 ⁽¹²⁾	1.38%	1.38%
Seviora Holdings Pte. Ltd.	-	-	2,600,000 ⁽¹³⁾	6.25%	-	-	3,135,271 ⁽²¹⁾	1.53%	-	-	3,135,271 ⁽²¹⁾	1.51%	1.51%
Pilatus Investments Pte. Ltd.	-	-	2,600,000 ⁽¹⁴⁾	6.25%	-	-	3,135,271 ^(14A)	1.53%	-	-	3,135,271 ^(14A)	1.51%	1.51%
Tembusu ⁽³⁾	-	-	8,600,000 ⁽¹⁵⁾	20.67%	-	-	9,735,271 ^(15A)	4.74%	-	-	9,735,271 ^(15A)	4.69%	4.69%
Temasek	-	-	14,600,000 ⁽¹⁶⁾	35.09%	-	-	45,534,496 ^(16A)	22.18%	-	-	45,534,496 ^(16A)	21.94%	21.94%
NTUC Income Holdings Pte. Ltd.	-	-	2,600,000 ⁽¹⁷⁾	6.25%	-	-	2,860,000 ⁽¹⁷⁾	1.39%	-	-	2,860,000 ⁽¹⁷⁾	1.38%	1.38%

LETTER TO SHAREHOLDERS

Name	As at the Latest Practicable Date				After the Proposed Business Combination, the Proposed Allotment and Issuance of the Consideration Shares ^(1A) , the Proposed Allotment and Issuance of the Base PIPE Shares ^(1C) and the Proposed Allotment				After the Proposed Business Combination, the Proposed Allotment and Issuance of the Consideration Shares ^(1A) , the Proposed Allotment and Issuance of the Base PIPE Shares ^(1C) and the Proposed Allotment and Issuance of Special Bonus Shares ^(1B)			
	Direct interest		Indirect interest		Direct interest		Indirect interest		Direct interest		Indirect interest	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
NTUC Enterprise Co-operative Limited	-	-	2,600,000 ^(1B)	6.25%	-	-	2,860,000 ^(1B)	1.39%	-	-	2,860,000 ^(1B)	1.38%
NTUC Foundation Limited	-	-	2,600,000 ⁽¹⁹⁾	6.25%	-	-	2,860,000 ⁽¹⁹⁾	1.39%	-	-	2,860,000 ⁽¹⁹⁾	1.38%
National Trades Union Congress	-	-	2,600,000 ⁽²⁰⁾	6.25%	-	-	2,860,000 ⁽²⁰⁾	1.39%	-	-	2,860,000 ⁽²⁰⁾	1.38%
Innoven Capital Singapore Pte. Ltd.	-	-	-	-	275,271	0.13%	-	-	275,271	0.13%	-	-
Pav Investments Pte. Ltd.	-	-	-	-	5,741,307 ⁽²²⁾	2.80%	-	-	5,741,307 ⁽²²⁾	2.77%	-	-
UBS Group AG	-	-	4,132,200 ⁽²³⁾	9.93%	-	-	4,545,420 ⁽²³⁾	2.21%	-	-	4,545,420 ⁽²³⁾	2.19%
UBS AG	-	-	4,132,200 ⁽²³⁾	9.93%	-	-	4,545,420 ⁽²³⁾	2.21%	-	-	4,545,420 ⁽²³⁾	2.19%
M17 Growth SPV LLC ⁽³⁾	-	-	-	-	18,703,753	9.11%	1,571,494 ⁽²⁴⁾	0.77%	18,703,753	9.01%	1,571,494 ⁽²⁴⁾	0.76%
Aika Tong ⁽³⁾	-	-	-	-	201,266	0.10%	25,795,543 ⁽²⁵⁾	12.56%	201,266	0.10%	25,795,543 ⁽²⁵⁾	12.43%
Dragon Alexander Limited ⁽³⁾	-	-	-	-	16,055,627 ⁽⁴⁾	7.82%	-	-	16,055,627 ⁽⁴⁾	7.74%	-	-
Vertex Legacy Continuation Fund Pte. Ltd. ⁽³⁾	-	-	-	-	14,443,679	7.03%	-	-	14,443,679	6.96%	-	-
Vertex Growth Fund Pte. Ltd. ⁽³⁾	-	-	-	-	6,908,725	3.36%	-	-	6,908,725	3.33%	-	-
Vertex Ventures SEA Fund III Pte. Ltd. ⁽³⁾	-	-	-	-	2,705,514	1.32%	-	-	2,705,514	1.30%	-	-
Infinity e.Ventures Asia III, L.P. ⁽³⁾	-	-	-	-	19,453,132	9.47%	-	-	19,453,132	9.37%	-	-
KTB China Synergy Fund ⁽³⁾	-	-	-	-	9,384,654	4.57%	-	-	9,384,654	4.52%	-	-
M17 Growth SPV B LLC ⁽³⁾	-	-	-	-	1,571,494	0.77%	-	-	1,571,494	0.76%	-	-
Chia Nine Investment Co., Ltd. ⁽³⁾	-	-	-	-	485,353	0.24%	-	-	485,353	0.23%	-	-

LETTER TO SHAREHOLDERS

Name	As at the Latest Practicable Date			After the Proposed Business Combination, the Proposed Allotment and Issuance of the Consideration Shares ^(1A) , the Proposed Allotment and Issuance of the Base PIPE Shares ^(1C) and the Proposed Allotment and Issuance of Special Bonus Shares ^(1B)			After the Proposed Business Combination, the Proposed Allotment and Issuance of the Consideration Shares ^(1A) , the Proposed Allotment and Issuance of the Base PIPE Shares ^(1C) and the Proposed Allotment and Issuance of Special Bonus Shares ^(1B)		
	Direct interest	Indirect interest	%	Direct interest	Indirect interest	%	Direct interest	Indirect interest	%
	No. of Shares	No. of Shares	%	No. of Shares	No. of Shares	%	No. of Shares	No. of Shares	%
North Park Advisory Ltd. ⁽³⁾	-	-	-	2,311,556	-	1.13%	2,311,556	-	1.11%
Talent Dragon Co., Ltd. ⁽³⁾	-	-	-	2,723,387	-	1.33%	2,723,387	-	1.31%
Key Executives ^{(3)(3E)}									
Mr. Lien Chien-Lin ^{(3)(3A)}	-	-	-	4,234,319	-	2.06%	4,234,319	-	2.04%
Mr. Ng Jing Shen ^{(3)(3A)}	-	-	-	30,333	-	0.01%	30,333	-	0.01%
Mr. Kentia Masuda ^{(3)(3A)}	-	-	-	-	-	-	-	-	-

Please refer to the row under the heading "Proposed Directors of the Resulting Issuer" above for details.

Scenario 2: Assuming that there is Maximum Redemption

Name	As at the Latest Practicable Date			After the Proposed Business Combination, the Proposed Allotment and Issuance of the Consideration Shares ^(1A) and the Proposed Allotment and Issuance of Special Bonus Shares ^(1B)			After the Proposed Business Combination, the Proposed Allotment and Issuance of the Consideration Shares ^(1A) , the Proposed Allotment and Issuance of the Base PIPE Shares ^(1C) and the Proposed Allotment and Issuance of Special Bonus Shares ^(1B)		
	Direct interest	Indirect interest	%	Direct interest	Indirect interest	%	Direct interest	Indirect interest	%
	No. of Shares	No. of Shares	%	No. of Shares	No. of Shares	%	No. of Shares	No. of Shares	%
Directors of the Company									
Mr. Chua Kee Lock	-	-	-	-	-	-	-	-	-
Mr. Jiang Honghui	-	-	-	-	-	-	-	-	-
Ms. Anupama Sawhney	-	-	-	-	-	-	-	-	-

LETTER TO SHAREHOLDERS

Name	As at the Latest Practicable Date			After the Proposed Business Combination, the Proposed Allotment and Issuance of the Consideration Shares ^(1A) and the Proposed Allotment and Issuance of Special Bonus Shares ^(1B)			After the Proposed Business Combination, the Proposed Allotment and Issuance of the Consideration Shares ^(1A) , the Proposed Allotment and Issuance of the Base PIPE Shares ^(1C) and the Proposed Allotment and Issuance of Special Bonus Shares ^(1B)		
	Direct interest	Indirect interest	%	Direct interest	Indirect interest	%	Direct interest	Indirect interest	%
	No. of Shares	No. of Shares	%	No. of Shares	No. of Shares	%	No. of Shares	No. of Shares	%
Dr. Steve Lai Mun Fook	-	-	-	-	-	-	-	-	-
Mr. Low Seow Juan	-	-	-	-	-	-	-	-	-
Mr. Tan Hup Foi	-	-	-	-	-	-	-	-	-
Proposed Directors of the Resulting Issuer									
Mr. Phua Jie-xian Joseph ⁽³⁾	-	-	-	-	16,055,627 ⁽⁴⁾	9.29%	-	16,055,627 ⁽⁴⁾	9.18%
Mr. Akio Tanaka	-	-	-	-	19,453,132 ^(2B)	11.26%	-	19,453,132 ^(2B)	11.12%
Mr. Lien Chien-Lin ^{(3)(3A)}	-	-	-	1,167,728	0.68%	-	1,167,728	0.67%	-
Mr. Tan Hup Foi	-	-	-	-	-	-	-	-	-
Dr. Steve Lai Mun Fook	-	-	-	-	-	-	-	-	-
Ms. Chen Xiuling	-	-	-	-	-	-	-	-	-
Mr. Hideto Mizuno	-	-	-	-	-	-	-	-	-

LETTER TO SHAREHOLDERS

Name	As at the Latest Practicable Date			After the Proposed Business Combination, the Proposed Allotment and Issuance of the Consideration Shares ^(1A) and the Proposed Allotment and Issuance of Special Bonus Shares ^(1B)			After the Proposed Business Combination, the Proposed Allotment and Issuance of the Consideration Shares ^(1A) , the Proposed Allotment and Issuance of the Base PIPE Shares ^(1C) and the Proposed Allotment and Issuance of Special Bonus Shares ^(1B)				
	Direct interest	Indirect interest		Direct interest	Indirect interest		Direct interest	Indirect interest			
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	
Select Shareholders who are not Directors⁽²⁾											
Vertex SPV ⁽³⁾	6,000,000	14.42%	-	-	6,000,000	3.47%	-	-	6,000,000	3.43%	-
Vertex Master Fund I Pte. Ltd.	-	-	6,000,000 ⁽⁵⁾	14.42%	-	-	6,000,000 ⁽⁵⁾	3.47%	-	-	6,000,000 ⁽⁵⁾
Sponsor ⁽³⁾	-	-	6,000,000 ⁽⁵⁾	14.42%	-	-	30,057,918 ⁽⁵⁾⁽⁶⁾	17.40%	-	-	30,057,918 ⁽⁵⁾⁽⁶⁾
Ellensburg Holding Pte. Ltd.	-	-	6,000,000 ⁽⁷⁾	14.42%	-	-	30,057,918 ⁽⁷⁾	17.40%	-	-	30,057,918 ⁽⁷⁾
Fullerton (Private) Limited	-	-	6,000,000 ⁽⁸⁾	14.42%	-	-	30,057,918 ⁽⁸⁾	17.40%	-	-	30,057,918 ⁽⁸⁾
Venezio ⁽³⁾	6,000,000	14.42%	-	-	6,600,000	3.82%	-	-	6,600,000	3.77%	-
Napier Investments Pte. Ltd.	-	-	6,000,000 ⁽⁹⁾	14.42%	-	-	6,600,000 ⁽⁹⁾	3.82%	-	-	6,600,000 ⁽⁹⁾
Income Insurance Limited (formerly known as NTUC Income Insurance Co-operative Limited)	2,600,000 ⁽¹⁰⁾	6.25%	-	-	-	-	-	-	-	-	-
Fullerton Fund Management Company Ltd.	-	-	2,600,000 ⁽¹¹⁾	6.25%	-	-	-	-	-	-	-
FFMC Holdings Pte. Ltd.	-	-	2,600,000 ⁽¹²⁾	6.25%	-	-	-	-	-	-	-
Seviora Holdings Pte. Ltd.	-	-	2,600,000 ⁽¹³⁾	6.25%	-	-	275,271 ⁽²¹⁾	0.16%	-	-	275,271 ⁽²¹⁾
Pilatus Investments Pte. Ltd.	-	-	2,600,000 ⁽¹⁴⁾	6.25%	-	-	275,271 ^(14A)	0.16%	-	-	275,271 ^(14A)
Tembusu ⁽³⁾	-	-	8,600,000 ⁽¹⁵⁾	20.67%	-	-	6,875,271 ^(15A)	3.98%	-	-	6,875,271 ^(15A)
Temasek	-	-	14,600,000 ⁽¹⁶⁾	35.09%	-	-	42,674,496 ^(16A)	24.70%	-	-	42,674,496 ^(16A)
NTUC Income Holdings Pte. Ltd.	-	-	2,600,000 ⁽¹⁷⁾	6.25%	-	-	-	-	-	-	-
NTUC Enterprise Co-operative Limited	-	-	2,600,000 ⁽¹⁸⁾	6.25%	-	-	-	-	-	-	-

LETTER TO SHAREHOLDERS

Name	As at the Latest Practicable Date			After the Proposed Business Combination, the Proposed Allotment and Issuance of the Consideration Shares ^(1A) and the Proposed Allotment and Issuance of Special Bonus Shares ^(1B)			After the Proposed Business Combination, the Proposed Allotment and Issuance of the Consideration Shares ^(1A) , the Proposed Allotment and Issuance of the Base PIPE Shares ^(1C) and the Proposed Allotment and Issuance of Special Bonus Shares ^(1B)					
	No. of Shares	%	Indirect interest	No. of Shares	%	Indirect interest	No. of Shares	%	Indirect interest	No. of Shares	%	Indirect interest
NTUC Foundation Limited	-	-	2,600,000 ⁽¹⁹⁾	6.25%	-	-	-	-	-	-	-	-
National Trades Union Congress	-	-	2,600,000 ⁽²⁰⁾	6.25%	-	-	-	-	-	-	-	-
Innoven Capital Singapore Pte. Ltd.	-	-	-	-	275,271	0.16%	-	-	275,271	0.16%	-	-
Pav Investments Pte. Ltd.	-	-	-	-	5,741,307 ⁽²²⁾	3.32%	-	-	5,741,307 ⁽²²⁾	3.28%	-	-
UBS Group AG	-	-	4,132,200 ⁽²³⁾	9.93%	-	-	-	-	-	-	-	-
UBS AG	-	-	4,132,200 ⁽²³⁾	9.93%	-	-	-	-	-	-	-	-
M17 Growth SPV LLC ⁽³⁾	-	-	-	-	18,703,753	10.83%	1,571,494 ⁽²⁴⁾	0.91%	18,703,753	10.69%	1,571,494 ⁽²⁴⁾	0.90%
Aika Tong ⁽³⁾	-	-	-	-	201,266	0.12%	25,795,543 ⁽²⁵⁾	14.93%	201,266	0.12%	25,795,543 ⁽²⁵⁾	14.74%
Dragon Alexander Limited ⁽³⁾	-	-	-	-	16,055,627 ⁽⁴⁾	9.29%	-	-	16,055,627 ⁽⁴⁾	9.18%	-	-
Vertex Legacy Continuation Fund Pte. Ltd. ⁽³⁾	-	-	-	-	14,443,679	8.36%	-	-	14,443,679	8.26%	-	-
Vertex Growth Fund Pte. Ltd. ⁽³⁾	-	-	-	-	6,908,725	4.00%	-	-	6,908,725	3.95%	-	-
Vertex Ventures SEA Fund III Pte. Ltd. ⁽³⁾	-	-	-	-	2,705,514	1.57%	-	-	2,705,514	1.55%	-	-
Infinity e.Ventures Asia III, L.P. ⁽³⁾	-	-	-	-	19,453,132	11.26%	-	-	19,453,132	11.12%	-	-
KTB China Synergy Fund ⁽³⁾	-	-	-	-	9,384,654	5.43%	-	-	9,384,654	5.36%	-	-
M17 Growth SPV B LLC ⁽³⁾	-	-	-	-	1,571,494	0.91%	-	-	1,571,494	0.90%	-	-
Chia Nine Investment Co., Ltd. ⁽³⁾	-	-	-	-	485,353	0.28%	-	-	485,353	0.28%	-	-
North Park Advisory Ltd. ⁽³⁾	-	-	-	-	2,311,556	1.34%	-	-	2,311,556	1.32%	-	-
Talent Dragon Co., Ltd. ⁽³⁾	-	-	-	-	2,723,387	1.58%	-	-	2,723,387	1.56%	-	-

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	As at the Latest Practicable Date	After the Proposed Business Combination, the Proposed Allotment and Issuance of the Consideration Shares ^(1A) and the Proposed Allotment and Issuance of Special Bonus Shares ^(1B)	After the Proposed Business Combination, the Proposed Allotment and Issuance of the Consideration Shares ^(1A) , the Proposed Allotment and Issuance of the Base PIPE Shares ^(1C) and the Proposed Allotment and Issuance of Special Bonus Shares ^(1B)
	Direct interest	Direct interest	Direct interest
	No. of Shares	No. of Shares	No. of Shares
	%	%	%
	Indirect interest	Indirect interest	Indirect interest
	No. of Shares	No. of Shares	No. of Shares
	%	%	%
	No. of Shares	No. of Shares	No. of Shares
	%	%	%

	Direct interest	Indirect interest	Direct interest	Indirect interest
	No. of Shares	No. of Shares	No. of Shares	No. of Shares
	%	%	%	%
	No. of Shares	No. of Shares	No. of Shares	No. of Shares
	%	%	%	%

Key Executives^{(3)(3E)}

Mr. Lien Chien-Lin^{(3)(3A)}

Mr. Ng Jing Shen^{(3)(3A)}

Mr. Kenta Masuda^{(3)(3A)}

Please refer to the row under the heading "Proposed Directors of the Resulting Issuer" above for details.

	-	-	4,234,319	2.45%	-	4,234,319	2.42%
	-	-	30,333	0.02%	-	30,333	0.02%

Notes:

- (1A) Based on the allotment and issuance of 160,162,651 Consideration Shares. Please see Section 6 titled "Proposed Allotment and Issuance of the Consideration Shares" of this Circular for further details.
- (1B) Based on the allotment and issuance of 0.1 Special Bonus NRS Shares to Non-Redeeming Shareholders. Please see Section 5.3 titled "Proposed Business Combination – Special Bonus Scheme" of this Circular for further details.
- (1C) Based on the allotment and issuance of 2,000,000 Base PIPE Shares to PIPE Investors. Please see Section 5.4 titled "Proposed Business Combination – PIPE Financing" of this Circular for further details.
- (2) This includes the Substantial Shareholders of the Company and the Resulting Issuer as well as other shareholders of the Resulting Issuer that will enter into lock-up arrangements with the Joint Financial Advisers. Please see Section 23.7 titled "Enlarged Group Corporate and Shareholding Structure – Moratorium" of this Circular for further details.
- (3) This Shareholder will enter into lock-up arrangements with the Joint Financial Advisers. Please see Section 23.7 titled "Enlarged Group Corporate and Shareholding Structure – Moratorium" of this Circular for further details.
- (3A) 17LIVE Unvested RSU Holders will be allotted and issued ESOP Shares under the Company ESOP to be adopted in connection with the Proposed Business Combination. This Shareholder is also a 17LIVE Unvested RSU Holder and will enter into lock-up arrangements with the Joint Financial Advisers in respect of such ESOP Shares to be issued by the Resulting Issuer following Completion of the Proposed Business Combination. Please see Section 23.7 titled "Enlarged Group Corporate and Shareholding Structure – Moratorium" of this Circular for further details of the lock-up arrangements to be entered into by the 17LIVE Unvested RSU Holders in respect of the ESOP Shares and Section 13 titled "Proposed Allotment and Issuance of the ESOP Shares" and Section 12 titled "Proposed Adoption of the Company Employee Share Option Plan" of this Circular for further details on the ESOP

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Shares to be allotted and issued under the Company ESOP. As the number of ESOP Shares that will be allotted and issued to this Shareholder is not available as at the date this table is prepared, this Shareholder's interest in such ESOP Shares has not been taken into consideration in the table above.

- (3B) The persons included within this group (i.e. the Key Executives) may be allotted and issued EIS Shares depending on the Financial Targets for EIS achieved. Certain persons included within this group may also be 17LIVE Unvested RSU Holders who will be allotted and issued ESOP Shares under the Company ESOP to be adopted in connection with the Proposed Business Combination. The moratorium requirements applicable to this group will be extended to such EIS Shares and ESOP Shares held by the relevant persons. As the number of EIS Shares and ESOP Shares that will be allotted and issued to the relevant persons (as well as the identities of the persons who will be allotted and issued EIS Shares) is not available as at the date this table is prepared, their potential interest in such EIS Shares and ESOP Shares have not been taken into consideration in the table above.
- (4) Dragon Alexander Limited is wholly-owned by Mr. Phua Jiexian Joseph. Accordingly, Mr. Phua Jiexian Joseph is deemed to be interested in the shares held by Dragon Alexander Limited by virtue of Section 4 of the SFA.
- (5) Vertex SPV is wholly-owned by Vertex Master Fund I Pte. Ltd. ("**VMFI**"), which is in turn wholly-owned by the Sponsor. Accordingly, VMFI and the Sponsor are deemed to be interested in the shares held by Vertex SPV.
- (6) The Sponsor has invested in the Target Company through the Vertex Funds. Through a series of investments made by the Vertex Funds in the Target Company in 2017, 2018 and 2020, the aggregate value of the Vertex Funds' investment amounts to approximately 14.8% of the pre-money equity value of the Target Company of S\$800.8 million (equivalent to approximately US\$590.6 million). Accordingly, the Sponsor is deemed to be interested in the shares held by the Vertex Funds.
- (7) Ellensburg Holding Pte. Ltd. ("**Ellensburg**")'s deemed interest arises from the interest of Vertex SPV as follows:
- Vertex SPV is a wholly-owned subsidiary of VMFI
 - VMFI is a wholly-owned subsidiary of the Sponsor
 - The Sponsor is a wholly-owned subsidiary of Ellensburg
- (8) Fullerton's deemed interest arises from the interest of Vertex SPV as follows:
- Vertex SPV is a wholly-owned subsidiary of VMFI
 - VMFI is a wholly-owned subsidiary of the Sponsor
 - The Sponsor is a wholly-owned subsidiary of Ellensburg
 - Ellensburg is a wholly-owned subsidiary of Fullerton

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- (9) Venezio is a wholly-owned subsidiary of Napier Investments Pte. Ltd. ("**Napier**"). Accordingly, Napier is deemed to be interested in the shares held by Venezio by virtue of Section 4 of the SFA.
- (10) FFMC entered into a cornerstone subscription agreement with the Company for 2,600,000 Shares (the "**FFMC Shares**"). Income Insurance Limited (formerly known as NTUC Income Insurance Co-operative Limited) ("**Income Insurance**") is the client of FFMC and the registered holder of the FFMC Shares and accordingly, Income Insurance has direct interest in the FFMC Shares.
- (11) FFMC entered into a cornerstone subscription agreement with the Company for the FFMC Shares. Income Insurance is the client of FFMC and the registered holder of the FFMC Shares and accordingly, Income Insurance has direct interest in the FFMC Shares. FFMC, as fund manager, has authority to dispose of, or to exercise control over the disposal of, the FFMC Shares. Accordingly, for the purposes of Section 4(1) of the SFA, FFMC is deemed to be interested in the FFMC Shares held directly by Income Insurance.
- (12) FFMC is a wholly-owned subsidiary of FFMC Holdings Pte. Ltd. ("**FFMCH**"). FFMC is deemed to be interested in the FFMC Shares held directly by Income Insurance (see footnote 11). Accordingly, for the purposes of Section 4 of the SFA, FFMCH is deemed to be interested in the shares in which Income Insurance has an interest.
- (13) FFMC is a wholly-owned subsidiary of FFMCH. FFMC is deemed to be interested in the FFMC Shares held directly by Income Insurance (see footnote 11). Seviorea Holdings Pte. Ltd. ("**Seviorea**") holds 51.0% of the shares in FFMCH. Accordingly, for the purposes of Section 4 of the SFA, Seviorea is deemed to be interested in the shares in which Income Insurance has an interest.
- (14) For the purposes of Section 4 of the SFA, Pilatus Investments Pte. Ltd.'s ("**Pilatus**") deemed interest arises from the interest of FFMC as follows:
- FFMC is a wholly-owned subsidiary of FFMCH
 - FFMC is deemed to be interested in the FFMC Shares held directly by Income Insurance (see footnote 11)
 - Seviorea holds 51.0% of shares in FFMCH
 - Seviorea is a wholly-owned subsidiary of Pilatus
- (14A) For the purposes of Section 4 of the SFA, Pilatus' deemed interest arises from the aggregate of the interests of Innoven and FFMC as follows:
- Innoven is a wholly-owned subsidiary of Innoven Capital Pte. Ltd.
 - Seviorea holds 50.0% of shares in Innoven Capital Pte. Ltd.
 - Seviorea is a wholly-owned subsidiary of Pilatus
 - a. FFMC is a wholly-owned subsidiary of FFMCH

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- b. FFMCM is deemed to be interested in the FFMCM Shares held directly by Income Insurance (see footnote 11)
 - c. Seviorea holds 51.0% of shares in FFMCM
 - d. Seviorea is a wholly-owned subsidiary of Pilatus
- (15) For the purposes of Section 4 of the SFA, Tembusu's deemed interest arises from the aggregate of the interests of Venezio and FFMCM as follows:
- Venezio is a wholly-owned subsidiary of Napier
 - Napier is a wholly-owned subsidiary of Tembusu
- a. FFMCM is a wholly-owned subsidiary of FFMCM
 - b. FFMCM is deemed to be interested in the FFMCM Shares held directly by Income Insurance (see footnote 11)
 - c. Seviorea holds 51.0% of shares in FFMCM
 - d. Seviorea is a wholly-owned subsidiary of Pilatus
 - e. Pilatus is a wholly-owned subsidiary of Tembusu
- (15A) For the purposes of Section 4 of the SFA, Tembusu's deemed interest arises from the aggregate of the interests of Venezio, FFMCM and Innoven as follows:
- Venezio is a wholly-owned subsidiary of Napier
 - Napier is a wholly-owned subsidiary of Tembusu
- a. FFMCM is a wholly-owned subsidiary of FFMCM
 - b. FFMCM is deemed to be interested in the FFMCM Shares held directly by Income Insurance (see footnote 11)
 - c. Seviorea holds 51.0% of shares in FFMCM
 - d. Seviorea is a wholly-owned subsidiary of Pilatus
 - e. Pilatus is a wholly-owned subsidiary of Tembusu

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- Innoven is a wholly-owned subsidiary of Innoven Capital Pte. Ltd.
- Seviorea holds 50.0% of shares in Innoven Capital Pte. Ltd.
- Seviorea is a wholly-owned subsidiary of Pilatus
- Pilatus is a wholly-owned subsidiary of Tembusu

(16) For the purposes of Section 4 of the SFA, Temasek's deemed interest arises from the aggregate of the interests of Venezio, FPMC and Vertex SPV as follows:--

- Venezio is a wholly-owned subsidiary of Napier
- Napier is a wholly-owned subsidiary of Tembusu
- Tembusu is a wholly-owned subsidiary of Temasek
- a. FPMC is a wholly-owned subsidiary of FFMCH
- b. FPMC is deemed to be interested in the FPMC Shares held directly by Income Insurance (see footnote 11)
- c. Seviorea holds 51.0% of shares in FFMCH
- d. Seviorea is a wholly-owned subsidiary of Pilatus
- e. Pilatus is a wholly-owned subsidiary of Tembusu
- f. Tembusu is a wholly-owned subsidiary of Temasek
- o Vertex SPV is a wholly-owned subsidiary of VMFI
- o VMFI is a wholly-owned subsidiary of the Sponsor
- o The Sponsor is a wholly-owned subsidiary of Ellensburg
- o Ellensburg is a wholly-owned subsidiary of Fullerton
- o Fullerton is a wholly-owned subsidiary of Temasek

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Each of FFM, Seviara, Vertex SPV and the Sponsor is an independently managed Temasek portfolio company. Temasek is not involved in the business or operational decisions of these entities, including their decisions in relation to the Target Group and the Company.

(16A) For the purposes of Section 4 of the SFA, Temasek's deemed interest arises from the aggregate of the interests of Venezio, FFM, Vertex SPV, Innoven, Pavilion and the Vertex Funds as follows:

- Venezio is a wholly-owned subsidiary of Napier
- Napier is a wholly-owned subsidiary of Tembusu
- Tembusu is a wholly-owned subsidiary of Temasek
- a. FFM is a wholly-owned subsidiary of FFMCH
- b. FFM is deemed to be interested in the FFM Shares held directly by Income Insurance (see footnote 11)
- c. Seviara holds 51.0% of shares in FFMCH
- d. Seviara is a wholly-owned subsidiary of Pilatus
- e. Pilatus is a wholly-owned subsidiary of Tembusu
- f. Tembusu is a wholly-owned subsidiary of Temasek
- o Vertex SPV is a wholly-owned subsidiary of VMFI
- o VMFI is a wholly-owned subsidiary of the Sponsor
- o The Sponsor is a wholly-owned subsidiary of Ellensburg
- o Ellensburg is a wholly-owned subsidiary of Fullerton
- o Fullerton is a wholly-owned subsidiary of Temasek
- i. Innoven is a wholly-owned subsidiary of Innoven Capital Pte. Ltd.
- ii. Seviara holds 50.0% of shares in Innoven Capital Pte. Ltd.

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- iii. Seviora is a wholly-owned subsidiary of Pilatus
- iv. Pilatus is a wholly-owned subsidiary of Tembusu
- v. Tembusu is a wholly-owned subsidiary of Temasek
- Pavilion is wholly-owned by the Pavilion group.
- The ultimate parent company in the Pavilion group is Pavilion Capital Holdings Pte. Ltd. (“**PCH**”).
- PCH is indirectly wholly-owned by Temasek.
- o The Sponsor has invested in the Target Company through the Vertex Funds. The Sponsor is indirectly wholly-owned by Temasek. Accordingly, for the purposes of Section 4 of the SFA, Temasek is deemed to be interested in the shares held by the Vertex Funds.

Each of FFMC, Seviora, Vertex SPV, the Vertex Funds, the Sponsor, Innoven and Pavilion is an independently managed Temasek portfolio company. Temasek is not involved in the business or operational decisions of these entities, including their decisions in relation to the Target Group and the Company.

- (17) NTUC Income Holdings Pte Ltd (“**NTUC Income Holdings**”) owns 49.0% of FFMC. FFMC is a wholly-owned subsidiary of FFMC. Accordingly, for the purposes of Section 4 of the SFA, NTUC Income Holdings is deemed to be interested in the shares in which FFMC has an interest.
- (18) NTUC Enterprise Co-operative Limited (“**NTUC Enterprise**”) owns 71.6% of Income Insurance. Accordingly, for the purposes of Section 4(1) of the SFA, NTUC Enterprise is deemed to be interested in the shares held directly by Income Insurance.
- (19) NTUC Foundation Limited (“**NTUC Foundation**”) owns 27.0% of NTUC Enterprise, which in turn owns 71.6% of Income Insurance. Accordingly, for the purposes of Section 4(1) of the SFA, NTUC Foundation is deemed to be interested in the shares held directly by Income Insurance.
- (20) National Trades Union Congress (“**National Trades**”) owns (i) 32.6% of NTUC Enterprise, which in turn owns 71.6%; and (ii) 0.01%, of Income Insurance. Accordingly, for the purposes of Section 4(1) of the SFA, National Trades is deemed to be interested in the shares held directly by Income Insurance.
- (21) Seviora’s deemed interest arises from the aggregate of the interests of Innoven and FFMC as follows:
 - Innoven is a wholly-owned subsidiary of Innoven Capital Pte. Ltd.
 - Seviora holds 50.0% of shares in Innoven Capital Pte. Ltd.
 - o FFMC is a wholly-owned subsidiary of FFMC. FFMC is deemed to be interested in the FFMC Shares held directly by Income Insurance (see footnote 11). Seviora holds 51.0% of the shares in FFMC. Accordingly, for the purposes of Section 4 of the SFA, Seviora is deemed to be interested in the shares in which Income Insurance has an interest.

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- (22) Pavilion's direct interest is based on the assumption that it is nominated by the Vendor to be allotted and issued Consideration Shares. Pavilion is wholly-owned by the Pavilion group. The ultimate parent company in the Pavilion group is PCH. PCH is indirectly wholly-owned by Temasek. Pavilion is an independently-managed Temasek portfolio company. Temasek is not involved in the business or operational decisions of Pavilion, including its decisions in relation to the Target Group and the Company.
- (23) UBS Group AG is the parent entity of UBS AG. Each of UBS Group AG and UBS AG's deemed interest arises by virtue of the shares which their respective subsidiaries or affiliates have an interest in through Section 7(4) or 7(4A) of the Companies Act by reason of their respective ability to exercise voting discretion and to acquire and/or dispose of shares.
- (24) 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 1,571,493 shares held by M17 Growth SPV B LLC by virtue of Section 4 of the SFA.
- (25) M17 Growth SPV B LLC is wholly-owned by M17 Growth SPV LLC, which is in turn wholly-owned by Aika Tong. 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 held by M17 Growth SPV LLC, M17 Growth SPV B LLC, Northpark Advisory Ltd., Talent Dragon Co. Ltd. and Chia Nine Investments Co., Ltd. by virtue of Section 4 of the SFA.
- (26) Akio Tanaka owns 1.0% of Infinity e.Ventures Asia III, L.P.. Accordingly, Akio Tanaka is deemed to be interested in the shares held by Infinity e.Ventures Asia III, L.P. by virtue of Section 4 of the SFA.

23.6 Dilution Effect Resulting from the Proposed Transactions and the Exercise of the Warrants

Dilution Effect Resulting from the Proposed Transactions

As at the Latest Practicable Date, the current shareholding of the Company is as follows:

	Number of Shares	Percentage of Ownership
The Sponsor	6,000,000	14.4%
Venezio	6,000,000	14.4%
Shareholders other than the Sponsor and Venezio	29,606,000	71.2%
Total	41,606,000	100.0%

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Shareholding upon Completion of the Proposed Business Combination

Upon Completion of the Proposed Business Combination, the share capital of the Company will be enlarged by the allotment and issuance of new Shares as follows:

- (a) allotment and issuance of the Consideration Shares (the number of Consideration Shares to be allotted and issued is calculated based on the pre-money equity value of the Target Company of S\$800.8 million (equivalent to approximately US\$590.6 million), with each Consideration Share issued at the Issue Price);
- (b) allotment and issuance of the Base PIPE Shares (the number of Base PIPE Shares to be allotted and issued is calculated based on the assumption that the total proceeds raised from the PIPE Financing is S\$10.0 million (equivalent to approximately US\$7.4 million), with each Base PIPE Share issued at the Issue Price); and
- (c) allotment and issuance of the Special Bonus Shares (the number of Special Bonus Shares to be allotted and issued is calculated based on (i) the number of Shares held by Non-Redeeming Shareholders as at the Redemption Record Date and (ii) the number of Base PIPE Shares subscribed for by the PIPE Investors, with each Special Bonus Share issued at the Issue Price).

The enlargement of the share capital of the Company will be partially offset by Redemption by Shareholders.

For the avoidance of doubt, the Enlarged Share Capital does not include the Promote Shares to be allotted and issued to Vertex SPV as such Promote Shares will only be allotted and issued to Vertex SPV after Completion based on the vesting schedule set out in Section 29.2 titled “*Material Contracts – The Company – Promote Shares Deed of Undertaking*” of this Circular.

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The tables below set out the dilution effect of the above transactions on the various groups of Shareholders.

Scenario 1: Assuming that there is No Redemption¹⁰

	Ordinary Shares outstanding	Ownership %	(-) Shareholders' Redemption	(+) Consideration Shares (A)	(+) Base PIPE Shares (B)	(+) Special Bonus Shares (C)	Enlarged Share Capital	Ownership %
Company's Shareholders	41,606,000	100.0%	-	-	-	3,560,600	45,166,600	21.8%
Sponsor	6,000,000	14.4%	-	-	-	-	6,000,000	2.9%
Venezio	6,000,000	14.4%	-	-	-	600,000	6,600,000	3.2%
Other Shareholders	29,606,000	71.2%	-	-	-	2,960,600	32,566,600	15.7%
Vendor Shareholders	-	-	-	160,162,651	-	-	160,162,651	77.2%
PIPE Investors	-	-	-	-	2,000,000	200,000	2,200,000	1.1%
Total	41,606,000	100.0%	-	160,162,651	2,000,000	3,760,600	207,529,251	100.0%

¹⁰ Calculated based on S\$208.0 million of cash from the Escrow Account and the assumption that total proceeds of S\$10.0 million are raised from the PIPE Financing

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Scenario 2: Assuming that there is Maximum Redemption¹¹

	Ordinary Shares outstanding	Ownership %	(-) Shareholders' Redemption	(+) Consideration Shares (A)	(+) Base PIPE Shares (B)	(+) Special Bonus Shares (C)	Enlarged Share Capital	Ownership %
Company's Shareholders	41,606,000	100.0%	(29,606,000)	-	-	600,000	12,600,000	7.2%
Sponsor	6,000,000	14.4%	-	-	-	-	6,000,000	3.4%
Venezio	6,000,000	14.4%	-	-	-	600,000	6,600,000	3.8%
Other Shareholders	29,606,000	71.2%	(29,606,000)	-	-	-	-	-
Vendor Shareholders	-	-	-	160,162,651	-	-	160,162,651	91.5%
PIPE Investors	-	-	-	-	2,000,000	200,000	2,200,000	1.3%
Total	41,606,000	100.0%	(29,606,000)	160,162,651	2,000,000	800,000	174,962,651	100.0%

Fully diluted shareholding post-Completion

Post Completion, the share capital of the Company will be further enlarged by the allotment and issuance of new Shares as follows¹²:

- (a) allotment and issuance of the ESOP Shares;
- (b) allotment and issuance of the Earnout Shares (with each Earnout Share issued at the Issue Price);
- (c) allotment and issuance of the EIS Shares (with each EIS Share issued at the Issue Price);
- (d) allotment and issuance of the Promote Shares; and

¹¹ Calculated based on the remaining proceeds of S\$60.0 million raised from the Company's initial public offering following Redemption and the assumption that total proceeds of S\$10.0 million are raised from the PIPE Financing

¹² For the purposes of the tables in scenarios 1 and 2, we have assumed that (a) the maximum number of ESOP Shares, Earnout Shares and EIS Shares are allotted and issued by the Company, (b) the maximum number of Promote Shares (i.e. 10,401,500 Promote Shares) are allotted and issued by the Company to the Sponsor and (c) the maximum number of Warrants are exercised into Shares. The actual shareholding of the Company post-Completion may vary depending on the actual number of ESOP Shares, Earnout Shares, EIS Shares and Promote Shares allotted and issued by the Company and the actual number of Warrants that are exercised into Shares.

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- (e) allotment and issuance of Shares pursuant to the exercise of the following Warrants:
- (i) the Existing Warrants issued to Shareholders at the completion of the Offering and which will survive even in the event that the Warrantholder elects to redeem their Shares prior to the EGM;
 - (ii) the Additional Warrants, to be issued to the Non-Redeeming Shareholders and Vertex SPV upon Completion of the Proposed Business Combination; and
 - (iii) the 16 million Private Placement Warrants.

To illustrate the dilutive impact of the redemption of the Public Warrants and Private Placement Warrants, the number of Shares to be allotted and issued is calculated based on the redemption ratio of 0.361 Converted Shares for each Warrant redeemed, calculated based on:

(Market Redemption Trigger Price of \$9.00 – Warrant Exercise Price of \$5.75)/Market Redemption Trigger Price of \$9.00

	No Redemption		Maximum Redemption	
	Warrants	Shares	Warrants	Shares
Sponsor	19,000,000	6,859,000	19,000,000	6,859,000
Existing Warrants	1,800,000	649,800	1,800,000	649,800
Additional Warrants	1,200,000	433,200	1,200,000	433,200
Private Placement Warrants	16,000,000	5,776,000	16,000,000	5,776,000
Venezio	3,000,000	1,083,000	3,000,000	1,083,000
Existing Warrants	1,800,000	649,800	1,800,000	649,800
Additional Warrants	1,200,000	433,200	1,200,000	433,200
Other Shareholders	14,803,000	5,343,883	8,881,800	3,206,330
Existing Warrants	8,881,800	3,206,330	8,881,800	3,206,330
Additional Warrants	5,921,200	2,137,553	–	–
Total Warrants	36,803,000	13,285,883	30,881,800	11,148,330

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The tables below set out the dilution effect of the above transactions on the various groups of Shareholders.

Scenario 1: Assuming that there is No Redemption¹³

	Enlarged Share Capital	Ownership %	(+) ESOP (D)	(+) Earnout Shares (E)	(+) EIS Shares (F)	(+) Promote Shares (G)	(+) Shares from cashless conversion of Public Warrants and Private Placement Warrants (H)	Fully Enlarged Share Capital	Ownership %
Company's Shareholders	45,166,600	21.8%	-	-	-	4,090,900	13,285,883	62,543,383	24.6%
Sponsor	6,000,000	2.9%	-	-	-	4,090,900	6,859,000	16,949,900	6.7%
Venezio	6,600,000	3.2%	-	-	-	-	1,083,000	7,683,000	3.0%
Other Shareholders	32,566,600	15.7%	-	-	-	-	5,343,883	37,910,483	14.9%
Vendor Shareholders	160,162,651	77.2%	-	24,408,000	-	-	-	184,570,651	72.7%
Key Executives	-	-	-	-	2,550,000	-	-	2,550,000	1.0%
17LIVE Unvested RSU Holders and Company ESOP Participants	-	-	2,114,891	-	-	-	-	2,114,891	0.8%
PIPE Investors	2,200,000	1.1%	-	-	-	-	-	2,200,000	0.9%
Total	207,529,251	100.0%	2,114,891	24,408,000	2,550,000	4,090,900	13,285,883	253,978,925	100.0%

¹³ Calculated based on S\$208.0 million of cash from the Escrow Account and the assumption that total proceeds of S\$10.0 million are raised from the PIPE Financing

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Scenario 2: Assuming that there is Maximum Redemption¹⁴

	Enlarged Share Capital	Ownership %	(+) ESOP (D)	(+) Earnout Shares (E)	(+) EIS Shares (F)	(+) Promote Shares (G)	(+) Shares from cashless conversion of Public Warrants and Private Placement Warrants (H)	Fully Enlarged Share Capital	Ownership %
Company's Shareholders	12,600,000	7.2%	-	-	-	7,051,500	11,148,330	30,799,830	13.9%
Sponsor	6,000,000	3.4%	-	-	-	7,051,500	6,859,000	19,910,500	9.0%
Venezio	6,600,000	3.8%	-	-	-	-	1,083,000	7,683,000	3.5%
Other Shareholders	-	-	-	-	-	-	3,206,330	3,206,330	1.4%
Vendor									
Shareholders	160,162,651	91.5%	-	24,408,000	-	-	-	184,570,651	83.1%
Key Executives	-	-	-	-	2,550,000	-	-	2,550,000	1.1%
17LIVE Unvested RSU Holders and Company ESOP Participants	-	-	-	-	-	-	-	-	-
PIPE Investors	2,200,000	1.3%	2,114,891	-	-	-	-	2,114,891	1.0%
Total	174,962,651	100.0%	2,114,891	24,408,000	2,550,000	7,051,500	11,148,330	222,235,372	100.0%

¹⁴ Calculated based on \$660.0 million of cash from the Escrow Account and the assumption that total proceeds of \$510.0 million are raised from the PIPE Financing

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Dilution Effect Resulting from the Exercise of the Warrants

Each Unit subscribed for by Shareholders at the Company's initial public offering comprises one Share and 0.3 of one Warrant per Share (the "**Existing Warrants**"), which was issued at the completion of the Offering, with an additional right to 0.2 of one Warrant per Share (the "**Additional Warrants**") which will be issued to holders of Shares which have not been tendered for Redemption prior to the EGM. Persons who do not hold any Shares will not be entitled to the Additional Warrants.

Each whole Warrant entitles the Warrantholder to subscribe for one Share at the Warrant Exercise Price during the Warrant Exercise Period. Converted Shares allotted and issued upon the exercise of the Warrants shall be fully paid and shall rank *pari passu* in all respects with the then existing Shares save for any dividends, rights, allotments and other distributions the Distribution Record Date for which is before the relevant Exercise Date of the Warrants. "**Distribution Record Date**" means, in relation to any dividends, rights, allotments or other distributions, the date at the close of business on which Shareholders must be registered in order to participate in such dividends, rights, allotments or other distributions.

Given that (a) all Shareholders have been allotted and issued the Existing Warrants, (b) all Shareholders (including Vertex SPV and Venezia) will be entitled to the Additional Warrants as long as they do not tender their Shares for Redemption prior to the EGM, and (c) the Converted Shares allotted and issued upon the exercise of the Warrants will generally rank *pari passu* in all respects with the existing Shares, the impact of dilution to Shareholders arising from the conversion of the Warrants will be minimal. Further, the Shareholders' entitlement to the Additional Warrants has been disclosed in the Prospectus and Shareholders may minimise the impact of dilution from the conversion of the Warrants by electing to not tender their Shares for Redemption prior to the EGM.

Features of the Warrants

Voting rights

Subject to the terms of the Warrant Agreement, Warrants which have not been exercised shall confer the right to attend or vote at, or join in convening, or be counted in the quorum for any meeting of Warrantholders. However, Warrants which have not been exercised but have been lodged for exercise shall not, unless and until they are withdrawn from lodgement, confer the right to attend or vote at, or join in convening, or be counted in the quorum for any meeting of Warrantholders.

Tenure

A Warrant may be exercised only during the period ("**Warrant Exercise Period**") commencing on the later of: (i) the date that is 30 days after the first date on which the Company completes an initial business combination or (ii) the date that is 12 months from the close of the Offering and terminating at the earlier to occur of: (x) 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, (y) the Company's Liquidation, or (z) (other than with respect to the Private Placement Warrants to the extent then held by Vertex SPV or its Permitted Transferees), 5:00 p.m., Singapore time on the Warrant Redemption Date as provided in the Warrant Conditions (the "**Warrant Expiration Date**"); provided, however, that the

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exercise of any Warrant shall be subject to the satisfaction of any applicable Warrant Conditions. After the Warrant Expiration Date, any subscription rights which have not been exercised will lapse and the Warrants will cease to be valid for any purpose whatsoever.

Warrant Exercise Price

The exercise price of the Warrants is S\$5.75 for each whole Share, subject to the adjustments as described in the Warrant Conditions (“**Warrant Exercise Price**”).

Redemption Terms of the Warrants

Subject to the Warrant Conditions, the Company may, at its option, redeem all (and not part) of the outstanding Warrants, at any time during the Warrant Exercise Period, at the office of the Warrant Agent, upon notice to the Warrantheolders of the Warrants, as described in the paragraph below, provided that the Reference Value equals or exceeds S\$9.00 per Share (subject to adjustment in compliance with the Warrant Conditions).

In the event that the Company elects to redeem the Warrants, the Company shall fix a date for the redemption (the “**Warrant Redemption Date**”). Notice of redemption shall be mailed by first class mail, postage prepaid, by the Company not less than 30 days prior to the Warrant Redemption Date (the “**30-day Redemption Period**”) to the Warrantheolders of the Public Warrants to be redeemed at their last addresses as they shall appear on the registration books.

The Warrants may be exercised by Warrantheolders for cash at any time during the 30-day Redemption Period and any Warrants outstanding as at the Warrant Redemption Date shall be redeemed and settled on a “cashless basis”. The notice of redemption shall contain instructions on how to calculate the number of Converted Shares to be received upon redemption of the Warrants on a “cashless basis” (the “**Redemption Shares**”). The number of Redemption Shares to be received upon redemption of the Warrants on a “cashless basis” shall be the product of Warrants held by such Warrantheolder, multiplied by 0.361 (rounded down to the nearest whole number of Redemption Shares). For the avoidance of doubt, the multiple of 0.361 is (a) independent of and will not be affected by the Warrant Redemption Date fixed by the Company or the fair market value of the Shares; and (b) fixed regardless of any adjustments to the Warrant Exercise Price as there will be a corresponding and proportionate adjustment to the redemption trigger price in accordance with the Warrant Conditions.

The redemption rights provided above shall not apply to the Private Placement Warrants if at the time of the redemption such Private Placement Warrants continue to be held by Vertex SPV or any of its Permitted Transferees. However, once such Private Placement Warrants are transferred (other than to Permitted Transferees in accordance with the Warrant Conditions), the Company may redeem the Private Placement Warrants provided that the criteria for redemption are met.

Private Placement Warrants

Vertex SPV had purchased 16.0 million Private Placement Warrants on the close of the Offering pursuant to the Private Placement Warrants Purchase Agreement, all of which remain outstanding as at the Latest Practicable Date.

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Each Private Placement Warrant entitles Vertex SPV to subscribe for one new Share based on the exercise price of S\$5.75 per Share, subject to adjustment. The Private Placement Warrants are identical to the Warrants included in the Units sold in the Offering, subject to certain limited exceptions as described in the Section 23.6 titled “*Enlarged Group Corporate and Shareholding Structure – Dilution Effect Resulting from the Proposed Transactions and the Exercise of the Warrants – Dilution Effect Resulting from the Exercise of the Warrants – Differences between the Private Placement Warrants and the Public Warrants*” of this Circular.

The Private Placement Warrants will become exercisable during the Warrant Exercise Period. Subject to the terms of the Warrant Agreement, the Private Placement Warrants will expire at 5:00 p.m. on the date five years after the completion of the Company’s initial business combination or earlier upon Liquidation. Upon expiry, the Private Placement Warrants shall cease to be valid for any purpose.

Differences between the Private Placement Warrants and the Public Warrants

There is only one series of Warrants listed and traded. The Private Placement Warrants are acquired by Vertex SPV with cash in order to provide the Company with working capital, whereas the Public Warrants are offered “for free” as part of the Unit. Under the provisions of the Warrant Agreement, the Private Placement Warrants and the Public Warrants are from the same series of Warrants except that in the hands of Vertex SPV (and its Permitted Transferees), the Private Placement Warrants:

- are subject to certain transfer restrictions (as detailed in Condition 2.4 of the section titled “*Appendix E – Terms and Conditions of the Warrants*” of the Prospectus);
- are not subject to the Company’s redemption right (as detailed in Condition 6.1 of the section titled “*Appendix E – Terms and Conditions of the Warrants*” of the Prospectus); and
- may be exercised on a cash or on a “cashless basis” (as detailed in Condition 3.3I of the section titled “*Appendix E – Terms and Conditions of the Warrants*” of the Prospectus).

The abovementioned contractual features are akin to the moratorium requirements on the Warrants. Pursuant to the terms of the Warrant Agreement, where the Private Placement Warrants are transferred to persons other than Permitted Transferees and shall upon such transfer cease to be Private Placement Warrants and shall become Public Warrants, the Warrant Agent shall not cancel such Private Placement Warrant surrendered for transfer bearing a restrictive legend and issue new Warrants in exchange thereof, until the Warrant Agent has received an opinion from our legal counsel stating that such transfer may be made and indicating whether the new Warrants must also bear a restrictive legend.

23.7 Moratorium

Rule 1015(3)(c) of the Mainboard Rules provides that the moratorium requirements specified in Rules 227, 228 and 229 are applicable to the following persons:

- (a) persons who are existing Controlling Shareholders or who will become Controlling Shareholders of the issuer as a result of the asset acquisition; and
- (b) Associates of any person in (a).

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Rule 210(11)(h) of the Mainboard Rules further provides that the moratorium requirements specified in Rules 227, 228 and 229 are applicable, and following the Completion of the Proposed Business Combination, all equity securities of (a) the founding shareholders and the Management Team of the Company, and their Associates, and (b) the Controlling Shareholders of the Enlarged Group and their Associates, and executive directors of the Enlarged Group with an interest in 5% or more of the issued share capital of the Enlarged Group, will be subject to the moratorium requirements in Rules 227, 228 and 229 from the Completion Date of the Proposed Business Combination.

In compliance with the regulatory requirements, the terms of the Management and Placement Agreement and/or the SPA, and to demonstrate their commitment to the Enlarged Group, the following persons will provide/have provided undertakings in favour of the Joint Financial Advisers as set out below:

The Company

The Company has agreed and covenanted with and undertaken to the Joint Financial Advisers that, save to the extent contemplated by the Proposed Business Combination and the PIPE Financing, the Company will not, at any time from the Completion Date until such date being six months after the Completion Date (both dates inclusive) without the prior written consent of the Joint Financial Advisers and Joint Placement Agents, directly or indirectly:

- (a) allot, offer, issue, sell, accept subscription for, offer to allot, issue or sell, contract or agree to allot, issue or sell, mortgage, charge, pledge, hypothecate, hedge, lend, grant or sell any option, warrant, contract or right to subscribe for or purchase, grant or purchase any option, warrant, contract or right to allot, issue or sell, or otherwise transfer or dispose of or create an encumbrance over (whether by way of mortgage, assignment of receivables, debenture, lien (other than liens arising by operation of law in the ordinary course of business), charge, pledge, title retention, right to acquire, security interest, options, rights of first refusal, pre-emption rights or any other encumbrance), or contract or agree to transfer or dispose of or create an encumbrance over (whether by way of mortgage, assignment of receivables, debenture, lien (other than liens arising by operation of law in the ordinary course of business), charge, pledge, title retention, right to acquire, security interest, options, rights of first refusal, pre-emption rights or any other encumbrance), either directly or indirectly, conditionally or unconditionally, any Shares or any other securities of the Company or any subsidiary of the Company, as applicable, or any interest in any of the foregoing (including, without limitation, any equity-linked securities, perpetual securities and any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any Warrants or other rights to subscribe for or purchase any Shares or any other securities of the Company or any subsidiary of the Company, whether such transaction is to be settled by delivery of Shares or other securities of the Company or any subsidiary of the Company, or in cash or otherwise, or deposit Shares with a depository in connection with the issue of depository receipts);

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- (b) enter into any swap, hedge or other transaction or arrangement (including a derivative transaction) that transfers to another, in whole or in part, any of the economic consequences of ownership of any Shares or any securities of the Company or any subsidiary of the Company, or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to subscribe for or purchase, any Shares or any other securities of the Company or any subsidiary of the Company, whether such transaction is to be settled by delivery of Shares or other securities of the Company or subsidiary of the Company, or in cash or otherwise);
- (c) deposit any Shares or any other securities of the Company or any subsidiary of the Company (including any securities convertible into or exercisable or exchangeable for, or which carry rights to subscribe for or purchase any Shares or any other securities of the Company or any subsidiary of the Company) in any depository receipt facilities (other than in a CDP designated moratorium account for the purposes of complying with these restrictions);
- (d) enter into any transaction which is designed or which may reasonably be expected to result in any of the above; or
- (e) announce or publicly disclose any intention to do any of the above,

provided, however, that the foregoing restrictions shall not apply in respect of (i) the PIPE Shares, Consideration Shares, Earnout Shares, EIS Shares, ESOP Shares and Special Bonus Shares, and (ii) any actions that the Company or a subsidiary is required to undertake pursuant to their respective obligations under the SPA.

The Sponsor

The Sponsor will agree with the Joint Financial Advisers that, from the Completion Date up to and including the date falling 12 months after the Completion Date (both dates inclusive), it will not, without the prior written consent of the Joint Financial Advisers, directly or indirectly:

- (a) reduce its effective interests in the 6,000,000 Shares of the issued and paid-up share capital of the Company held by Vertex SPV (the “**Sponsor Shares**”), the Promote Shares (the “**Lock-up Promote Shares**”) or the 17,800,000 Warrants, comprising 1,800,000 Public Warrants and 16,000,000 Private Placement Warrants, and an additional right to 0.2 of one Warrant per Sponsor Share which Vertex SPV holds (which have not been tendered for Redemption) and which will only be issued at or around the Completion of the Proposed Business Combination (the “**Additional Sponsor Warrants**”, and together with the Public Warrants and Private Placement Warrants, the “**Sponsor Warrants**”) (collectively, the “**Sponsor Securities**”);
- (b) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, hypothecate, grant security over, encumber or otherwise transfer or dispose of its interests in any shares in Vertex SPV (the “**Vertex SPV Shares**”) (or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the Vertex SPV Shares) or enter into a transaction that would have the same effect, whether any such transaction described above is to be settled by delivery of the Vertex SPV Shares or such other securities, in cash or otherwise;

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- (c) enter into any swap, hedge or other transaction or arrangement (including a derivative transaction) that transfers to another, in whole or in part, any of the economic consequences of ownership of the Vertex SPV Shares (or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the Vertex SPV Shares), whether any such transaction described above is to be settled by delivery of the Vertex SPV Shares or such other securities, in cash or otherwise;
- (d) deposit any of the Vertex SPV Shares or any securities convertible into or exchangeable for or which carry rights to subscribe for or purchase any of Vertex SPV Shares in any depository receipt facilities, whether any such transaction described above is to be settled by delivery of Vertex SPV Shares or such other securities, in cash or otherwise;
- (e) enter into any transaction which is designed or which may reasonably be expected to result in any of the above; or
- (f) announce or publicly disclose any intention to do any of the above.

For the avoidance of doubt, any Sponsor Shares issued pursuant to the exercise of Sponsor Warrants would still be considered as Sponsor Securities.

Vertex SPV

Vertex SPV will agree with the Joint Financial Advisers that:

- (i) from the Completion Date up to and including the date falling six months after the Completion Date (both dates inclusive), it will not, without the prior written consent of the Joint Financial Advisers, directly or indirectly:
 - (a) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, hypothecate, grant security over, encumber or otherwise transfer or dispose of its holdings in any Sponsor Securities (or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the Sponsor Securities) or enter into a transaction that would have the same effect, whether any such transaction described above is to be settled by delivery of the Sponsor Securities or such other securities, in cash or otherwise;
 - (b) enter into any swap, hedge or other transaction or arrangement (including a derivative transaction) that transfers to another, in whole or in part, any of the economic consequences of ownership of the Sponsor Securities (or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the Sponsor Securities), whether any such transaction described above is to be settled by delivery of the Sponsor Securities or such other securities, in cash or otherwise;

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- (c) deposit any of the Sponsor Securities or any securities convertible into or exchangeable for which carry rights to subscribe for or purchase any of the Sponsor Securities in any depository receipt facilities (other than in a CDP designated moratorium account for the purposes of complying with its obligations under its undertaking), whether any such transaction described above is to be settled by delivery of the Sponsor Securities or such other securities, in cash or otherwise;
- (d) redeem any holdings of its Shares in connection with the Completion of the Proposed Business Combination;
- (e) enter into any transaction which is designed or which may reasonably be expected to result in any of the above; or
- (f) announce or publicly disclose any intention to do any of the above.

For the avoidance of doubt, any Sponsor Shares issued pursuant to the exercise of Sponsor Warrants would still be considered as Sponsor Securities.

- (ii) from the Completion Date up until the date falling 12 months after the Completion Date (both dates inclusive), it will not, without the prior written consent of the Joint Financial Advisers, directly or indirectly:
 - (a) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, hypothecate, grant security over, encumber or otherwise transfer or dispose of its holdings in any Lock-up Promote Shares (or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the Lock-up Promote Shares) or enter into a transaction that would have the same effect, whether any such transaction described above is to be settled by delivery of the Lock-up Promote Shares, or such other securities, in cash or otherwise;
 - (b) enter into any swap, hedge or other transaction or arrangement (including a derivative transaction) that transfers to another, in whole or in part, any of the economic consequences of ownership of the Lock-up Promote Shares (or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the Lock-up Promote Shares), whether any such transaction described above is to be settled by delivery of the Lock-up Promote Shares, or such other securities, in cash or otherwise;
 - (c) deposit any of the Lock-up Promote Shares, or any securities convertible into or exchangeable for or which carry rights to subscribe for or purchase any of the Lock-up Promote Shares in any depository receipt facilities (other than in a CDP designated moratorium account for the purposes of complying with its obligations under its undertaking), whether any such transaction described above is to be settled by delivery of the Lock-up Promote Shares, or such other securities, in cash or otherwise;

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- (d) enter into any transaction which is designed or which may reasonably be expected to result in any of the above; or
- (e) announce or publicly disclose any intention to do any of the above.

Subject to the Mainboard Rules, the restrictions in paragraph (i) do not apply to a redemption of the Sponsor Securities in connection with the liquidation of the Company in the event of a failure to complete an initial business combination.

Venezio

Venezio will agree with the Joint Financial Advisers that, from the Completion Date up to and including the date falling six months after the Completion Date (both dates inclusive), it will not, without the prior written consent of the Joint Financial Advisers, directly or indirectly:

- (a) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, hypothecate, grant security over, encumber or otherwise transfer or dispose of the 6,000,000 Shares of the issued and paid-up share capital of the Company held by Venezio and the Special Bonus Shares (collectively, the “**Venezio Shares**”), or the 1,800,000 Warrants, and an additional right to 0.2 of one Warrant per Venezio Share which Venezio holds (which have not been tendered for Redemption) and which will only be issued at or around the Completion of the Proposed Business Combination (the “**Additional Venezio Warrants**”, and together with the 1,800,000 Warrants, the “**Venezio Warrants**”) as of the Completion Date (collectively, the “**Venezio Securities**”) (or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the Venezio Securities) or enter into a transaction that would have the same effect, whether any such transaction described above is to be settled by delivery of the Venezio Securities or such other securities, in cash or otherwise;
- (b) enter into any swap, hedge or other transaction or arrangement (including a derivative transaction) that transfers to another, in whole or in part, any of the economic consequences of ownership of the Venezio Securities (or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the Venezio Securities), whether any such transaction described above is to be settled by delivery of the Venezio Securities or such other securities, in cash or otherwise;
- (c) deposit any of the Venezio Securities or any securities convertible into or exchangeable for or which carry rights to subscribe for or purchase any of the Venezio Securities in any depository receipt facilities (other than in a CDP designated moratorium account for the purposes of complying with its obligations under its undertaking), whether any such transaction described above is to be settled by delivery of the Venezio Securities or such other securities, in cash or otherwise;
- (d) enter into any transaction which is designed or which may reasonably be expected to result in any of the above; or
- (e) announce or publicly disclose any intention to do any of the above.

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For the avoidance of doubt, any Venezia Shares issued pursuant to the exercise of Venezia Warrants would still be considered as Venezia Securities for the purposes of the restrictions above.

The restrictions above do not apply to prohibit Venezia from:

- (a) a redemption of the Venezia Securities in connection with the liquidation of the Company in the event of a failure to complete an initial business combination; and
- (b) where the initial business combination results in the Company being reconstituted, or merged or amalgamated into or with another entity (the “**resulting issuer**”), any transfers, transactions or arrangements for the Venezia Securities to be exchanged for or otherwise converted into interest in the resulting issuer, provided that Venezia has executed and delivered to the Joint Financial Advisers an undertaking that to the reasonable satisfaction of the Joint Financial Advisers is equivalent to the effect of the restriction described above, to remain in effect for the remainder of the period from the Completion Date up to and including the date falling six months after the Completion Date (both dates inclusive).

Tembusu

Tembusu will agree with the Joint Financial Advisers that, from the Completion Date up to and including the date falling six months after the Completion Date (both dates inclusive), it will not, without the prior written consent of the Joint Financial Advisers, directly or indirectly:

- (a) reduce its effective interests in the Venezia Securities held by Venezia as of the Completion Date;
- (b) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, hypothecate, grant security over, encumber or otherwise transfer or dispose of any shares in Venezia (the “**VI Shares**”) (or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the VI Shares) or enter into a transaction that would have the same effect, whether any such transaction described above is to be settled by delivery of the VI Shares or such other securities, in cash or otherwise;
- (c) enter into any swap, hedge or other transaction or arrangement (including a derivative transaction) that transfers to another, in whole or in part, any of the economic consequences of ownership of the VI Shares (or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the VI Shares), whether any such transaction described above is to be settled by delivery of the VI Shares or such other securities, in cash or otherwise;
- (d) deposit any of the VI Shares or any securities convertible into or exchangeable for or which carry rights to subscribe for or purchase any of the VI Shares in any depository receipt facilities (other than in a CDP designated moratorium account for the purposes of complying with its obligations under its undertaking), whether any such transaction described above is to be settled by delivery of the VI Shares or such other securities, in cash or otherwise;

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- (e) enter into any transaction which is designed or which may reasonably be expected to result in any of the above; or
- (f) announce or publicly disclose any intention to do any of the above.

For the avoidance of doubt, any Venezia Shares issued pursuant to the exercise of Venezia Warrants would still be considered as Venezia Securities for the purposes of the restrictions above.

The restrictions above do not apply to prohibit Tembusu from:

- (a) any transfer of its interests in VI Shares by Tembusu to any of Temasek's direct and indirect wholly-owned subsidiaries whose boards of directors or equivalent governing bodies comprise employees and nominees of: (1) Temasek; (2) Temasek Pte. Ltd.; and/or (3) any direct and indirect wholly-owned subsidiaries of Temasek Pte. Ltd., provided that each such subsidiary has executed and delivered to the Joint Financial Advisers an undertaking that to the reasonable satisfaction of the Joint Financial Advisers is equivalent to the effect of the restriction described above, to remain in effect for the remainder of the period from Completion Date up to and including the date falling six months after the Completion Date (both dates inclusive);
- (b) a redemption of the Venezia Securities in connection with the liquidation of the Company in the event of a failure to complete an initial business combination; and
- (c) where the initial business combination results in the Company being reconstituted, or merged or amalgamated into or with the resulting issuer, any transfers, transactions or arrangements for the Venezia Securities to be exchanged for or otherwise converted into interest in the resulting issuer, provided that Venezia has executed and delivered to the Joint Financial Advisers an undertaking that to the reasonable satisfaction of the Joint Financial Advisers is equivalent to the effect of the restriction described above, to remain in effect for the remainder of the period from the Completion Date up to and including the date falling six months after the Completion Date (both dates inclusive).

Phua Jiexian Joseph

Phua Jiexian Joseph will agree with the Joint Financial Advisers that:

- (i) from Completion Date up to and including the date falling 6 months after the Completion Date (both dates inclusive), (the "**Lock-up Period**") he will not, without the prior written consent of the Joint Financial Advisers, directly or indirectly:
 - (a) reduce his effective interest in the Shares (including the Consideration Shares and the Earnout Shares);
 - (b) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, hypothecate, grant security over, encumber or otherwise transfer or dispose of his interests in any shares in Dragon Alexander Limited (the "**DAL Shares**") (or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the DAL Shares) or enter into a transaction that would have the same effect, whether any such transaction described above is to be settled by delivery of the DAL Shares or such other securities, in cash or otherwise;

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- (c) enter into any swap, hedge or other transaction or arrangement (including a derivative transaction) that transfers to another, in whole or in part, any of the economic consequences of ownership of the DAL Shares (or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the DAL Shares), whether any such transaction described above is to be settled by delivery of the DAL Shares or such other securities, in cash or otherwise;
 - (d) deposit any of the DAL Shares or any securities convertible into or exchangeable for or which carry rights to subscribe for or purchase any of DAL Shares in any depository receipt facilities, whether any such transaction described above is to be settled by delivery of DAL Shares or such other securities, in cash or otherwise;
 - (e) enter into any transaction which is designed or which may reasonably be expected to result in any of the above; or
 - (f) announce or publicly disclose any intention to do any of the above.
- (ii) during the Lock-up Period, he will not, without the prior written consent of the Joint Financial Advisers, directly or indirectly:
- (a) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, hypothecate, grant security over, encumber or otherwise transfer or dispose of his holdings in any shares of the Company (including the Earnout Shares and the EIS Shares (if applicable)) (collectively, the **“PJJ Lock-up Shares”**) (or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the PJJ Lock-up Shares) or enter into a transaction that would have the same effect, whether any such transaction described above is to be settled by delivery of the PJJ Lock-up Shares or such other securities, in cash or otherwise;
 - (b) enter into any swap, hedge or other transaction or arrangement (including a derivative transaction) that transfers to another, in whole or in part, any of the economic consequences of ownership of the PJJ Lock-up Shares (or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the PJJ Lock-up Shares), whether any such transaction described above is to be settled by delivery of the PJJ Lock-up Shares or such other securities, in cash or otherwise;
 - (c) deposit any of the PJJ Lock-up Shares or any securities convertible into or exchangeable for or which carry rights to subscribe for or purchase any of the PJJ Lock-up Shares in any depository receipt facilities, whether any such transaction described above is to be settled by delivery of the PJJ Lock-up Shares or such other securities, in cash or otherwise;
 - (d) enter into any transaction which is designed or which may reasonably be expected to result in any of the above; and
 - (e) announce or publicly disclose any intention to do any of the above.

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Notwithstanding paragraphs (i) and (ii) above, Phua Jiexian Joseph shall be entitled to enter into any transaction or do any action contemplated pursuant to paragraphs (i) and (ii) above provided that:

- (i) where applicable, any such charge, security or encumbrance shall not be enforced over any of the DAL Shares or PJJ Lock-up Shares, including any Shares he acquires during the Lock-up Period, and the chargee agrees with the Joint Financial Advisers that such charge, security or encumbrance over the relevant DAL Shares or PJJ Lock-up Shares, including any new Shares he acquires during the Lock-up Period that may be subject to such charge, security or encumbrance, cannot be enforced during the Lock-up Period; and
- (ii) any such transaction will not result in a transfer (whether in whole or in part) to a third party, during the Lock-Up Period, of any legal or beneficial ownership interest of the DAL Shares or PJJ Lock-up Shares, including any Shares he acquires during the Lock-up Period,

and evidence of the above is provided to the reasonable satisfaction of the Joint Financial Advisers.

Ng Jing Shen

Ng Jing Shen will agree with the Joint Financial Advisers that, from the Completion Date up to and including the date falling six months after the Completion Date (both dates inclusive), he will not, without the prior written consent of the Joint Financial Advisers, directly or indirectly:

- (a) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, hypothecate, grant security over, encumber or otherwise transfer or dispose of his holdings in any Shares (including the Consideration Shares, ESOP Shares, EIS Shares and Earnout Shares (if applicable)) (collectively, the “**NJS Lock-up Shares**”) (or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the NJS Lock-up Shares) or enter into a transaction that would have the same effect, whether any such transaction described above is to be settled by delivery of the NJS Lock-up Shares or such other securities, in cash or otherwise;
- (b) enter into any swap, hedge or other transaction or arrangement (including a derivative transaction) that transfers to another, in whole or in part, any of the economic consequences of ownership of the NJS Lock-up Shares (or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the NJS Lock-up Shares), whether any such transaction described above is to be settled by delivery of the NJS Lock-up Shares or such other securities, in cash or otherwise;

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- (c) deposit any of the NJS Lock-up Shares or any securities convertible into or exchangeable for or which carry rights to subscribe for or purchase any of the NJS Lock-up Shares in any depository receipt facilities, whether any such transaction described above is to be settled by delivery of the NJS Lock-up Shares or such other securities, in cash or otherwise;
- (d) enter into any transaction which is designed or which may reasonably be expected to result in any of the above; and
- (e) announce or publicly disclose any intention to do any of the above.

Aika Tong

- (i) Aika Tong will agree with the Joint Financial Advisers that, from Completion Date up to and including the date falling six months after the Completion Date (both dates inclusive), she will not, without the prior written consent of the Joint Financial Advisers, directly or indirectly:
 - (a) reduce her effective interest in the Shares (including the Consideration Shares and Earnout Shares);
 - (b) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, hypothecate, grant security over, encumber or otherwise transfer or dispose of her interests in any shares in M17 Growth SPV LLC, M17 Growth SPV B LLC, Northpark Advisory Ltd., Talent Dragon Co., Ltd. and Chia Nine Investments Co., Ltd. (the “**AT Entity Shares**”) (or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the AT Entity Shares) or enter into a transaction that would have the same effect, whether any such transaction described above is to be settled by delivery of the AT Entity Shares or such other securities, in cash or otherwise;
 - (c) enter into any swap, hedge or other transaction or arrangement (including a derivative transaction) that transfers to another, in whole or in part, any of the economic consequences of ownership of the AT Entity Shares (or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the AT Entity Shares), whether any such transaction described above is to be settled by delivery of the AT Entity Shares or such other securities, in cash or otherwise;
 - (d) deposit any of the AT Entity Shares or any securities convertible into or exchangeable for or which carry rights to subscribe for or purchase any of AT Entity Shares in any depository receipt facilities, whether any such transaction described above is to be settled by delivery of AT Entity Shares or such other securities, in cash or otherwise;
 - (e) enter into any transaction which is designed or which may reasonably be expected to result in any of the above; or
 - (f) announce or publicly disclose any intention to do any of the above.

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- (ii) from the Completion Date up to and including the date falling six months after the Completion Date (both dates inclusive), without the prior written consent of the Joint Financial Advisers, directly or indirectly:
 - (a) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, hypothecate, grant security over, encumber or otherwise transfer or dispose of her holdings in any shares of the Company (including the Consideration Shares and Earnout Shares) (collectively, the “**AT Lock-up Shares**”) (or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the AT Lock-up Shares) or enter into a transaction that would have the same effect, whether any such transaction described above is to be settled by delivery of the AT Lock-up Shares or such other securities, in cash or otherwise;
 - (b) enter into any swap, hedge or other transaction or arrangement (including a derivative transaction) that transfers to another, in whole or in part, any of the economic consequences of ownership of the AT Lock-up Shares (or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the AT Lock-up Shares), whether any such transaction described above is to be settled by delivery of the AT Lock-up Shares or such other securities, in cash or otherwise;
 - (c) deposit any of the AT Lock-up Shares or any securities convertible into or exchangeable for or which carry rights to subscribe for or purchase any of the AT Lock-up Shares in any depository receipt facilities, whether any such transaction described above is to be settled by delivery of the AT Lock-up Shares or such other securities, in cash or otherwise;
 - (d) enter into any transaction which is designed or which may reasonably be expected to result in any of the above; and
 - (e) announce or publicly disclose any intention to do any of the above.

Vertex Legacy Continuation Fund Pte. Ltd.

Vertex Legacy Continuation Fund Pte. Ltd. will agree with the Joint Financial Advisers that, from the Completion Date up to and including the date falling six months after the Completion Date (both dates inclusive), it will not, without the prior written consent of the Joint Financial Advisers, directly or indirectly:

- (a) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, hypothecate, grant security over, encumber or otherwise transfer or dispose of its holdings in any Shares (including the Consideration Shares and the Earnout Shares (if applicable)) (collectively, the “**VLC Lock-up Shares**”) (or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the VLC Lock-up Shares) or enter into a transaction that would have the same effect, whether any such transaction described above is to be settled by delivery of the VLC Lock-up Shares or such other securities, in cash or otherwise;

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- (b) enter into any swap, hedge or other transaction or arrangement (including a derivative transaction) that transfers to another, in whole or in part, any of the economic consequences of ownership of the VLC Lock-up Shares (or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the VLC Lock-up Shares), whether any such transaction described above is to be settled by delivery of the VLC Lock-up Shares or such other securities, in cash or otherwise;
- (c) deposit any of the VLC Lock-up Shares or any securities convertible into or exchangeable for or which carry rights to subscribe for or purchase any of the VLC Lock-up Shares in any depository receipt facilities, whether any such transaction described above is to be settled by delivery of the VLC Lock-up Shares or such other securities, in cash or otherwise;
- (d) enter into any transaction which is designed or which may reasonably be expected to result in any of the above; or
- (e) announce or publicly disclose any intention to do any of the above.

Vertex Growth Fund Pte. Ltd.

Vertex Growth Fund Pte. Ltd. will agree with the Joint Financial Advisers that, from the Completion Date up to and including the date falling 6 months after the Completion Date (both dates inclusive), it will not, without the prior written consent of the Joint Financial Advisers, directly or indirectly:

- (a) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, hypothecate, grant security over, encumber or otherwise transfer or dispose of its holdings in any Shares (including the Consideration Shares and the Earnout Shares (if applicable)) (collectively, the “**VGF Lock-up Shares**”) (or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the VGF Lock-up Shares) or enter into a transaction that would have the same effect, whether any such transaction described above is to be settled by delivery of the VGF Lock-up Shares or such other securities, in cash or otherwise;
- (b) enter into any swap, hedge or other transaction or arrangement (including a derivative transaction) that transfers to another, in whole or in part, any of the economic consequences of ownership of the VGF Lock-up Shares (or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the VGF Lock-up Shares), whether any such transaction described above is to be settled by delivery of the VGF Lock-up Shares or such other securities, in cash or otherwise;
- (c) deposit any of the VGF Lock-up Shares or any securities convertible into or exchangeable for or which carry rights to subscribe for or purchase any of the VGF Lock-up Shares in any depository receipt facilities, whether any such transaction described above is to be settled by delivery of the VGF Lock-up Shares or such other securities, in cash or otherwise;
- (d) enter into any transaction which is designed or which may reasonably be expected to result in any of the above; or
- (e) announce or publicly disclose any intention to do any of the above.

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Vertex Ventures SEA Fund III Pte Ltd.

Vertex Ventures SEA Fund III Pte Ltd. will agree with the Joint Financial Advisers that, from the Completion Date up to and including the date falling six months after the Completion Date (both dates inclusive), it will not, without the prior written consent of the Joint Financial Advisers, directly or indirectly:

- (a) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, hypothecate, grant security over, encumber or otherwise transfer or dispose of its holdings in any Shares (including the Consideration Shares and the Earnout Shares (if applicable)) (collectively, the “**VVS Lock-up Shares**”) (or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the VVS Lock-up Shares) or enter into a transaction that would have the same effect, whether any such transaction described above is to be settled by delivery of the VVS Lock-up Shares or such other securities, in cash or otherwise;
- (b) enter into any swap, hedge or other transaction or arrangement (including a derivative transaction) that transfers to another, in whole or in part, any of the economic consequences of ownership of the VVS Lock-up Shares (or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the VVS Lock-up Shares), whether any such transaction described above is to be settled by delivery of the VVS Lock-up Shares or such other securities, in cash or otherwise;
- (c) deposit any of the VVS Lock-up Shares or any securities convertible into or exchangeable for or which carry rights to subscribe for or purchase any of the VVS Lock-up Shares in any depository receipt facilities, whether any such transaction described above is to be settled by delivery of the VVS Lock-up Shares or such other securities, in cash or otherwise;
- (d) enter into any transaction which is designed or which may reasonably be expected to result in any of the above; or
- (e) announce or publicly disclose any intention to do any of the above.

Infinity e.Ventures Asia III, L.P.

Infinity e.Ventures Asia III, L.P. will agree with the Joint Financial Advisers that, from the Completion Date up to and including the date falling six months after the Completion Date (both dates inclusive), it will not, without the prior written consent of the Joint Financial Advisers, directly or indirectly:

- (a) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, hypothecate, grant security over, encumber or otherwise transfer or dispose of its holdings in any Shares (including the Consideration Shares and the Earnout Shares (if applicable)) (collectively, the “**IEA Lock-up Shares**”) (or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the IEA Lock-up Shares) or enter into a transaction that would have the same effect, whether any such transaction described above is to be settled by delivery of the IEA Lock-up Shares or such other securities, in cash or otherwise;

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- (b) enter into any swap, hedge or other transaction or arrangement (including a derivative transaction) that transfers to another, in whole or in part, any of the economic consequences of ownership of the IEA Lock-up Shares (or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the IEA Lock-up Shares), whether any such transaction described above is to be settled by delivery of the IEA Lock-up Shares or such other securities, in cash or otherwise;
- (c) deposit any of the IEA Lock-up Shares or any securities convertible into or exchangeable for or which carry rights to subscribe for or purchase any of the IEA Lock-up Shares in any depository receipt facilities, whether any such transaction described above is to be settled by delivery of the IEA Lock-up Shares or such other securities, in cash or otherwise;
- (d) enter into any transaction which is designed or which may reasonably be expected to result in any of the above; or
- (e) announce or publicly disclose any intention to do any of the above.

Dragon Alexander Limited

Dragon Alexander Limited will agree with the Joint Financial Advisers that, from the Completion Date up to and including the date falling six months after the Completion Date (both dates inclusive), it will not, without the prior written consent of the Joint Financial Advisers, directly or indirectly:

- (a) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, hypothecate, grant security over, encumber or otherwise transfer or dispose of its holdings in any Shares (including the Consideration Shares and the Earnout Shares (if applicable)) (collectively, the “**DAL Lock-up Shares**”) (or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the DAL Lock-up Shares) or enter into a transaction that would have the same effect, whether any such transaction described above is to be settled by delivery of the DAL Lock-up Shares or such other securities, in cash or otherwise;
- (b) enter into any swap, hedge or other transaction or arrangement (including a derivative transaction) that transfers to another, in whole or in part, any of the economic consequences of ownership of the DAL Lock-up Shares (or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the DAL Lock-up Shares), whether any such transaction described above is to be settled by delivery of the DAL Lock-up Shares or such other securities, in cash or otherwise;
- (c) deposit any of the DAL Lock-up Shares or any securities convertible into or exchangeable for or which carry rights to subscribe for or purchase any of the DAL Lock-up Shares in any depository receipt facilities, whether any such transaction described above is to be settled by delivery of the DAL Lock-up Shares or such other securities, in cash or otherwise;
- (d) enter into any transaction which is designed or which may reasonably be expected to result in any of the above; or
- (e) announce or publicly disclose any intention to do any of the above.

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M17 Growth SPV B LLC

M17 Growth SPV B LLC will agree with the Joint Financial Advisers that, from the Completion Date up to and including the date falling six months after the Completion Date (both dates inclusive), it will not, without the prior written consent of the Joint Financial Advisers, directly or indirectly:

- (1) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, hypothecate, grant security over, encumber or otherwise transfer or dispose of its holdings in any Shares (including the Consideration Shares and the Earnout Shares (if applicable)) (collectively, the “**M17B Lock-up Shares**”) (or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the M17B Lock-up Shares) or enter into a transaction that would have the same effect, whether any such transaction described above is to be settled by delivery of the M17B Lock-up Shares or such other securities, in cash or otherwise;
- (2) enter into any swap, hedge or other transaction or arrangement (including a derivative transaction) that transfers to another, in whole or in part, any of the economic consequences of ownership of the M17B Lock-up Shares (or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the M17B Lockup Shares), whether any such transaction described above is to be settled by delivery of the M17B Lock-up Shares or such other securities, in cash or otherwise;
- (3) deposit any of the M17B Lock-up Shares or any securities convertible into or exchangeable for or which carry rights to subscribe for or purchase any of the M17B Lock-up Shares in any depository receipt facilities, whether any such transaction described above is to be settled by delivery of the M17B Lock-up Shares or such other securities, in cash or otherwise;
- (4) enter into any transaction which is designed or which may reasonably be expected to result in any of the above; or
- (5) announce or publicly disclose any intention to do any of the above.

Northpark Advisory Ltd.

Northpark Advisory Ltd. will agree with the Joint Financial Advisers that, from the Completion Date up to and including the date falling six months after the Completion Date (both dates inclusive), it will not, without the prior written consent of the Joint Financial Advisers, directly or indirectly:

- (a) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, hypothecate, grant security over, encumber or otherwise transfer or dispose of its holdings in any Shares (including the Consideration Shares and the Earnout Shares (if applicable)) (collectively, the “**NPA Lock-up Shares**”) (or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the NPA Lock-up Shares) or enter into a transaction that would have the same effect, whether any such transaction described above is to be settled by delivery of the NPA Lock-up Shares or such other securities, in cash or otherwise;

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- (b) enter into any swap, hedge or other transaction or arrangement (including a derivative transaction) that transfers to another, in whole or in part, any of the economic consequences of ownership of the NPA Lock-up Shares (or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the NPA Lock-up Shares), whether any such transaction described above is to be settled by delivery of the NPA Lock-up Shares or such other securities, in cash or otherwise;
- (c) deposit any of the NPA Lock-up Shares or any securities convertible into or exchangeable for or which carry rights to subscribe for or purchase any of the NPA Lock-up Shares in any depository receipt facilities, whether any such transaction described above is to be settled by delivery of the NPA Lock-up Shares or such other securities, in cash or otherwise;
- (d) enter into any transaction which is designed or which may reasonably be expected to result in any of the above; or
- (e) announce or publicly disclose any intention to do any of the above.

Talent Dragon Co., Ltd.

Talent Dragon Co., Ltd. will agree with the Joint Financial Advisers that, from the Completion Date up to and including the date falling six months after the Completion Date (both dates inclusive), it will not, without the prior written consent of the Joint Financial Advisers, directly or indirectly:

- (a) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, hypothecate, grant security over, encumber or otherwise transfer or dispose of its holdings in any Shares (including the Consideration Shares and the Earnout Shares (if applicable)) (collectively, the “**TDC Lock-up Shares**”) (or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the TDC Lock-up Shares) or enter into a transaction that would have the same effect, whether any such transaction described above is to be settled by delivery of the TDC Lock-up Shares or such other securities, in cash or otherwise;
- (b) enter into any swap, hedge or other transaction or arrangement (including a derivative transaction) that transfers to another, in whole or in part, any of the economic consequences of ownership of the TDC Lock-up Shares (or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the TDC Lock-up Shares), whether any such transaction described above is to be settled by delivery of the TDC Lock-up Shares or such other securities, in cash or otherwise;
- (c) deposit any of the TDC Lock-up Shares or any securities convertible into or exchangeable for or which carry rights to subscribe for or purchase any of the TDC Lock-up Shares in any depository receipt facilities, whether any such transaction described above is to be settled by delivery of the TDC Lock-up Shares or such other securities, in cash or otherwise;
- (d) enter into any transaction which is designed or which may reasonably be expected to result in any of the above; or
- (e) announce or publicly disclose any intention to do any of the above.

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Chia Nine Investments Co., Ltd.

Chia Nine Investments Co., Ltd. will agree with the Joint Financial Advisers that, from the Completion Date up to and including the date falling six months after the Completion Date (both dates inclusive), it will not, without the prior written consent of the Joint Financial Advisers, directly or indirectly:

- (a) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, hypothecate, grant security over, encumber or otherwise transfer or dispose of its holdings in any Shares (including the Consideration Shares and the Earnout Shares (if applicable)) (collectively, the “**CNI Lock-up Shares**”) (or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the CNI Lock-up Shares) or enter into a transaction that would have the same effect, whether any such transaction described above is to be settled by delivery of the CNI Lock-up Shares or such other securities, in cash or otherwise;
- (b) enter into any swap, hedge or other transaction or arrangement (including a derivative transaction) that transfers to another, in whole or in part, any of the economic consequences of ownership of the CNI Lock-up Shares (or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the CNI Lock-up Shares), whether any such transaction described above is to be settled by delivery of the CNI Lock-up Shares or such other securities, in cash or otherwise;
- (c) deposit any of the CNI Lock-up Shares or any securities convertible into or exchangeable for or which carry rights to subscribe for or purchase any of the CNI Lock-up Shares in any depository receipt facilities, whether any such transaction described above is to be settled by delivery of the CNI Lock-up Shares or such other securities, in cash or otherwise;
- (d) enter into any transaction which is designed or which may reasonably be expected to result in any of the above; or announce or publicly disclose any intention to do any of the above.

M17 Growth SPV LLC

M17 Growth SPV LLC will agree with the Joint Financial Advisers that, from the Completion Date up to and including the date falling six months after the Completion Date (both dates inclusive), it will not, without the prior written consent of the Joint Financial Advisers, directly or indirectly:

- (a) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, hypothecate, grant security over, encumber or otherwise transfer or dispose of its holdings in any Shares (including the Consideration Shares and the Earnout Shares (if applicable)) (collectively, the “**M17 Lock-up Shares**”) (or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the M17 Lock-up Shares) or enter into a transaction that would have the same effect, whether any such transaction described above is to be settled by delivery of the M17 Lock-up Shares or such other securities, in cash or otherwise;

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- (b) enter into any swap, hedge or other transaction or arrangement (including a derivative transaction) that transfers to another, in whole or in part, any of the economic consequences of ownership of the M17 Lock-up Shares (or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the M17 Lock-up Shares), whether any such transaction described above is to be settled by delivery of the M17 Lock-up Shares or such other securities, in cash or otherwise;
- (c) deposit any of the M17 Lock-up Shares or any securities convertible into or exchangeable for or which carry rights to subscribe for or purchase any of the M17 Lock-up Shares in any depository receipt facilities, whether any such transaction described above is to be settled by delivery of the M17 Lock-up Shares or such other securities, in cash or otherwise;
- (d) enter into any transaction which is designed or which may reasonably be expected to result in any of the above; or
- (e) announce or publicly disclose any intention to do any of the above.

KTB China Synergy Fund

KTB China Synergy Fund will agree with the Joint Financial Advisers that, from the Completion Date up to and including the date falling six months after the Completion Date (both dates inclusive), it will not, without the prior written consent of the Joint Financial Advisers, directly or indirectly:

- (a) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, hypothecate, grant security over, encumber or otherwise transfer or dispose of its holdings in any Shares (including the Consideration Shares and the Earnout Shares (if applicable)) (collectively, the “**KTB Lock-up Shares**”) (or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the KTB Lock-up Shares) or enter into a transaction that would have the same effect, whether any such transaction described above is to be settled by delivery of the KTB Lock-up Shares or such other securities, in cash or otherwise;
- (b) enter into any swap, hedge or other transaction or arrangement (including a derivative transaction) that transfers to another, in whole or in part, any of the economic consequences of ownership of the KTB Lock-up Shares (or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the KTB Lock-up Shares), whether any such transaction described above is to be settled by delivery of the KTB Lock-up Shares or such other securities, in cash or otherwise;
- (c) deposit any of the KTB Lock-up Shares or any securities convertible into or exchangeable for or which carry rights to subscribe for or purchase any of the KTB Lock-up Shares in any depository receipt facilities, whether any such transaction described above is to be settled by delivery of the KTB Lock-up Shares or such other securities, in cash or otherwise;
- (d) enter into any transaction which is designed or which may reasonably be expected to result in any of the above; or
- (e) announce or publicly disclose any intention to do any of the above.

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Key Executives (other than Phua Jiexian Joseph¹⁵ and Ng Jing Shen¹⁶)

The Key Executives (other than Phua Jiexian Joseph and Ng Jing Shen) will agree with the Joint Financial Advisers that, from the Completion Date up to and including the date falling six months after the Completion Date (both dates inclusive), they will not, without the prior written consent of the Joint Financial Advisers, directly or indirectly:

- (a) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, hypothecate, grant security over, encumber or otherwise transfer or dispose of their holdings in any Shares (including the EIS Shares (if applicable)) (collectively, the “**Key Executive Lock-up Shares**”) (or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the Key Executive Lock-up Shares) or enter into a transaction that would have the same effect, whether any such transaction described above is to be settled by delivery of the Key Executive Lock-up Shares or such other securities, in cash or otherwise;
- (b) enter into any swap, hedge or other transaction or arrangement (including a derivative transaction) that transfers to another, in whole or in part, any of the economic consequences of ownership of the Key Executive Lock-up Shares (or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the Key Executive Lock-up Shares), whether any such transaction described above is to be settled by delivery of the Key Executive Lock-up Shares or such other securities, in cash or otherwise;
- (c) deposit any of the Key Executive Lock-up Shares or any securities convertible into or exchangeable for or which carry rights to subscribe for or purchase any of the Key Executive Lock-up Shares in any depository receipt facilities, whether any such transaction described above is to be settled by delivery of the Key Executive Lock-up Shares or such other securities, in cash or otherwise;
- (d) enter into any transaction which is designed or which may reasonably be expected to result in any of the above; and
- (e) announce or publicly disclose any intention to do any of the above.

Confirmations obtained from the SGX-ST

Temasek will be a Controlling Shareholder of the Enlarged Group and is deemed interested in the Shares held directly by Venezia, as well as the Shares held directly by FFMC, Vertex SPV, Innoven, Pavilion and the Vertex Funds (together with FFMC, Vertex SPV, Innoven and Pavilion, the “**Concerned Entities**”) in the Resulting Issuer. Please refer to Section 23.5 titled “*Enlarged Group Corporate and Shareholding Structure – Significant Changes in Percentage of Ownership*” of this Circular for more details on Temasek’s interest in the Resulting Issuer.

15 Please refer to Section 23.7 titled “*Enlarged Group Corporate and Shareholding Structure – Moratorium – Phua Jiexian Joseph*” for details on the moratorium requirements applicable to Phua Jiexian Joseph.

16 Please refer to Section 23.7 titled “*Enlarged Group Corporate and Shareholding Structure – Moratorium – Ng Jing Shen*” for details on the moratorium requirements applicable to Ng Jing Shen.

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Venezio is an Associate of Temasek (in this regard, “Associate” of Temasek includes only the following: the indirect wholly-owned subsidiary of Temasek whose board of directors or equivalent governing body comprise employees and nominees of (1) Temasek; (2) Temasek Pte. Ltd. and/or (3) any direct and indirectly wholly-owned subsidiaries of Temasek Pte. Ltd.). Venezio is indirectly wholly owned by Tembusu, which is also an Associate of Temasek. Accordingly, each of Tembusu and Venezio will agree with the Joint Financial Advisers to provide a moratorium in relation to, among others, the Venezio Securities as set out above.

While Temasek is also deemed interested in the Shares held directly by the Concerned Entities in the Resulting Issuer, unlike Venezio, each of the Concerned Entities is an independently managed Temasek portfolio company and Temasek is not involved in the business or operational decisions of these Concerned Entities, including their decisions in relation to the Target Group and the Company. Accordingly, these Concerned Entities should not be deemed as Associates of Temasek, and thus, FFMC, Innoven and Pavilion will not be providing a moratorium in relation to the Shares held by them, and the indirect holding entities, Pilatus Investments Pte. Ltd., Seviara Holdings Pte. Ltd. and Pavilion Capital Holdings Pte.Ltd. will not be providing a moratorium in respect of their effective interest in FFMC, Innoven and Pavilion. Save for the moratorium which will be provided by the Sponsor, Vertex SPV and the Vertex Funds in relation to, among others, the Sponsor Securities, the VLC Lock-up Shares, the VGF Lock-up Shares and the VVS Lock-up Shares as set out above, no moratorium will be provided in respect of the Shares held directly by FFMC, Innoven and Pavilion in the Resulting Issuer.

24. PROPOSED DIRECTORS AND EXECUTIVE OFFICERS OF THE ENLARGED GROUP

24.1 Proposed Directors

The following table provides information regarding the Proposed Directors of the Enlarged Group as of the Latest Practicable Date.

Name	Age	Address	Proposed Position in the Enlarged Group
Mr. Phua Jiexian Joseph ⁽¹⁾	39	c/o 138 Cecil Street, #13-02, Cecil Court, Singapore (069538)	Director; Non-Executive Chairman
Mr. Lien Chien-Lin	51	c/o 2-12-28, Kita-Aoyama, Minato City, Tokyo, Japan	Executive Director
Mr. Akio Tanaka	53	c/o 2-12-28, Kita-Aoyama, Minato City, Tokyo, Japan	Non-Executive Director
Mr. Tan Hup Foi	73	c/o 138 Cecil Street, #13-02, Cecil Court, Singapore (069538)	Independent Non-Executive Director
Dr. Steve Lai Mun Fook	72	c/o 138 Cecil Street, #13-02, Cecil Court, Singapore (069538)	Independent Non-Executive Director
Mr. Hideto Mizuno	50	c/o 2-12-28, Kita-Aoyama, Minato City, Tokyo, Japan	Independent Non-Executive Director
Ms. Chen Xiuling	41	c/o 138 Cecil Street, #13-02, Cecil Court, Singapore (069538)	Independent Non-Executive Director

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Note:

- (1) The current management of the Target Company will be the Proposed Directors of the Enlarged Group for management continuity purposes. Mr. Lien Chien-Lin, the current CEO of the Target Company, will be appointed as a Proposed Director of the Enlarged Group and will assume an executive role, and Mr. Phua Jiexian Joseph, the current non-executive chairman of the board of directors of the Target Company, will assume a non-executive role in the Enlarged Group.

24.2 Experience of the Proposed Directors

Mr. Phua Jiexian Joseph is the co-founder of the Target Group and has been the non-executive chairman of the board of directors of the Target Company since July 2020. Mr. Phua is serving as the non-executive chairman of the board of directors of SoundOn Inc. and the executive chairman of Turn Capital Pte. Ltd.¹⁷. He is serving as a non-executive director of eight other companies. Mr. Phua served as the Target Company's CEO from September 2016 to June 2020¹⁸ where he made major corporate decisions, managed overall operations and set the strategic directions of the Target Company. 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, until Paktor Pte. Ltd. merged with the Target Company. He previously held positions in the consulting and banking industries, 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. Mr. Phua holds a Master of Business Administration degree from the University of Chicago Booth School of Business and a Bachelor of Science degree from New York University Stern School of Business.

Mr. Lien Chien-Lin has served as the Target Company's CEO since March 2023. Mr. Lien joined the Target Company in September 2019 as the general manager of Taiwan Operations. He was promoted to CEO of Taiwan, Southeast Asia, U.S. operations in January 2021 and to global chief operating officer in August 2022 before he was appointed as the Target Company's global CEO. Mr. Lien has held management positions in various Fortune 500 companies including Starbucks Coffee Company with hands-on experience in global operations, and has extensive experience in the gaming industry accumulated from his tenure at various gaming companies, including Electronic Arts. Prior to joining the Target Company, Mr. Lien served as the chief operating officer of a mobile game start-up in Shanghai focusing on narrative and user-generated content.

17 Mr. Phua is an executive director of Dragon Alexander Limited and Turn Capital Pte. Ltd. ("**Turn Capital**"). Dragon Alexander Limited is a holding company incorporated solely to hold Mr. Phua's interests in the Target Group and it does not operate any other businesses. Turn Capital is an investment fund founded by Mr. Phua and its mandate is to invest in technology companies in Asia, including SoundOn Inc.. None of these companies, including the portfolio companies of Turn Capital Pte. Ltd., operate in the same industry as the Target Group and there is no direct overlap in the businesses of these companies with the businesses of the Target Group. In the event there are any matters in which these companies, including the portfolio companies of Turn Capital, have an interest, Mr. Phua will abstain from deliberating and participating in discussion of such matters and voting on the relevant decisions of the Proposed New Board and, where such matters require the approval of Shareholders, Mr. Phua and his Associates will abstain from voting on resolutions approving such matters. Based on the foregoing, there is no potential conflict of interests arising from Mr. Phua's interest in these companies and the Target Group.

18 After Mr. Phua Jiexian Joseph ceased to serve as the CEO of the Target Company in June 2020 and prior to Mr. Lien Chien-Lin serving as the CEO of the Target Company in March 2023, Mr. Hirofumi Ono served as the CEO of the Target Company from July 2020 to August 2022. The Target Company did not have a CEO from September 2022 to February 2023, and the management role was taken by Mr. Lien Chien-Lin, who was the Chief Operating Officer of the Target Company during such period.

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Mr. Akio Tanaka has served as the Target Company's director since March 2017. Mr. Tanaka is also serving as an executive director of 14 companies and a non-executive director of 21 companies. Mr. Tanaka is the co-founder and managing partner of Headline Asia (formerly known as Infinity Venture Partners LLP) since 2008. 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 holds a master's degree and a bachelor's degree, both in arts, from the University of British Columbia, Canada.

Mr. Tan Hup Foi 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 University of Singapore and a Bachelor of Engineering (Hons) from Monash University.

Dr. Steve Lai Mun Fook served as the CEO of PSB Academy Pte. Ltd. and PSB Technologies Pte. Ltd. from November 2007 to August 2012 and from April 2007 to March 2011, respectively. Prior to that, Dr. Lai served as the deputy CEO of TUV SUD PSB Corporation Pte. Ltd. (later known as TUV SUD PSB Pte. Ltd.) and PSB Corporation Pte Ltd (later known as TUV SUD PSB Pte. Ltd.) from April 2006 to March 2007 and from April 2001 to March 2006, respectively. From April 1996 to March 2001, Dr. Lai served as the general manager of standards and technology services of the Singapore Productivity and Standards Board. Dr. Lai joined the Singapore Institute of Standards and Industrial Research in March 1985 as a senior chemist where he managed client and internal technical projects in materials and chemical testing and consulting for two years. Dr. Lai has served as an independent director on the board of Yongmao Holdings Limited, 3dsense Media School Pte. Ltd., Singapore Institute of Power and Gas Pte. Ltd., Intraco Limited and VTAC since December 2007, September 2014, January 2015, April 2015 and January 2022, respectively. Dr. Lai holds a Doctor of Philosophy, a Bachelor of Science (Hons) in Industrial Chemistry and a Diploma in Industrial Studies from the Loughborough University of Technology, United Kingdom.

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Mr. Hideto Mizuno has served as an independent non-executive director of AEON Stores (Hong Kong) Co., Limited, Kowloon Hongkong since August 2018 and has served as the vice chairman of Mizuno Sports Promotion Foundation, a non-profit organisation, since July 2016, and has served as a director of Waterfield KK and Well-pedia KK since April 2018 and September 2020, respectively. Mr. Mizuno currently serves as the 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. Mr. Mizuno holds a Bachelor of Arts in Economics from Keio University, a Bachelor of Arts (Chemistry) from Carthage College and a Master of Business Architect and IT Management from Kanazawa Institute of Technology.

Ms. Chen Xiuling is serving as a nominee director of ten 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. Ms. Chen is a member of the Institute of Internal Auditors Singapore since October 2019, a member of the Institute of Singapore Chartered Accountants since October 2015, and ASEAN Chartered Professional Accountants Coordinating Committee (ACPACC) ASEAN Chartered Professional Accountant since May 2018. Ms. Chen holds a Bachelor of Science in Accounting and Finance from the University of London in association with The London School of Economics and Political Science, conducted through the Singapore Institute of Management.

Listed Company Experience

Two of the Proposed Directors, Mr. Tan Hup Foi and Dr. Steve Lai Mun Fook, have prior and current experience as a director of a public listed company in Singapore and are familiar with the rules and responsibilities of a director of a public listed company in Singapore.

The remaining Proposed Directors, Mr. Phua Jiexian Joseph, Mr. Lien Chien-Lin, Mr. Akio Tanaka, Mr. Hideto Mizuno and Ms. Chen Xiuling, do not have prior experience as directors of public listed companies in Singapore but have been briefed on the roles and responsibilities of a director of a public listed company in Singapore in accordance with the requirements under the Mainboard Rules. Mr. Phua Jiexian Joseph, Mr. Lien Chien-Lin, Mr. Akio Tanaka, Mr. Hideto Mizuno and Ms. Chen Xiuling will complete the prescribed mandatory training as specified under Practice Note 2.3 of the Listing Manual within one year from the date of their respective appointments to the Proposed New Board.

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24.3 Present and Past Directorships of the Proposed Directors

The list of present and past directorships of each Proposed Director over the last five years preceding the Latest Practicable Date (excluding those held in the Target Group or the Company), is set out below:

Name	Present Directorships	Past Directorships
Mr. Phua Jiexian Joseph	<ul style="list-style-type: none"> • Zuvio Tech Co., Ltd. • Goodnight Hi-Tech Pte. Ltd. • Pole Star Global Pte. Ltd. • Seadom Pte. Ltd. • SoundOn Inc. • Theodore Alexander International Inc. • Turn Capital Pte. Ltd. • Gaigai Pte. Ltd. • Avana Global Limited • Dragon Alexander Limited 	<ul style="list-style-type: none"> • Paktor Pte. Ltd.
Mr. Akio Tanaka	<ul style="list-style-type: none"> • LaunchPadFund 2 K.K. • TGAL Inc. • IVC II G.P. • Headline Asia V (GP), Ltd • IVC Advisory Co. Ltd. • JPYC, Inc. • ZAIKO PTE. LTD. • LaunchPadFund K.K. • Nudge Inc. • LUCA Japan Co., Ltd. • LUCA Co., Ltd. • XEN TECHNOLOGIES PTE. LTD. • IVC KARTAL, G.P. • IVC TIMSAH, G.P. • INFINITY VENTURES CRYPTO, G.P. • Daqi, Inc. • International Compliance Workshop (BVI) LTD • Yeahka Ltd. • Reko Media Limited • OPENLOGI Inc • Buyandship Holdings Limited • Infinity Ventures IV (GP), Ltd. • Alfred24 Holdings Limited (formerly known as Pakpobox) • KKVideo Limited • Zomake Group Holdings Limited. • Inteluck Corporation Philippines • Yiku • Infinity e.ventures Asia III (GP), Ltd. • Pinkoi Inc. 	<ul style="list-style-type: none"> • IVP Fund B (GP), Ltd. • CreatingEV Inc. • EYEOTA HOLDINGS PTE. LTD. • Dolphin Browser K.K. • Spider Labs, Ltd

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Name	Present Directorships	Past Directorships
	<ul style="list-style-type: none"> • Unearby Ltd.(Say Hi Ltd.) • IVP Fund II B (GP), Ltd. • IVP ADVISORY CO.LTD • IVP Fund II A (GP), Ltd. • Growth Tree Ltd 	
Mr. Lien Chien-Lin	<ul style="list-style-type: none"> • Ichi Nana Inc. • Next Entertainment Global Holding • Next Entertainment Limited 	<ul style="list-style-type: none"> • Nil
Mr. Tan Hup Foi	<ul style="list-style-type: none"> • Caring Fleet Services Limited • Credit Bureau Asia Limited • CSC Holdings Limited • Orita Sinclair School of Design and Music Pte. Ltd. 	<ul style="list-style-type: none"> • Transit Link Pte. Ltd
Dr. Steve Lai Mun Fook	<ul style="list-style-type: none"> • 3dsense Media School Pte. Ltd. • Intraco Limited • Singapore Institute of Power and Gas Pte. Ltd. • Yongmao Holdings Limited 	<ul style="list-style-type: none"> • Singapore Test Services Private Limited • K. A. Building Construction Pte Ltd • K. A. Fabric Shutters Pte. Ltd. • K. A. Firelite Pte. Ltd. • K. A. Group Holdings Pte. Ltd. • K.A. Fireproofing Pte. Ltd.
Ms. Chen Xiuling	<ul style="list-style-type: none"> • DW Capital Holdings Pte. Ltd. • Atlaswise Consultants Pte. Ltd. • Sterling Capital Management Pte. Ltd. • Warpcapital Yacht Management Pte. Ltd. • Cloud Xero Management Pte. Ltd. • Citylink Solutions Pte. Ltd. • Capital Zone Warehousing Pte. Ltd. • Key Advisors Pte. Ltd. • Coleman College Pte. Ltd. • Neil Professional Services Pte. Ltd. 	<ul style="list-style-type: none"> • Cub House Pte. Ltd. • Meritwise Group Public Ltd • Huntsman Investments Pte. Ltd
Mr. Hideto Mizuno	<ul style="list-style-type: none"> • AEON Stores (Hong Kong) Co., Limited, Kowloon Hongkong • Waterfield KK • Well-pedia KK 	<ul style="list-style-type: none"> • Nil

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24.4 Proposed Executive Officers

The following table provides information regarding the Proposed Executive Officers of the Target Company as of the Latest Practicable Date.

Name	Age	Address	Proposed Position in the Enlarged Group
Mr. Lien Chien-Lin	51	c/o 2-12-28, Kita-Aoyama, Minato City, Tokyo, Japan	CEO
Mr. Ng Jing Shen	38	c/o 2-12-28, Kita-Aoyama, Minato City, Tokyo, Japan	CTO
Mr. Kenta Masuda	37	c/o 2-12-28, Kita-Aoyama, Minato City, Tokyo, Japan	CFO

24.5 Experience of the Proposed Executive Officers

Mr. Lien Chien-Lin is one of the Proposed Directors and the Target Company's CEO. For details of Mr. Lien's working experience, please refer to Section 24.2 titled "*Proposed Directors and Executive Officers of the Enlarged Group – Experience of the Proposed Directors*" of this Circular.

Mr. Ng Jing Shen is the co-founder of the Target Group and has served as the Target Company's CTO since August 2022 and was the Target Company's chief operating officer from August 2019 to August 2022. Mr. Ng co-founded Paktor Pte. Ltd., a dating and social networking platform which merged with 17 Media to form the Target Company (known as M17 Entertainment Limited) in 2017 and was subsequently sold by the Target Company 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. Mr. Ng holds a Bachelor of Science in Engineering (Computer Science) from the University of Michigan.

Mr. Kenta Masuda has served as the Target Company's CFO since March 2023. Mr. Masuda joined the Target Company in September 2021. Prior to joining the Target Group, he served as the senior director of financial planning and analysis and treasury, and the director of the Japan branch of a multinational retail corporation from January 2021 to September 2021 and from November 2018 to January 2021, respectively. Mr. Masuda is a certified public accountant in Japan. He graduated from Doshisha University with a Bachelor of Economics.

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24.6 Present and Past Directorships of the Proposed Executive Officers

The list of present and past directorships of each Proposed Executive Officers over the last five (5) years preceding the Latest Practicable Date (excluding those held in the Target Group and the Company), is set out below:

Name	Present Directorships	Past Directorships
Mr. Lien Chien-Lin	<ul style="list-style-type: none">Ichi Nana Inc.Next Entertainment Global HoldingNext Entertainment Limited	<ul style="list-style-type: none">Nil
Mr. Ng Jing Shen	<ul style="list-style-type: none">Nil	<ul style="list-style-type: none">Paktor Pte. Ltd.Gaigai Pte. Ltd.
Mr. Kenta Masuda	<ul style="list-style-type: none">Nil	<ul style="list-style-type: none">Nil

24.7 Familial Relationships

There are no family relationships among any of the Directors, the Proposed Directors, the Executive Officers, the Proposed Executive Officers and/or the current and incoming Substantial Shareholders.

None of the Proposed Directors and/or Proposed Executive Officers have any immediate family member who is, or has been, for financial years ended 31 December 2021 and 2022, employed by the Target Group and whose remuneration exceeds S\$50,000 during the relevant financial year.

24.8 Arrangement or Understanding

None of the Directors, the Proposed Directors, the Executive Officers or the Proposed Executive Officers has any arrangement or understanding with any of the current and incoming Substantial Shareholders, customers or suppliers of the Target Group or other person pursuant to which such Director or Executive Officer was appointed as a Director or as an Executive Officer.

Save as set out in Section 11 titled "*Proposed Allotment and Issuance of the EIS Shares*" and Section 10 titled "*Proposed Adoption of the Executive Incentive Scheme*", as at the Latest Practicable Date, there is no arrangement that involves the issue or grant of options or shares or any other securities or securities-based derivatives contracts of the Company.

24.9 Terms of Proposed Directors and Proposed Executive Officers

Pursuant to the New Memorandum and Articles of Association, the Company may by ordinary resolution appoint any person to be a Director or may by ordinary resolution remove any Director. At each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation, provided always that, if required by the rules and regulations of the SGX-ST, all Directors shall retire at least once every three years.

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The Directors to retire in every year shall be those subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for re-election.

The Directors may appoint any person to be a Director, either to fill a casual vacancy or as an additional Director, provided that the appointment does not cause the number of Directors to exceed any number fixed by or in accordance with the New Memorandum and Articles of Association as the maximum number of Directors. Any person so appointed by the Directors shall hold office only until the next annual general meeting. Such Director shall then be eligible for re-election, but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.

No person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for appointment as a Director at any general meeting unless not less than 11 nor more than 42 clear calendar days (exclusive of the date on which the notice is given) before the date appointed for the meeting there shall have been lodged at the registered office of the Company notice in writing signed by some Shareholder (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of such Shareholder's intention to propose such person for election or notice in writing signed by the person to be proposed giving such person's consent to the nomination and signifying that person's candidature for the office, provided always that in the case of a person recommended by the Directors for election not less than nine clear calendar days' notice shall be necessary and notice of each and every such person shall be served on the Shareholders at least seven calendar days prior to the meeting at which the election is to take place.

The office of a Director shall be vacated if (a) such Director gives notice in writing to the Company that he resigns the office of Director; (b) such Director absents himself, herself or itself (for the avoidance of doubt, without being represented by proxy) from three consecutive meetings of the Board without special leave of absence from the Directors, and the Directors pass a resolution that such Director has by reason of such absence vacated office; (c) such Director dies, has a bankruptcy order made against such Director or makes any arrangement or composition with such Director's creditors generally; (d) such Director becomes mentally disordered (including being of unsound mind) and incapable of managing such Director's affairs or if in Singapore or elsewhere an order shall be made by any court claiming jurisdiction in that behalf on the ground (however formulated) of mental disorder for such Director's detention or for the appointment of a guardian or for the appointment of a receiver or other person (by whatever name called) to exercise powers with respect to such Director's property or affairs; (e) such Director shall become disqualified from acting as a Director in any jurisdiction for reasons other than on technical grounds (in which event such Director must immediately resign from the board); or (f) such Director is removed from office by ordinary resolution.

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24.10 Employment Agreements and Indemnification Agreements

Existing Employment Agreements

The Company has not entered into any employment agreements with any of the Directors or Proposed Directors.

Employment Agreements and Indemnification Agreements upon Completion

The Company expects to enter into an employment agreement with the Proposed Executive Director for an initial term of five years which will be automatically extended, unless either the Company or the Proposed Executive Director gives the other party not less than six months' prior written notice of its intention not to extend the employment agreement at any time prior to the expiration of any five-year term or unless terminated earlier pursuant to the terms of such employment agreement.

The Company may terminate the employment for cause, at any time, without notice or remuneration, for certain acts of the Proposed Executive Director, including but not limited to the disqualification to act as Proposed Executive Director under any applicable laws or regulations, the commitments of any serious or persistent breach or non-observance of the terms and conditions of the employment, bankruptcy or conviction of a criminal offence other than one which in the opinion of the Proposed New Board does not affect the executive's position, misconduct being inconsistent with the due and faithful discharge of the Proposed Executive Director's material duties, fraud or dishonesty, or habitual neglect of his duties.

Upon termination, the Proposed Executive Director shall, among others, immediately resign from all positions and offices held in the Company and deliver to the Company all documents relating to the business or affairs of the Company which may be in his possession or under his control.

The Proposed Executive Director will not be entitled to any benefits upon termination of the employment agreement. The employment agreement covers the terms of employment, specifically salaries and bonuses.

Pursuant to the terms of the employment agreement, the Proposed Executive Director's remuneration will comprise (a) a base salary; and (b) a discretionary bonus that may be awarded from time to time based on the recommendation of the Proposed New Remuneration Committee and subject to the approval of our Board.

The Proposed Executive Director has agreed to hold, both during and after the employment agreement expires or is earlier terminated, in strict confidence and not to use or disclose to any person, corporation or other entity without written consent, any confidential information or trade secrets, unless such information is generally available and known to the public through no fault of the Proposed Executive Director. The Proposed Executive Director has also agreed to disclose in confidence and assign to the Company all inventions, improvements, designs, original works of authorship, formulas, processes, compositions of matter, computer software programmes, databases, mask works, concepts and trade secrets which the Proposed Executive Director may solely or jointly conceive or develop or reduce to practice, or cause to be conceived or developed or reduced to practice, during the period of the Proposed Executive Director's employment with the Company that are either related to the scope of the employment or make use of the Company's resources. In addition, the Proposed Executive Director has agreed to be bound by non-competition and non-solicitation restrictions set forth in his employment agreement.

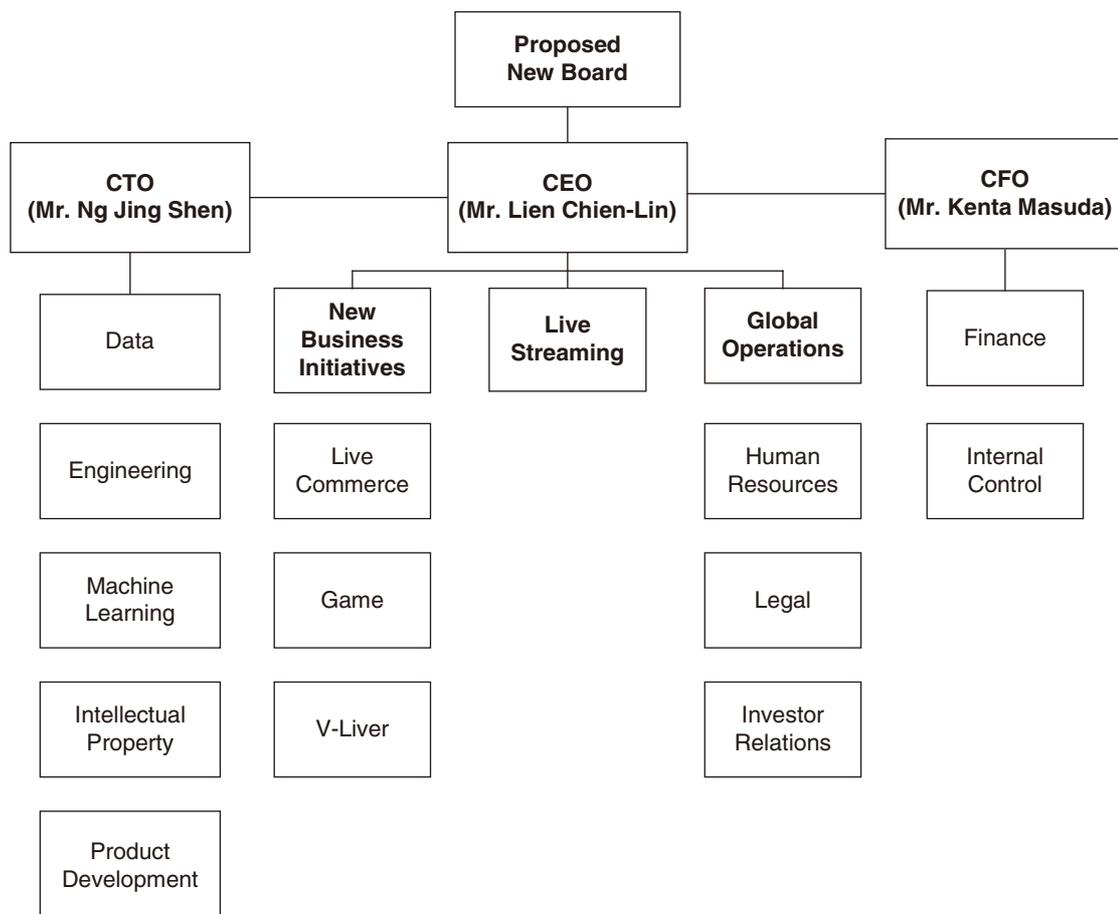
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The Proposed Executive Director has agreed to devote all his working time and attention to the Company's business and use best efforts to perform his duties to develop the Company's business and interests. Moreover, the Proposed Executive Director has agreed not to, for a certain period following termination of his employment or expiration of the employment agreement: (i) carry on or be engaged, concerned or interested directly or indirectly whether as shareholder, director, employee, partner, agent or otherwise carry on any business in direct competition with the Company, (ii) solicit or entice away any of the Company's customer, client, representative or agent, or (iii) employ, solicit or entice away or attempt to employ, solicit or entice away any of the Company's officers, managers, consultants or employees.

The Company expects to enter into indemnification agreements with the Proposed Directors, pursuant to which the Company will agree to indemnify the Proposed Directors against certain liabilities and expenses incurred by such persons in connection with claims made by reason of their being a director of the Company.

24.11 Management Reporting Structure

The following chart shows the proposed management reporting structure of the Enlarged Group following the Completion.



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24.12 Compensation of Directors and Executive Officers

In the financial year ended 31 December 2022, the Target Company paid an aggregate of US\$957,477 in cash and benefits to the Target Company's executive officers, and the Target Company did not pay any compensation to the Target Company's directors during the same period, except to Mr. Phua Jiexian Joseph, as chairman of the Target Company's board of directors. The Target Company had set aside or accrued any amount to provide pension, retirement or other similar benefits to the Target Company's executive officers according to the local employment laws. The Target Company had no service contracts with any of the Target Company's directors providing for benefits upon termination of employment. For share incentive grants to the Target Company's directors and executive officers, please refer to Section 24.12 titled "*Proposed Directors and Executive Officers of the Enlarged Group – Compensation of Directors and Executive Officers – 17LIVE Cayman ESOP*" of this Circular.

The compensation (which includes salary, bonus, benefits-in-kind, contributions to the Central Provident Fund Scheme in Singapore and directors' fees and bonuses) paid to the Target Company's directors and executive officers for services rendered to the Target Company in any capacity in an aggregate basis in the financial years ended 31 December 2021 and 2022 and the estimated amount of compensation to be paid for the current financial year ending 31 December 2023, is as follows:

Name	FY2021	FY2022	Estimated for FY2023
Proposed Directors			
Mr. Phua Jiexian Joseph	Band 1	Band 1	Band 1
Mr. Lien Chien-Lin	N/A	N/A	Band 1
Mr. Akio Tanaka	N/A	N/A	Band 1
Mr. Tan Hup Foi	N/A	N/A	Band 1
Dr. Steve Lai Mun Fook	N/A	N/A	Band 1
Mr. Hideto Mizuno	N/A	N/A	Band 1
Ms. Chen Xiuling	N/A	N/A	Band 1
Proposed Executive Officers			
Mr. Lien Chien-Lin	Band 2	Band 2	Band 2
Mr. Ng Jing Shen	Band 2	Band 2	Band 2
Mr. Kenta Masuda	Band 1	Band 1	Band 1

Notes:

(1) Remuneration bands:

“**Band 1**” refers to compensation of between S\$0 and S\$250,000 per annum.

“**Band 2**” refers to compensation between S\$250,001 and S\$500,000 per annum.

“**Band 3**” refers to compensation between S\$500,001 and S\$750,000 per annum.

(2) N/A – Not employed or appointed by the Target Company during the relevant period.

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The estimated amount of compensation in the current financial year of FY2023 excludes any bonus or profit-sharing plan or any other profit-linked agreement or arrangement as such bonuses are discretionary in nature and are determined by the board of directors of the Target Company at the end of each financial year, taking into account the Target Company's performance for that financial year.

The Target Company's Japanese subsidiaries are subject to the Companies Act of Japan, under which compensation for directors and corporate auditors, including bonuses, retirement allowances and incentive share awards, must be approved at the relevant subsidiary's general meeting of shareholders. The shareholders' approval may specify the upper limit of the aggregate amount of compensation or calculation methods and, in such cases, compensation for a director or corporate auditor is fixed by the Proposed New Board or discussion by corporate auditors, respectively.

The Target Company's Taiwan subsidiaries are required under the Taiwan Company Act to provide the Target Company's directors with compensation in accordance with their articles of association and the relevant shareholders' meeting resolutions. Except for directors, supervisors and general manager, the Target Company's Taiwan subsidiaries are required by Taiwan laws and regulations to contribute no less than 6% of an employee's monthly salary into a specific account as part of the employee's pension for the employee (the "**New Pension Scheme**"). However, for the foreign employees who work in Taiwan who are not subject to the New Pension Scheme, the Target Company's Taiwan subsidiaries shall contribute 2% to 15% of the monthly wage to the labour pension reserve fund account of the employer.

The Target Company's Hong Kong subsidiaries are required by the Hong Kong Mandatory Provident Fund Schemes Ordinance to make monthly contributions to the mandatory provident fund scheme in an amount equal to at least 5% of an employee's salary subject to a cap of HK\$1,500 per month per employee.

The Target Company's Singapore subsidiary is required by the laws and regulations of Singapore to make contributions, as employers, to the Central Provident Fund for the Proposed Executive Officers who are employed by the Target Company's Singapore subsidiary and are Singapore citizens or Singapore permanent residents ("**SPR**") as prescribed under the Central Provident Fund Act 1953 of Singapore. The minimum contribution rates vary, depending on the age of the relevant Proposed Executive Officer, and whether he/she is a Singapore citizen, SPR in his/her year of SPR status, SPR in his/her second year of SPR status or SPR who has had SPR status for three years or more.

17LIVE Cayman ESOP

As of the Latest Practicable Date, the Target Company maintains share incentive plans to promote the success of the Target Company's business by providing additional incentives to attract, motivate, retain and reward its officers, employees, directors and other eligible persons.

The Target Company adopted a share incentive plan in June 2017, in February 2018, and in September 2020, respectively (collectively, "**17LIVE Cayman ESOP**"), pursuant to which an aggregate of 21,919,656 ordinary shares were reserved for grant of awards thereunder. As of the Latest Practicable Date, 18,349,125 RSUs have been granted and vested pursuant to the 17LIVE Cayman ESOP ("**17LIVE Vested RSUs**"), 3,027,215 RSUs were granted pursuant to the 17LIVE Cayman ESOP but have not vested ("**17LIVE Unvested**

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RSUs”), and 543,316 RSUs were available for future grants. All of the granted awards are subject to vesting conditions as set out in the relevant 17LIVE RSU agreements.

The RSUs issued to the Target Company’s directors and executive officers for services rendered to the Target Company in any capacity on an aggregate basis in the financial years ended 31 December 2021 and 2022 and the estimated amount of RSUs to be issued for the current financial year ending 31 December 2023, is as follows:

Name	FY2021	FY2022	Estimated for FY2023
Proposed Directors			
Mr. Phua Jiexian Joseph	N/A	N/A	N/A
Mr. Lien Chien-Lin	125,000 ⁽¹⁾	2,150,000 ⁽²⁾	N/A
Mr. Akio Tanaka	N/A	N/A	N/A
Mr. Tan Hup Foi	N/A	N/A	N/A
Dr. Steve Lai Mun Fook	N/A	N/A	N/A
Mr. Hideto Mizuno	N/A	N/A	N/A
Ms. Chen Xiuling	N/A	N/A	N/A
Proposed Executive Officers			
Mr. Lien Chien-Lin	125,000 ⁽¹⁾	2,150,000 ⁽²⁾	N/A
Mr. Ng Jing Shen	N/A	N/A	N/A
Mr. Kenta Masuda	100,000	4,073	150,000

Notes:

(1) These entries refer to the same issuance to Mr. Lien Chien-Lin in FY2021.

(2) These entries refer to the same issuance to Mr. Lien Chien-Lin in FY2022.

As of the Latest Practicable Date, there are a total of 21,376,340 17LIVE RSUs which have been granted to the directors, executive officers, consultants, employees and former employees as a group. The following table summarises the number of 17LIVE RSUs that the Target Company has granted to its directors and executive officers as of the Latest Practicable Date.

Name	All 17LIVE RSUs	Date of Grant	Date of Expiration
Mr. Phua Jiexian Joseph	–	–	–
Mr. Lien Chien-Lin	500,000	1 January 2020	31 December 2029
	125,000	1 January 2021	31 December 2030
	75,000	1 January 2022	31 December 2025
	500,000	22 August 2022	22 August 2026
	1,200,000	22 August 2022	31 December 2024
	500,000	22 August 2022	22 August 2026
Mr. Akio Tanaka	–	–	–

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Name	All 17LIVE RSUs	Date of Grant	Date of Expiration
Mr. Ng Jing Shen	545,149	12 September 2014	11 September 2024
	2,206,122	1 November 2016	31 October 2026
	545,149	30 September 2015	29 September 2025
	784,215	1 October 2020	30 September 2030
	784,215	1 October 2020	30 September 2030
Mr. Kenta Masuda	100,000	13 September 2021	30 September 2031
	4,073	1 July 2022	30 June 2032
	150,000	1 February 2023	31 January 2033

Termination of 17LIVE Cayman ESOP upon Completion

The 17LIVE Cayman ESOP will be terminated at Completion and all rights of the 17LIVE Unvested RSU Holders under the 17LIVE Cayman ESOP will be extinguished.

Please refer to Section 12 titled “*Proposed Adoption of the Company Employee Share Option Scheme*” of this Circular for further details.

25. INTERESTED PERSON TRANSACTIONS AND POTENTIAL CONFLICTS OF INTEREST

Certain terms such as “Associate”, “Associated Company”, “control”, “Controlling Shareholder”, “Interested Person” and “Interested Person Transaction” used in this section have the meanings as provided in the Mainboard Rules, the SFR and the section titled “*Definitions of this Circular*”, unless the context specifically requires the application of the definitions in one or the other as the case may be.

In line with the rules set out in Chapter 9 of the Mainboard Rules, a transaction for which value is less than S\$100,000 is not considered material in the context of the initial business combination and is not taken into account for the purposes of aggregation in this section.

The SGX-ST has allowed the Resulting Issuer to use the market capitalisation at the time of commencement of trading of the Resulting Issuer on the first trading date under the new name “17LIVE Group Limited” as the reference point for computing the thresholds under Rules 905 and 906 of the Mainboard Rules prior to the release of the audited consolidated financial results for FY2023 of the Resulting Issuer on SGXNET.

25.1 Past Interested Persons Transactions

During the Period Under Review and up to the Latest Practicable Date, there were no past Interested Person Transactions between the Target Group and Interested Persons which are material in the context of the Proposed Transactions.

25.2 Present and On-going Interested Persons Transactions

During the Period Under Review and up to the Latest Practicable Date, there were no present and on-going Interested Person Transactions between the Target Group and Interested Persons which are material in the context of the Proposed Transactions.

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25.3 Future Interested Persons Transactions

In general, a transaction between the Enlarged Group and any of its Interested Persons would constitute an Interested Person Transaction for the purposes of Chapter 9 of the Mainboard Rules.

Shareholders should note that upon Completion, any material transaction entered into between the Enlarged Group and any of the Interested Persons would constitute Interested Person Transactions for the purposes of Chapter 9 of the Mainboard Rules.

25.4 Guidelines and Review Procedures for Future Interested Person Transactions

Following Completion, all future Interested Person Transactions will be reviewed and approved in accordance with the threshold limits set out under Chapter 9 of the Mainboard Rules, to ensure that they are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders. In the event that such Interested Person Transactions require the approval of the Proposed New Board or the Proposed New Audit Committee, relevant information will be submitted to the Proposed New Board or the Proposed New Audit Committee for review. In the event that such Interested Person Transactions require the approval of Shareholders, additional information may be required to be presented to Shareholders and an independent financial adviser may be appointed for an opinion.

In the review of all future Interested Person Transactions, the following procedures will be applied:

- (1) transactions (either individually or as part of a series or if aggregated with other transactions involving the same related party during the same financial year) equal to or exceeding S\$100,000 in value but below 3.0% of the value of the net tangible assets of the Enlarged Group will be subject to review by the Proposed New Audit Committee at least on a semi-annual basis, or such other frequency as deemed necessary;
- (2) transactions (either individually or as part of a series or if aggregated with other transactions involving the same related party during the same financial year) equal to or exceeding 3.0% but below 5.0% of the value of the net tangible assets of the Enlarged Group will be subject to the review and prior approval of the Proposed New Audit Committee. Such approval shall only be given if the transactions are on normal commercial terms and are consistent with similar types of transactions made with non-interested parties; and
- (3) transactions (either individually or as part of a series or if aggregated with other transactions involving the same related party during the same financial year) equal to or exceeding 5.0% of the value of the net tangible assets of the Enlarged Group will be subject to review and prior approval by the Proposed New Audit Committee, which may, as it deems fit, request advice on the transaction from independent advisers, including valuations from independent professional valuers.

A register will be maintained to record all Interested Person Transactions (incorporating the basis, amount and nature, on which they are entered into and any quotation from unrelated parties obtained to support such basis). The Proposed New Audit Committee will review all Interested Person Transactions to ensure that the prevailing rules and regulations of the SGX-ST (in particular, Chapter 9 of the Mainboard Rules) are complied with. The Company will also endeavour to comply with the recommendations set out in the CG Code.

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The annual internal audit plan will incorporate a review of all Interested Person Transactions entered into. The Proposed New Audit Committee will review internal audit reports to ascertain that the guidelines and procedures established to monitor Interested Person Transactions have been complied with. In addition, the Proposed New Audit Committee will also review from time to time such guidelines and procedures to determine if they are adequate and/or commercially practicable in ensuring that transactions between the Enlarged Group and its Interested Persons are conducted on normal commercial terms.

Transactions falling within the above categories, if any, will be reviewed quarterly by the Proposed New Audit Committee to ensure that they are carried out on normal commercial terms and in accordance with the procedures outlined above. All relevant non-quantitative factors will also be taken into account.

Such review includes the examination of the relevant transaction and its supporting documents or such other data deemed necessary by the Proposed New Audit Committee. The Proposed New Audit Committee may request any additional information pertaining to the transaction under review from independent sources, advisers or professional valuers as it deems fit. The Proposed New Audit Committee will also ensure that all disclosure, approval and other requirements on Interested Person Transactions, including those required by prevailing legislation, the Mainboard Rules and relevant accounting standards, are complied with.

In the event that a member of the Proposed New Audit Committee is interested in any Interested Person Transaction, he/she will abstain from reviewing that particular transaction. The Company will also disclose the aggregate value of Interested Person Transactions conducted during the current financial year in its annual report, as required pursuant to the Mainboard Rules.

25.5 Potential Conflicts of Interest

Save as disclosed below, none of the Proposed Directors, the Proposed Executive Officers, the Controlling Shareholders of the Company or any of their Associates has an interest, direct or indirect:

- (1) in any transaction to which the Enlarged Group was or is to be a party;
- (2) in any entity carrying on the same business or dealing in similar services which competes materially and directly with the existing business of the Enlarged Group; and
- (3) in any enterprise or company that is the customer or supplier of goods and services of the Enlarged Group.

Temasek (being a deemed Controlling Shareholder of the Company) is the holding company of Mediacorp Pte Ltd, a content creator and media network in Singapore which operates a suite of TV channels, radio stations and multiple digital platforms. Mediacorp Pte Ltd, being an indirect wholly-owned subsidiary of Temasek, is an independently-managed Temasek portfolio company. Temasek is not involved in the business or operational decisions of Mediacorp Pte Ltd. In addition, Temasek is a global investment company headquartered in Singapore. Its portfolio covers a broad spectrum of industries: transportation and industrials; financial services; telecommunications, media and technology; consumer and real estate; and life science and agri-food. Temasek may, from time to time, make investments in other businesses in the countries in which the Enlarged

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Group operates. As a result, there may be circumstances where the businesses of the Enlarged Group compete directly with other Temasek portfolio companies. As a matter of long-standing governance policy, Temasek does not direct the business decisions or operations of its portfolio companies, which are guided and managed by their respective boards of directors and management teams, independently of Temasek. Temasek does not direct, and is not involved in, the business, commercial or operational decisions of the Target Group and the Company.

Save as disclosed in Section 24.10 titled “*Proposed Directors and Executive Officers of the Enlarged Group – Employment Agreements and Indemnification Agreements*” of this Circular, none of the Proposed Directors has any interest in any existing contract or arrangement which is significant in relation to the business of the Enlarged Group.

Mitigation of Potential Conflicts of Interest

Following Completion, any potential conflicts of interest, whether with its Proposed Directors, Controlling Shareholders and their respective Associates or otherwise, will be mitigated as follows:

- (1) the Proposed Directors have a duty to disclose their interests in respect of any contract, proposal, transaction or any other matter whatsoever in which they have any personal material interest, directly or indirectly, or any actual or potential conflicts of interest (including conflicts of interest that arise from any of their directorships or executive positions or personal investments in any other corporations) involving them. Upon such disclosure, such directors shall abstain from voting in respect of any such contract, arrangement, proposal, transaction or matter in which the conflict of interest arises, unless and until the Proposed New Audit Committee has determined that no such conflict of interest exists;
- (2) the Proposed New Audit Committee is required to examine the internal control procedures and review procedures to determine if such procedures put in place are sufficient to ensure that Interested Person Transactions are conducted on normal commercial terms and will not be prejudicial to the Company and its minority Shareholders;
- (3) the Proposed New Audit Committee will review any actual or potential conflicts of interest that may involve the Proposed Directors as disclosed by them to the Proposed New Board. Upon disclosure of an actual or potential conflict of interests by a Proposed Director, the Proposed New Audit Committee will consider whether a conflict of interest does in fact exist. A Proposed Director who is a member of the Proposed New Audit Committee will not participate in any proceedings of the Proposed New Audit Committee in relation to the review of a conflict of interest relating to him or her. The review will include an examination of the nature of the conflict and such relevant supporting facts, as the Proposed New Audit Committee may deem reasonably necessary;

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- (4) the Company is required to make prompt announcements, disclosures in its annual report and/or seek Shareholders' approval for certain material Interested Person Transactions pursuant to Chapter 9 of the Mainboard Rules. The Proposed New Audit Committee may also have to appoint independent financial advisers to review such Interested Person Transactions and opine on whether such transactions are fair and reasonable to the Company, and not prejudicial to the Company's interests and the interests of its minority Shareholders; and
- (5) the Proposed Directors owe fiduciary duties to the Company, including the duty to act in good faith and in its best interests. The Proposed Directors are also subject to a duty of confidentiality that, save to the extent permitted under Singapore law, precludes him or her from disclosing to any third party (including any of the Shareholders or their Associates) information that is confidential.

26. CORPORATE GOVERNANCE

The Board and the Proposed New Board recognise the importance of corporate governance and the offering of high standards of accountability to the Shareholders, and will use best efforts to implement the good practices recommended in the CG Code. The Proposed New Board will continue to have three committees, namely, the Proposed New Nominating Committee, the Proposed New Remuneration Committee and the Proposed New Audit Committee.

Upon Completion, Mr. Lien Chien-Lin will be appointed as the Executive Director and CEO. Mr. Joseph Phua will be appointed as the Non-Executive Chairman and Mr. Akio Tanaka will be appointed as the Non-Executive Director. Mr. Tan Hup Foi, Dr. Steve Lai Mun Fook, Ms. Chen Xiuling and Mr. Hideto Mizuno will be appointed as the Independent Non-Executive Directors. Accordingly, upon Completion, the Company will have seven Directors, of which one is an executive director, two are non-executive directors and four are independent directors.

26.1 Board Practices

The Proposed New Board will have overall responsibility for the corporate governance of the Enlarged Group so as to protect and enhance long-term Shareholder value. It will set the overall strategy for the Enlarged Group and supervise executive management and monitor their performance. Apart from its statutory responsibilities, the Proposed New Board will be responsible for, amongst others:

- (a) providing entrepreneurial leadership, and setting strategic objectives for the Enlarged Group, which will include appropriate focus on value creation, innovation and sustainability;
- (b) ensuring that the necessary resources are in place for the Enlarged Group to meet its strategic objectives;
- (c) establishing and maintaining a sound risk management framework to effectively monitor and manage risks faced by the Enlarged Group, and to achieve an appropriate balance between risks and company performance;
- (d) constructively challenging the management of the Company and reviewing its performance;

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- (e) instilling an ethical corporate culture and ensuring that the Company's values, standards, policies and practices are consistent with the culture; and
- (f) ensuring transparency and accountability to key stakeholder groups of the Enlarged Group.

The Proposed Directors will be appointed by the Shareholders at a general meeting, and an election of Directors will take place annually. One third (or the number nearest one third) of the Directors will be required to retire from office at each annual general meeting. Further, all the Directors will be required to retire from office at least once every three years. However, a retiring Director will be eligible for re-election at the meeting at which he retires. At any time or from time to time, Shareholders shall also have the power to remove a Director before the expiration of this period of office and appoint any person as a Director to fill the place of a Director so removed.

26.2 Proposed New Nominating Committee

It is intended that the Nominating Committee be re-constituted upon Completion. The Proposed New Nominating Committee will comprise three Directors, all of whom, including the Chairman of the Proposed New Nominating Committee, are independent. The Proposed New Nominating Committee will comprise Dr. Steve Lai Mun Fook, Mr. Hideto Mizuno and Ms. Chen Xiuling. The Chairman of the Proposed New Nominating Committee will be Dr. Steve Lai.

The Proposed New Nominating Committee will be responsible for, *inter alia*, the following:

- (a) making recommendations to the Proposed New 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 Proposed New 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 Listing Manual, the CG Code and any other salient factors;
- (c) reviewing the composition of the Proposed New Board annually to ensure that the Proposed New Board and the Proposed New Board Committees (i) comprise Directors who as a group provide an appropriate balance and diversity of skills, expertise, gender and knowledge of the Enlarged 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;

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- (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 Proposed New 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 Proposed New Board and disclosing in the Enlarged 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 Proposed New Audit Committee, the Proposed New Remuneration Committee and the Proposed New Nominating Committee) as well as appraising the qualifications and experience of any proposed new appointments to the Proposed New Board and making recommendations to the Proposed New Board on whether the appointments should be approved;
- (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 Proposed New Board the maximum number of listed company board representations which any Director may hold and disclosing this in the Enlarged Group's annual report;
- (l) reviewing the Proposed New Nominating Committee's terms of reference annually and recommending any proposed changes to the Proposed New 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).

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

Each member of the Proposed New Nominating Committee is required to abstain from voting, approving or making a recommendation on any resolutions of the Proposed New Nominating Committee in which he has a conflict of interest in the subject matter under consideration.

The Proposed New Nominating Committee's view of the Proposed Independent Directors

The Proposed New Nominating Committee, having taken into consideration the following:

- (a) the number of listed company directorships held by each of the Proposed Independent Directors;
- (b) the principal commitments of the Proposed Independent Directors;
- (c) the confirmations by the Proposed Independent Directors stating that they are each able to devote sufficient time and attention to the matters of the Enlarged Group;
- (d) the confirmations by the Proposed Independent Directors that each of them is not accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of any Controlling Shareholder of the Enlarged Group, has no relationship with the Company, its related corporations or with any directors of these corporations, its Substantial Shareholders or its officers that could interfere or be reasonably perceived to interfere, with the exercise of his or her independent business judgement with a view to the best interests of the Company;
- (e) the Proposed Independent Directors' working experience and expertise in different areas of specialisation; and
- (f) the composition of the Proposed New Board,

is of the view that (i) the Proposed Independent Directors are individually and collectively able to devote sufficient time to the discharge of their duties and are suitable and possess relevant experience as Independent Directors of the Company; and (ii) the Proposed Independent Directors, as a whole, represent a strong and independent element on the Proposed New Board which is able to exercise objective judgement on corporate affairs independently from the Controlling Shareholders.

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26.3 Proposed New Remuneration Committee

The Remuneration Committee will be re-constituted upon Completion. The Proposed New Remuneration Committee will comprise three Directors, all of whom, including the Chairman of the Proposed New Remuneration Committee, are independent. The Proposed New Remuneration Committee will comprise Dr. Steve Lai Mun Fook, Mr. Tan Hup Foi and Mr. Hideto Mizuno. The Chairman of the Proposed New Remuneration Committee will be Dr. Steve Lai Mun Fook.

The Proposed New Remuneration Committee will be responsible for, *inter alia*, the following:

- (a) reviewing and recommending to the Proposed New Board, in consultation with the Non-Executive Chairman of the Proposed New 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 Enlarged Group (“**Key Management Personnel**”);
- (b) reviewing and recommending to the Proposed New 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 Enlarged 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 the Key Management Personnel and recommend such targets as well as employee specific remuneration packages for each of such Key Management Personnel, for endorsement by the Proposed New 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 Proposed New Board’s corporate goals and objectives;

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- (i) ensuring compliance with any requirement, direction and regulation that may from time to time be prescribed by the Proposed New Board or contained in the Memorandum and Articles of Association or imposed by relevant applicable legislation and regulations;
- (j) reviewing the Proposed New Remuneration Committee's terms of reference annually and recommending any proposed changes to the Proposed New Board for approval; and
- (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 Proposed New Remuneration Committee 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 Enlarged Group and key executives to successfully manage the Enlarged Group, and to align the level and structure of remuneration with the long-term interests and risk policies of the Enlarged Group.

If a member of the Proposed New Remuneration Committee has an interest in a matter being reviewed or considered by the Proposed New Remuneration Committee, he will abstain from voting on the matter.

26.4 Proposed New Audit Committee

It is intended that the Audit Committee be re-constituted upon Completion. The Proposed New Audit Committee will comprise three Directors, all of whom, including the Chairman of the Proposed New Audit Committee, are independent. The Proposed New Audit Committee will comprise Mr. Tan Hup Foi, Dr. Steve Lai Mun Fook and Ms. Chen Xiuling. The Chairman of the Proposed New Audit Committee will be Mr. Tan Hup Foi.

The Proposed New Audit Committee will assist the Proposed New Board in discharging its responsibility to safeguard the Enlarged Group's assets, maintain adequate accounting records and develop and maintain effective systems of internal control, with the overall objective of ensuring that the management creates and maintains an effective control environment in the Enlarged Group. The Proposed New Audit Committee shall meet, at a minimum, twice a year.

The Proposed New Audit Committee will provide a channel of communication between the Directors, the management and the external auditor on matters relating to audit.

The Proposed New Audit Committee will meet periodically and will, *inter alia*, perform the following functions:

- (a) assisting the Proposed New Board in discharging its statutory responsibilities on financing and accounting matters;
- (b) reviewing significant financial reporting issues and judgements to ensure the integrity of the financial statements and any formal announcements relating to financial performance;

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- (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 Enlarged 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 Proposed New Board;
- (g) reviewing and reporting to the Proposed New Board the suitability of the auditing firms appointed for the significant foreign-incorporated subsidiaries and associated companies of the Enlarged Group;
- (h) reviewing and reporting to the Proposed New Board at least annually (i) the adequacy and effectiveness of the risk management and internal controls systems of the Enlarged 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 Enlarged 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 Enlarged 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 Enlarged Group;

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- (m) commissioning an independent audit on internal controls and risk managements systems for the Proposed New Audit Committee's assurance where necessary or where the Proposed New Audit Committee is not satisfied with the systems of internal controls or risk management of the Enlarged 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 Enlarged Group to satisfactorily address any internal control weaknesses highlighted by the external auditor and/or internal auditor;
- (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 Enlarged 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 Proposed New Board on the audits undertaken by the external auditor and internal auditor and the adequacy of disclosure of information;
- (t) making recommendations to the Proposed New 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 Enlarged 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;

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- (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 Proposed New Board, and report to the Proposed New Board its findings from time to time on matters arising and requiring the attention of the Proposed New Audit Committee;
- (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 Proposed New 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 Enlarged Group;
- (ff) reviewing the risk profile of the Enlarged Group and the appropriate steps to be taken to mitigate and manage risks at acceptable levels determined by the Proposed New Board;
- (gg) reviewing the adequacy and effectiveness of the Enlarged Group's risk management function, ensuring that a clear reporting structure is in place between the Proposed New Audit Committee 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 Proposed New Audit Committee or which may involve the Directors as disclosed by them to the Proposed New 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;

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- (jj) periodically reviewing the Enlarged Group's intellectual property protection policies to ensure that the policies and/or procedures are complied with, and are adequate and effective for the Enlarged Group's operations;
- (kk) reviewing and establishing procedures for receipt, retention and treatment of complaints received in relation to the Enlarged Group, including criminal offences involving the Enlarged Group or its employees, questionable accounting, auditing, business, safety or other matters that may negatively impact the Enlarged 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 Proposed New Audit Committee's terms of reference annually and recommending any proposed changes to the Proposed New 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 Proposed New Audit Committee 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 Proposed New Audit Committee 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 Enlarged Group's operating results and financial position.

In the event that a member of the Proposed New Audit Committee is interested in any matter being considered by the Proposed New Audit Committee, he will abstain from reviewing and deliberating on that particular transaction or voting on that particular resolution.

26.5 Adequacy of Internal Controls

Following Completion, the business of the Enlarged Group will comprise wholly of the business of the Target Group, and thus the internal controls of the Company and the Target Group will be harmonised. Therefore, in preparation for the Proposed Business Combination, the Target Company has commissioned Ernst & Young Advisory Pte. Ltd. to conduct an internal control review of key business processes for identifying gaps within the internal controls framework and recommending controls improvement plans and measures to the Target Group. The Proposed New Board also noted that Ernst & Young Advisory Pte. Ltd. has reviewed the implementation of the recommendations for observations raised in relation to the Target Group's internal control weaknesses and noted that management has implemented the recommendations as agreed. As such, based on the internal control review report, all material internal control weaknesses have been addressed by the management of the Target Company relating to the Target Group's systems of internal controls (including financial, operational, compliance and information technology controls) and risk management systems.

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The Proposed New Audit Committee has held discussions with Mr. Kenta Masuda, the proposed new CFO, as well as Ernst & Young LLP, the Independent Auditor and Reporting Accountant to the Target Group, in relation to the Target Group's internal controls. The Proposed New Board has noted that no material internal control weakness had been raised by Ernst & Young LLP in the course of their audit of the Target Group's financial statements for FY2020, FY2021 and FY2022. The Proposed New Board also noted that the Target Group has implemented measures recommended by Ernst & Young LLP, or implemented mitigating measures, to address the risks arising from the issues identified by Ernst & Young LLP in relation to the internal accounting control systems of the Target Group reviewed by Ernst & Young LLP.

The Target Group has established an adequately resourced in-house internal audit division which is responsible for the internal audit of the Target Group, and which reports directly to the Proposed New Board. The internal audit division will prepare an internal audit plan, which will be presented to and approved by the board of directors of the relevant Target Group subsidiary, and the internal audit findings are reported to the board of directors of the relevant Target Group subsidiary on a semi-annual basis. The Target Group has also put in place a system of internal controls which is embodied within the internal audit policies and procedures of the Target Group subsidiaries.

Based on the above and the internal controls established and maintained by the Enlarged Group (including the internal audit division), the work performed by Ernst & Young Advisory Pte. Ltd. and the external auditor, and reviews performed by the Enlarged Group's management and the Proposed New Board, the Proposed New Board, after making all reasonable enquiries and to the best of its knowledge and belief, is of the opinion that the risk management systems and the internal controls (including financial, operational, compliance and information technology controls) of the Enlarged Group, are adequate and effective. The Proposed New Audit Committee concurs with the Proposed New Board's opinion on the adequacy and effectiveness of the Enlarged Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems.

The Proposed New Board notes that the system of internal controls and risk management systems provides reasonable, but not absolute, assurance that the Enlarged Group will not be adversely affected by any event that could be reasonably foreseen as it works to achieve its business objectives. In this regard, the Proposed New Board also notes that no system of internal controls and risk management systems can provide absolute assurance against the occurrence of material errors, poor judgement in decision making, human error, losses, fraud or other irregularities.

The Proposed New Audit Committee shall also commission an annual internal control audit to satisfy itself that the Enlarged Group's internal controls and risk management systems are robust and effective enough to mitigate the Enlarged Group's internal control weaknesses (if any). Upon completion of the internal control audit, appropriate disclosure will be made via SGXNET of any material, price-sensitive internal control weaknesses and any follow up actions to be taken by the Proposed New Board, if applicable.

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The Company has in place a whistle-blowing policy, which is administered by the Proposed New Audit Committee. The whistle-blowing policy provides employees with well-defined and accessible channels for reporting unlawful conduct, financial malpractice or dangers, or other similar matters to the Proposed New Audit Committee, and for appropriate follow-up action to be taken. The policy aims to encourage the reporting of such matters in good faith, with confidence on the part of employees making such reports, that they will be treated fairly and to the extent possible, be protected from possible reprisal or victimisation. Concerns about possible improprieties may be raised verbally or in writing by emailing such concerns to the Proposed New Audit Committee.

26.6 Risk Management and Internal Controls of the Target Group

As the Target Group may be exposed to various risks in its operation, it endeavours to maintain sound and effective internal controls to safeguard its interests and assets at all times. Since establishment, the Target Group has adopted a standardised corporate governance system which embodies a scientific decision-making, implementation and supervision mechanism. The Target Group has formulated and is constantly enhancing its risk management policy covering environmental control, business control, capital control, financial accounting control, human resources control, information technology control throughout its operations. The Target Group has established its risk management committee which participates in the monthly meeting of the risk and compliance committee.

26.7 The Proposed New Audit Committee's Opinion on the Suitability of the CFO

The Proposed New Audit Committee having (i) conducted an interview with Kenta Masuda; (ii) considered the qualifications and past working experience of Kenta Masuda (as described in Section 24.4 titled "*Proposed Directors and Executive Officers of the Enlarged Group – Proposed Executive Officers*" of this Circular); (iii) observed his demonstration of the requisite competency, familiarity and diligence in relation to the financial matters and information of the Enlarged Group; (iv) noted the absence of negative feedback from Ernst & Young LLP, the Independent Auditor and Reporting Accountant to the Target Group; (v) noted the absence of internal control weaknesses attributable to Kenta Masuda that was identified during the an internal control review conducted by Ernst & Young Advisory Pte. Ltd.; and (vi) interacted with Kenta Masuda in his capacity as the CFO and the views of and feedback from the management team of the Target Company, is of the view that Kenta Masuda has the necessary expertise and experience to discharge his duties, and is suitable for the position of CFO of the Enlarged Group. The Proposed New Audit Committee also noted that no comment has been raised by the Target Group's internal auditor in their dealings with Kenta Masuda.

After making all reasonable enquiries, and to the best of the knowledge and belief of the Proposed New Audit Committee, nothing has come to the attention of the members of the Proposed New Audit Committee to cause them to believe that Kenta Masuda does not have the competence, character and integrity expected of a CFO of a listed issuer.

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26.8 The Audit Committee's Opinion on the Suitability of the Independent Business Valuer

Independence of the Independent Business Valuer

The Audit Committee is of the view that Frost & Sullivan Limited, the Independent Business Valuer, is independent from Frost & Sullivan (Singapore) Pte Ltd, the IMR Consultant, for the following reasons:

- (a) while the two entities share the Frost & Sullivan brand, Frost & Sullivan Limited and Frost & Sullivan (Singapore) Pte Ltd are separate legal entities and are not, directly or indirectly, related to each other. The two entities operate independently from each other, with separate teams involved in their respective workstreams;
- (b) Frost & Sullivan Limited's and Frost & Sullivan (Singapore) Pte Ltd's professional fees in connection with the Proposed Business Combination are US\$100,000 and US\$180,000 respectively, and their respective professional fees are not contingent on each other. Other than the fees that each of them will receive as part of their engagement for the work done for the Proposed Business Combination, Frost & Sullivan Limited and Frost & Sullivan (Singapore) Pte Ltd do not have any other interest in the success of the Proposed Business Combination; and
- (c) the work undertaken by each of Frost & Sullivan Limited and Frost & Sullivan (Singapore) Pte Ltd is independent of the other, and the conclusions that each of them arrive at in their reports are not dependent on the other.

Competence of the Independent Business Valuer

While the Independent Business Valuer is not a member of a professional business valuation body or authority and is not registered with IVAS as a Chartered Valuer and Appraiser, the Independent Business Valuer's independent valuation has been performed in line with recognised valuation standards (such as the International Valuation Standards). The Independent Business Valuer has also complied with the disclosure requirements under Practice Note 2 (Minimum Disclosure Requirements for Summary Valuation Letters) issued by IVAS in the preparation of the Valuation Report.

26.9 Information Disclosure

Following the Completion, the Enlarged Group will continue to implement a policy of providing full disclosure of material corporate information in accordance with the Mainboard Rules, through announcements, press releases and shareholders' circulars as well as through the interim and annual financial results announcements.

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27. SHARE PRICE & MARKETS

The share prices of the Company traded on Mainboard for the relevant periods are set out below:

- (a) The annual highest and lowest market prices for the three most recently completed financial years:

Financial Year	High (S\$)	Low (S\$)
FY2020	N/A	N/A
FY2021	N/A	N/A
FY2022	5.18	4.52

- (b) The highest and lowest market prices for each financial quarter of the two most recently completed financial years and each subsequent financial quarter prior to the Latest Practicable Date:

Financial Quarter	High (S\$)	Low (S\$)
1Q2021	N/A	N/A
2Q2021	N/A	N/A
3Q2021	N/A	N/A
4Q2021	N/A	N/A
1Q2022	5.18	4.88
2Q2022	4.99	4.69
3Q2022	4.76	4.61
4Q2022	4.72	4.52
1Q2023	4.69	4.47
2Q2023	4.71	4.51
3Q2023	4.81	4.61

- (c) The highest and lowest market prices for each of the most recent six months prior to the Latest Practicable Date:

Month	High (S\$)	Low (S\$)
May 2023	4.70	4.55
June 2023	4.71	4.56
July 2023	4.81	4.63
August 2023	4.75	4.61
September 2023	4.81	4.65
October 2023	4.98	4.74

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- (d) The last transacted price of the Shares on Mainboard on 29 September 2023, being the Market Day on which the Shares were last traded immediately prior to the date of the Announcement was S\$4.81; and
- (e) The last transacted price of the Shares on Mainboard on 30 October 2023, being the Market Day immediately preceding the Latest Practicable Date was S\$4.92.

The Shares are generally traded on Mainboard and there has been no significant trading suspension that has occurred on Mainboard in respect of the Shares during the three years immediately preceding the Latest Practicable Date.

28. DIVIDEND POLICY

Statements contained in this section that are not historical facts are forward-looking statements. Such statements are subject to certain risks and uncertainties which could cause actual results to differ materially from those which may be forecast and projected. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by the Company, the Joint Financial Advisers or any other person. Investors are cautioned not to place undue reliance on these forward-looking statements that speak only as at the date hereof. Please refer to the section titled "Cautionary Note on Forward-Looking Statements" of this Circular for further details.

28.1 The Company

The Company has not declared or paid any dividends in the last two financial years ended 31 December 2021 and 31 December 2022 since its incorporation, and the period from 1 January 2023 to the Latest Practicable Date.

The Company does not have a fixed dividend policy.

28.2 The Target Group

The Target Group has not declared or paid any dividends in the last three financial years ended 31 December 2020, 2021 and 2022, and the period from 1 January 2023 to the Latest Practicable Date.

The Target Group does not have a fixed dividend policy. The declaration and payment of future dividends may be recommended by its directors at their discretion, after considering a number of factors, including the level of reserve or reserves which shall be applicable for meeting contingency, or for equalising dividends or for any other purpose to which those funds may be properly applied and pending such application.

Any dividends the Target Company declares must be approved by an ordinary resolution of its shareholders at a general meeting. The Target Company is not permitted to pay dividends in excess of the amount recommended by its directors. The directors may pay dividends either in cash or in specie and may determine the extent to which amounts may be withheld therefrom. All dividends shall be declared and paid according to the amounts paid up on the shares, subject to the rights and restrictions for the time being attached to these shares. The dividends do not bear any interest against the Target Company. All dividends must be paid in accordance with the Target Company's Memorandum and Articles of Association (as amended from time to time) and the laws of the Cayman Islands.

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28.3 The Enlarged Group

As at the Latest Practicable Date, the Enlarged Group does not have a fixed dividend policy. The declaration and payment of dividends will be determined at the sole discretion of the Proposed New Board, subject to the approval of Shareholders (if required).

The form, frequency and amount of future dividends on the Shares that the Proposed Directors may recommend or declare in respect of any particular financial year or period will be subject to the factors outlined below as well as any other factors deemed relevant by the Proposed Directors:

- (a) the level of cash, gearing and retained earnings of the Enlarged Group;
- (b) actual and projected financial performance of the Enlarged Group;
- (c) the projected levels of capital expenditure and expansion plans of the Enlarged Group;
- (d) the working capital requirements of the Enlarged Group and general financing condition; and
- (e) restrictions on payment of dividends imposed on the Enlarged Group by its financing arrangements (if any).

Under the New Memorandum and Articles of Association, subject to the Cayman Companies Act and the New Memorandum and Articles of Association and except as otherwise provided by the rights attached to any Shares, the Directors may resolve to pay dividends and other distributions on Shares in issue and authorise payment of the dividends or other distributions out of the funds of the Company lawfully available therefor. A dividend shall be deemed to be an interim dividend unless the terms of the resolution pursuant to which the Directors resolve to pay such dividend specifically state that such dividend shall be a final dividend. No dividend or other distribution shall be paid except out of the realised or unrealised profits of the Company, out of the share premium account or as otherwise permitted by law.

Except as otherwise provided by the rights attached to any Shares, all dividends shall be paid according to the par value of the Shares that a Shareholder holds. If any Share is issued on terms providing that it shall rank for dividend as from a particular date, that Share shall rank for dividend accordingly, provided that where such Shares are partly paid, all dividends or other profits or distributions must be apportioned and paid proportionately to the amounts paid or credited as paid on the partly paid Shares. Information relating to taxes payable on dividends is set out in Section 31 titled “*Exchange Control and Taxation*” of this Circular. All dividends must be paid in accordance with the New Memorandum and Articles of Association (as amended from time to time) and the laws of the Cayman Islands and Singapore.

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No inference shall or can be made from any of the foregoing statements as to the actual future profitability of the Enlarged Group or its ability to pay dividends in the future. There can be no assurance that dividends will be paid in the future or of the amount or timing of any dividends that will be paid in the future.

29. MATERIAL CONTRACTS

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Enlarged Group within the two years preceding the date of this Circular and are or may be material:

29.1 The Target Company

Share Exchange Agreement

On 7 November 2023, the Target Company, its shareholders and the 17LIVE Warrant Holders entered into a share exchange agreement with the Vendor¹⁹ (the “**Share Exchange Agreement**”), pursuant to which (i) the 17LIVE Warrants were exercised for the applicable preference shares in the Target Company and the 17LIVE Warrant Holders became the shareholders of the Target Company; and (ii) the shareholders of the Target Company (including the 17LIVE Warrant Holders after the exercise of the 17LIVE Warrants) transferred their respective shares in the Target Company to the Vendor, in consideration for the issue and allotment of shares by 17LIVE Holdco to them, in proportion to their existing shareholding in the Target Company (the “**Share Exchange**”). Upon the completion of the Share Exchange, the shareholders of the Target Company shall become shareholders of the Vendor and the Target Company shall become a subsidiary of the Vendor.

¹⁹ The parties to the Share Exchange Agreement are 17LIVE Holdco, the Target Company, Vertex Legacy Continuation Fund Pte. Ltd., Vertex Ventures SEA Fund III Pte. Ltd., M17 Growth SPV B LLC, Talent Dragon Co., Ltd., Chia Nine Investment Co., Ltd., Dragon Alexander Limited, Infinity e.Ventures Asia III, L.P., IVP Annex I LLC, KTB China Synergy Fund, Northpark Advisory Ltd., Pav Investments Pte. Ltd, TWM Venture Co, Ltd., M17 Growth SPV LLC, Vertex Growth Fund Pte. Ltd., Honeymoon Group Pte. Ltd., MCN Investments Ltd, Global Grand Leisure Pte. Ltd, Majuven Fund 1 Ltd, Majuven Fund 2 L.P., Convergence Capital 1 Holdings Ltd, Pelago Holdings, YJ2 Investment Partnership, Jing Shen Ng, Golden Summit International Ltd, Leadway Asia Pacific Limited, Down Holdings LLC, Liu, Qin, Global Gateway Fund I, Abico Asia Capital Corporation, Phua Angela, Mr. Liu, Po-Yuan, Plutus Ventures Limited, PT Senjaya Tunggal Sakti, Mr. Wong, Ta Wei, AppWorks Ventures II Limited, AppWorks Fund II Co., Ltd., Lim Ho Kee, Tong Aika, Chung Yuk Yin Barnabas, Lee Ching Yen Stephen, Prince Bernhard of Baden, Danchelle Limited, Khenglian Ho, AL BWF Fund, K2 Global, L. P., Sowing Seeds Fund LP, Foo Chuan Tay, Cascade Bliss Limited, Mercy House Inc., Jo Hirao, Stonebridge Young Frontier Fund, Blackpearl Secondary Fund I, Innovation Engine, Inc., Innovation Engine Industry Creation Investment Limited Partnership, Innovation Engine LIVESTREAM Limited Liability Partnership, Mirae Asset Innovative Growth Fund, Mirae Asset Next Korea AI Venture Investment, Jain-Yue Chen, Jae Yoon Chong, Chun-Min Chung, Yen-Yu Lin, Yen-Shuan Lin, Yen-Tsen Lin, Ho-Po Chan, Fu-Yu Hsieh, Ginny Tsai, Chi-Mei Chiu, GSR Ventures V (Singapore) Pte. Ltd., GSR Frontier Ventures, L.P., Mayfield XIV, a Cayman Islands Exempted Limited Partnership, Signia Venture Partners II, L.P., Signia Principals Fund II, L.P., Sycamore II Holdings Limited, United Faith Investment, Ltd., Tong Sui Bau, Big Timber Holdings LLC, Stonebridge Korea Unicorn Venture Fund, Kaga Electronics Co., Ltd and Innoven Capital Singapore Pte. Ltd.

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Target Shareholders' Agreement

On 4 April 2023, the Target Company entered into an amended and restated shareholders' agreement²⁰ (the "**Target Shareholders' Agreement**") with the founders and the holders of series AA preference shares, series A preference shares, series B preference shares, series C preference shares and series D preference shares of the Target Company, in relation to the rights and obligations of the Target Company and the aforementioned shareholders of. The Target Shareholders' Agreement was negotiated by the parties named therein on an arm's length basis. The Target Shareholders' Agreement will be terminated upon Completion.

29.2 The Company

Sale and Purchase Agreement

The Company has entered into a sale and purchase agreement with the Vendor, the Target Company, the Management Warrantors and the Founder on 2 October 2023 ("**Sale and Purchase Agreement**"), pursuant to which the Vendor has agreed to sell to the Company, and the Company has agreed to purchase from the Vendor, 269,393,579 shares in the Target Company ("**Sale Shares**"), comprising 100% of the issued and paid-up share capital of the Target Company, by way of the Proposed Business Combination on the terms and subject to the conditions set out in the Sale and Purchase Agreement.

Pursuant to the Sale and Purchase Agreement, the aggregate consideration for the Sale Shares shall comprise (a) the allotment and issuance of the Consideration Shares to the Vendor (or if the Vendor so nominates, to the Vendor Shareholders) on the Completion Date and (b) subject to the satisfaction of the Financial Targets for Earnout, the allotment and issuance of the Earnout Shares to the Earnout Shareholders on each applicable Earnout Vesting Date. In addition, subject to the Financial Targets for EIS achieved, the Purchaser shall allot and issue the EIS Shares to each of the Key Executives pursuant to the terms of the EIS on each applicable EIS Vesting Date.

The Sale and Purchase Agreement may be terminated at any time prior to the Completion Date if, among others, any governmental order is enacted which has the effect of making consummation of the Proposed Business Combination illegal or if Shareholders' approval for the Proposed Business Combination is not obtained at the EGM.

²⁰ The parties to the Target Shareholders' Agreement are the Target Company, Joseph Phua, Jing Shen Ng, Vertex Legacy Continuation Fund Pte. Ltd., Vertex Ventures SEA Fund III Pte. Ltd., M17 Growth SPV B LLC, Talent Dragon Co., Ltd., Chia Nine Investment Co., Ltd., Dragon Alexander Limited, Infinity e.Ventures Asia III, L.P., IVP Annex I LLC, KTB China Synergy Fund, Northpark Advisory Ltd., Pav Investments Pte. Ltd, TWM Venture Co, Ltd., M17 Growth SPV LLC, Vertex Growth Fund Pte. Ltd., Honeymelon Group Pte. Ltd., MCN Investments Ltd, Global Grand Leisure Pte. Ltd, Majuven Fund 1 Ltd, Majuven Fund 2 L.P., Convergence Capital 1 Holdings Ltd, Pelago Holdings, YJ2 Investment Partnership, Golden Summit International Ltd, Leadway Asia Pacific Limited, Liu, Qin, Global Gateway Fund I, Abico Asia Capital Corporation, Phua Angela, Mr. Liu, Po-Yuan, Plutus Ventures Limited, PT Senjaya Tunggal Sakti, Mr. Wong, Ta Wei, AppWorks Ventures II Limited, AppWorks Fund II Co., Ltd., Lim Ho Kee, Chung Yuk Yin Barnabas, Lee Ching Yen Stephen, Prince Bernhard of Baden, Danchelle Limited, Khenglian Ho, AL BWF Fund, K2 Global, L. P., Sowing Seeds Fund LP, Foo Chuan Tay, Cascade Bliss Limited, Mercy House Inc., Jo Hirao, Stonebridge Young Frontier Fund, Blackpearl Secondary Fund I, Innovation Engine, Inc., Innovation Engine Industry Creation Investment Limited Partnership, Innovation Engine LIVESTREAM Limited Liability Partnership, Mirae Asset Innovative Growth Fund, Mirae Asset Next Korea AI Venture Investment, GSR Ventures V (Singapore) Pte. Ltd., GSR Frontier Ventures, L.P., Mayfield XIV, a Cayman Islands Exempted Limited Partnership, Signia Venture Partners II, L.P., Signia Principals Fund II, L.P., Sycamore II Holdings Limited, United Faith Investment, Ltd., Tong Sui Bau, Big Timber Holdings LLC, Stonebridge Korea Unicorn Venture Fund and Kaga Electronics Co., Ltd.

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Management and Placement Agreement

The Company has entered into a management and placement agreement with DBS and UBS on 9 November 2023 (“**Management and Placement Agreement**”), pursuant to which the Company and the Target Company confirmed the appointment of DBS and UBS as the Joint Financial Advisers to the Proposed Business Combination and as Joint Placement Agents to the PIPE Financing. Subject to the terms and conditions of the Management and Placement Agreement, the Joint Financial Advisers shall use their best efforts to procure subscriptions for the Base PIPE Shares at the Issue Price for each Base PIPE Share.

The Company and the Target Company have agreed in the Management and Placement Agreement to indemnify the Joint Placement Agents against certain liabilities.

The Management and Placement Agreement may be terminated by the Joint Financial Advisers, following consultation with the Company and the Target Company, upon the occurrence of certain events prior to the Completion Date, including, among others, if any statement contained in this Circular or materials used in the marketing of the PIPE Financing become untrue, incorrect or misleading in any material respect, or if there shall have been any events which would be likely to have a material adverse effect on the business, trading position, operations or prospects of the Company or the Target Group.

The Company will pay the Joint Financial Advisers, as compensation for their services in connection with the Proposed Business Combination and the PIPE Financing, certain business combination fees and PIPE Financing fees. In addition, pursuant to the terms of the management and underwriting agreement that was entered into between the Company, the Sponsor, Vertex SPV, CS, DBS and Morgan Stanley Asia (Singapore) Pte. dated 13 January 2022 (the “**MUA**”), the Company will, subject to the terms and conditions specified in the MUA, pay the Deferred Fee (as defined in the MUA) to the Joint Financial Advisers, who shall, subject to the terms and conditions specified in the MUA, be entitled to receive their respective proportion of the Deferred Fee within 10 Business Days following Completion.

Deed of Waiver

The Sponsor has entered into a deed of waiver in favour of the Company on 9 November 2023 (“**Deed of Waiver**”), pursuant to which the Sponsor agrees to waive its rights to the allotment and issuance of a certain number of Promote Shares on the terms of the Deed of Waiver to show support for the Company’s Special Bonus Scheme and Executive Incentive Scheme which are proposed to be adopted in connection with the Proposed Business Combination and to minimise the dilution that will arise from the allotment and issuance of new Shares pursuant to such schemes.

Subject to and conditional upon the allotment and issuance of the Special Bonus Shares and the EIS Shares by the Company:

- (a) the Sponsor agrees to waive its rights to the allotment and issuance of such number of Promote Shares which shall be equivalent, in aggregate, to the number of Special Bonus Shares and EIS Shares allotted and issued by the Company, being not more than 6,310,600 Promote Shares (the “**Waived Promote Shares**”);

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- (b) the Company shall, within 14 days from the Completion Date, inform the Sponsor in writing of the number of Special Bonus Shares allotted and issued to the Non-Redeeming Shareholders for every existing Share held by the Non-Redeeming Shareholders as at the Redemption Record Date and to the PIPE Investors (the “**Actual Special Bonus Shares**”), and upon the receipt of such notice, the Sponsor agrees to waive its rights to the allotment and issuance of such number of Promote Shares equivalent to the Actual Special Bonus Shares;
- (c) in relation to the EIS Shares, the Company shall, within 14 days from each EIS Vesting Date, inform the Sponsor in writing of the number of EIS Shares allotted and issued to the Key Executives (each being referred to as the “**Allotted EIS Shares**” at each EIS Vesting Date), and upon the receipt of such notice, the Sponsor agrees to waive its rights to the allotment and issuance of such number of Promote Shares equivalent to the Allotted EIS Shares at each EIS Vesting Date;
- (d) the Company shall, within 14 days from the date of the final EIS Vesting Date, being 30 April 2026, inform the Sponsor in writing of the Final Adjusted Maximum Promote Shares which the Sponsor is entitled to;
- (e) the Company and the Sponsor agree that, assuming the vesting conditions in Clause 2.4 of the Promote Shares Deed of Undertaking are fulfilled, the Sponsor shall waive its rights over the Waived Promote Shares sequentially from its rights under Clause 2.4(d) of the Promote Shares Deed of Undertaking, followed by Clause 2.4(c) of the Promote Shares Deed of Undertaking, followed by Clause 2.4(b) of the Promote Shares Deed of Undertaking and, where applicable, followed by Clause 2.4(a) of the Promote Shares Deed of Undertaking provided that (i) prior to 30 April 2026, the Sponsor shall be entitled to be allotted and issued up to the Initial Adjusted Maximum Promote Shares; and (ii) after 30 April 2026, the Sponsor shall be entitled to be allotted and issued up to the Final Adjusted Maximum Promote Shares (including the Promote Shares already allotted and issued pursuant to sub-paragraph (i) above); and
- (f) in relation to the Promote Shares which have not yet vested but have not been waived by the Sponsor in the Deed of Waiver, the Company and the Sponsor confirm that the terms of the Promote Shares Deed of Undertaking remain valid and binding and the remaining Promote Shares will be subject to the vesting conditions set out in Clause 2 of the Promote Shares Deed of Undertaking.

Administrative Services Agreement

The Company has entered into an administrative services agreement (the “**Administrative Services Agreement**”) with VVMPL, a wholly-owned subsidiary of the Sponsor, on 6 January 2022. The Administrative Services Agreement came into effect on 6 January 2022 and shall continue in force unless terminated with the prior agreement of each party in writing. In addition to the foregoing, the Administrative Services Agreement shall be immediately terminated upon the earlier of: (i) any material breach by VVMPL, unless in the Company’s absolute discretion, the Company provides a period for VVMPL to remedy the breach (the “**Remedy Period**”), in which event the Administrative Services Agreement shall terminate at the end of the Remedy Period if the VVMPL has not, by the end of the Remedy Period, cured the breach to the Company’s satisfaction; (ii) the Company committing any material breach of its obligations under the Administrative Services Agreement and (if such breach is capable of remedy) has failed to make good such breach within 30 days of notice being served on it by requiring it to make good such breach; (iii) the Company filing for

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bankruptcy, becoming insolvent, or making an assignment for the benefit of creditors; (iv) VVMPL undergoing a change in ownership or becoming insolvent, or going into liquidation, receivership or judicial management; or (v) the end of the term of the Administrative Services Agreement pursuant to or where required by applicable laws.

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 the Company (collectively, the "**Support Services**"). In addition, VVMPL will also second two employees, namely Mr. Jiang Honghui and Mr. Sito Tuck Wai, to perform the roles of the Company's CEO and 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 the Company 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 shall be payable quarterly in advance in four equal instalments per annum and pro-rated accordingly for any partial calendar quarter.

The Service Fees will be 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.

Promote Shares Deed of Undertaking

As a reward and an incentive for the execution of a successful initial business combination, the Company has entered into the Promote Shares Deed of Undertaking, pursuant to which the Company undertakes to allot and issue up to 10.0 million Shares (or up to 10.59 million Shares, if the Over-allotment Option is exercised in full) for a nominal consideration of S\$25,000 (the "**Promote Shares**") following the completion of the initial business combination in favour of Vertex SPV, 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 the Company on a fully diluted basis immediately following the completion of the Offering. Similar to market practice in the U.S., the Company will issue the Promote Shares to Vertex SPV for S\$25,000. The consideration for the

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Promote Shares will be pro-rated based on the amount of Promote Shares vested, allotted and issued as at the relevant vesting dates. For the avoidance of doubt, the Promote Shares that will be vested, allotted and issued to Vertex SPV do not carry with them entitlement to any of the Warrants. For the avoidance of doubt, the consideration for the Promote Shares will be capped at S\$25,000 even if the Over-allotment Option is exercised in full.

Pursuant to the terms of the Promote Shares Deed of Undertaking, the number of Promote Shares to be allotted and issued to Vertex SPV is subject to an adjustment in the event the Over-allotment Option is exercised in full. For the avoidance of doubt, the adjusted number of Promote Shares will not in any event exceed 10.59 million Shares.

In the event that the Over-allotment Option is exercised (in part or in full), the number of Promote Shares that will be issuable by the Company to Vertex SPV pursuant to the Promote Shares Deed of Undertaking will be adjusted such that the total number of Promote Shares issuable will always be 20% of the total issued share capital of the Company following the exercise of the Over-allotment Option, assuming that all the Promote Shares are issued.

The Company shall within 30 Market Days of the Listing Date send a written notice to the Sponsor and Vertex SPV to inform the Sponsor and Vertex SPV of the number of Promote Shares that Vertex SPV shall initially be allotted and issued following the exercise of the Over-allotment Option pursuant to the Promote Shares Deed of Undertaking.

Assuming the Over-allotment Option is not exercised, the number of Promote Shares will be 10.0 million. Assuming the Over-allotment Option is exercised in full, the number of Promote Shares will be 10.59 million. The Promote Shares will vest, and be allotted and issued in favour of Vertex SPV based on the following schedule:

- (a) 49.0% of the Promote Shares (rounded down to the nearest whole number) on the date falling 12 months after the completion (as defined below) of the initial business combination;
- (b) 17.0% of the Promote Shares (rounded down to the nearest whole number) on the date during the 10 calendar years following the date of completion (as defined below) of the initial business combination upon the Return to Shareholders (as defined below) exceeding 20%;
- (c) 17.0% of the Promote Shares (rounded down to the nearest whole number) on the date during the 10 calendar years following the date of completion (as defined below) of the initial business combination upon the Return to Shareholders (as defined below) exceeding 40%; and
- (d) 17.0% of the Promote Shares (rounded down to the nearest whole number) on the date during the 10 calendar years following the date of completion (as defined below) of the initial business combination upon the Return to Shareholders (as defined below) exceeding 60%.

“**completion**” referred to herein shall mean the completion of transfer of ownership of the business or asset to be acquired pursuant to the initial business combination, which shall occur on or before the listing date of the Resulting Issuer. “**Return to Shareholders**” means the sum of (i) the appreciation of the per-Share trading price of the Shares following the

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initial business combination (measured as the excess above the Reference Price of the average of the 20 highest daily closing market prices for such Shares over any period of 30-Market Day period that commences after the completion of the initial business combination) and (ii) the cash or fair market value (as applicable) of each dividend or distribution that has been declared and paid by the Company on the Shares (measured on a per-Share basis as of the date such dividend or distribution was declared) following the initial business combination, with such sum expressed as a percentage of the Reference Price. “**Reference Price**” referred to herein shall, following the completion of the Offering and Listing, mean S\$5.00, and shall be adjusted proportionately to account for any changes in the Company’s equity securities by way of rights issue, sub-division of Shares, combination or reclassification or through merger, consolidation, reorganisation, recapitalisation or initial business combination or by any other means where the Company shall appoint an Independent Financial Adviser to consider whether any adjustment to the prevailing Reference Price is appropriate and has been proportionately adjusted and if such Independent Financial Adviser shall determine that any adjustment is appropriate, the Reference Price shall be adjusted accordingly. For the purposes of this paragraph, “**Independent Financial Adviser**” shall mean an independent financial institution appointed by the Company at its own expense, provided always that the Independent Financial Adviser shall not also be the auditors of the Company for the time being. Where an adjustment is made to the Reference Price, the Company will make an SGXNET announcement as soon as practicable disclosing details in relation to such adjustment and the bases for the Independent Financial Adviser’s view on whether such adjustment is appropriate. For the purposes of this section titled “*Material Contracts – Promote Shares Deed of Undertaking*” only, “**Over-allotment Option**” has the meaning ascribed to it in the Prospectus.

If after the date of Listing, the number of issued and outstanding Shares is varied, by way of a sub-division, a bonus issue, a consolidation, a combination or other similar event, the number of Promote Shares which have not yet vested shall be adjusted proportionately accordingly in the same proportion as the adjustment to the Shares, given that the events for this adjustment relate to pro-rata adjustments which apply to all ordinary shares proportionately. Such adjustments will need to be approved by the Board by way of resolutions passed at a Board meeting or by unanimous written resolution (in the absence of a Board meeting).

The Sponsor has undertaken to the Company pursuant to the Promote Shares Deed of Undertaking in relation to any Promote Shares which vest and are issued within 12 months from the completion of the initial business combination (the “**Lock-up Promote Shares**”) not to, and has undertaken to procure Vertex SPV not to, directly or indirectly, without the prior written consent of the Company:

- (a) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, hypothecate, grant security over, encumber or otherwise transfer or dispose of its holdings in any Lock-up Promote Shares (or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of Lock-up Promote Shares) or enter into a transaction that would have the same effect, whether any such transaction described above is to be settled by delivery of the Lock-up Promote Shares or such other securities, in cash or otherwise;

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- (b) enter into any swap, hedge or other transaction or arrangement (including a derivative transaction) that transfers to another, in whole or in part, any of the economic consequences of ownership of the Lock-up Promote Shares (or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the Lock-up Promote Shares), whether any such transaction described above is to be settled by delivery of the Lock-up Promote Shares or such other securities, in cash or otherwise;
- (c) deposit any of the Lock-up Promote Shares or any securities convertible into or exchangeable for or which carry rights to subscribe for or purchase any of the Lock-up Promote Shares in any depository receipt facilities (other than in a CDP designated moratorium account for the purposes of complying with its obligations under its undertaking), whether any such transaction described above is to be settled by delivery of the Lock-up Promote Shares or such other securities, in cash or otherwise;
- (d) enter into any transaction which is designed or which may reasonably be expected to result in any of the above; or
- (e) announce or publicly disclose any intention to do any of the above,

from the date of the completion of the initial business combination up until the date falling 12 months after the completion of the initial business combination.

Separately, the Sponsor and Vertex SPV have also provided certain undertakings pursuant to a lock-up arrangement with the Joint Global Coordinators, Joint Bookrunners and Joint Underwriters (each as defined in the Prospectus) in relation to the Lock-up Promote Shares. Please refer to the section titled "*Plan of Distribution – No Sale of Similar Securities and Lock-up*" of the Prospectus for further details. For the avoidance of doubt, the Promote Shares may be issued at any time within the 10-year period after the initial business combination so long the abovementioned Share price targets are met. If these Promote Shares vest and are issued within 12 months from the completion of the initial business combination, such Promote Shares shall be locked-up for at least 12 months after the completion of the initial business combination.

Notwithstanding the foregoing, all of the Promote Shares will vest immediately, and will no longer be subject to the transfer restrictions pursuant to the terms of the Promote Shares Deed of Undertaking, upon the occurrence of any of the following:

- (a) if the Company is privatised pursuant to a takeover offer or scheme of arrangement;
- (b) if the Shares cease to be listed and traded on SGX-ST;
- (c) if the Company is, other than in connection with the initial business combination, amalgamated, merged, consolidated or reorganised with or into another person (an "**acquirer**"), and as a result thereof less than 50.1% (whether by voting or economic interests) of the outstanding equity capital interests of the acquirer, or other surviving or resulting entity, is owned in the aggregate by those persons that were holders of the Shares immediately prior to such amalgamation, merger, consolidation or reorganisation, excluding from such computation any of the Shares held at such time by the acquirer or any Associate of the acquirer;

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- (d) if, other than in connection with the initial business combination, the Company or any of its subsidiaries, individually or collectively, sells, assigns, transfers or otherwise disposes of, in one transaction or a series of related transactions, all or substantially all of the assets of the Company and its subsidiaries, taken as a whole, to an acquirer, and as a result thereof less than 50.1% (whether by voting or economic interests) of the outstanding equity capital interests of the acquirer, or other surviving or resulting entity, is owned in the aggregate by those persons that were holders of the Shares immediately following such sale, assignment or transfer, excluding from such computation any of the Shares held at such time by the acquirer or any Associate of the acquirer; or
- (e) if, other than in connection with the initial business combination, any person or group discloses that it has become the beneficial owner of a percentage of the Company's issued Shares greater than the percentage of such Shares that, at the date of such filing, is held by any other person or group that held more than 50% of the Shares immediately after the closing of the initial business combination.

The Promote Shares when allotted and issued pursuant to the Promote Shares Deed of Undertaking shall rank *pari passu* with all other Shares previously issued and remain outstanding in the Company. In addition, in the event that the initial business combination results in the Company being reconstituted, or merged or amalgamated into or with another entity (the "**Resulting Issuer**"), the Company undertakes to ensure that Vertex SPV shall be allotted and issued a pro rata shareholding interest in the Resulting Issuer.

Under the terms of the Promote Shares Deed of Undertaking, the Promote Shares are issued after the completion of the initial business combination. Based on the Company's significant accounting policies, the Company does not anticipate that there will be anything precluding the Promote Shares from being treated as equity when issued, from an accounting perspective.

Based on the Over-allotment Option exercised, the Company shall allot and issue 10,401,500 Shares to Vertex SPV subject to the vesting conditions set out above and in the Promote Shares Deed of Undertaking.

Escrow Agreement

The Company has entered into an escrow agreement with the Escrow Agent on 6 January 2022 (the "**Escrow Agreement**"). The Escrow Agent is independent of the Sponsor, the Management Team and their respective Associates. The Escrow Agreement is governed by Singapore law and pursuant to the terms of the Escrow Agreement, the Escrow Agent is required to disclose any confidential or other information to the SGX-ST upon request. The Escrow Agent is also required to take appropriate measures to ensure proper safekeeping, custody and control of the funds held in the Escrow Account, including that proper accounting records and other related records as necessary are retained in relation to the Escrow Account. The Escrow Agent will charge certain administrative costs depending on investments of the escrowed accounts made by the Company, with such costs deducted from the interest income accrued or the proceeds from the issuance of the Private Placement Warrants.

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Pursuant to the terms of the Escrow Agreement, at any time during the term of the Escrow Agreement, the Company may invest any escrowed amount into any cash equivalent short-dated securities of at least A-2 rating (or an equivalent) or such other investment as may be permitted under the Listing Manual, as well as any time deposit offered by the Escrow Agent, subject always to the applicable provisions of the Listing Manual. In addition, in accordance with applicable provisions of the Listing Manual, the Escrow Account shall be terminated and the escrowed amounts released: (a) if the Company completes an initial business combination within the business combination deadline, (i) on a *pro rata* basis to Shareholders who exercise their Redemption Right in accordance with Rule 210(11)(m)(x) of the Listing Manual (as supplemented or amended from time to time), (ii) the deferred underwriting commissions due to each of the Joint Global Coordinators, Joint Bookrunners and Joint Underwriters (each as defined in the Prospectus) in connection with the Offering, and (iii) the balance amount to the Company; and (b) in the event of the Company's liquidation as required by the applicable provisions of the Listing Manual, to Shareholders (including the Sponsor, the Management Team and their respective Associates in respect of all equity securities (being Units, comprising Shares and Warrants) owned or acquired by them prior to or pursuant to the Offering at the Offering Price or, as the case may be, any of such equity securities purchased or acquired by the Sponsor, in accordance with Rule 210(11)(n)(i) to (iv) of the Listing Manual (as supplemented or amended from time to time).

Prior to release of the escrowed amounts in accordance with the terms of the Escrow Agreement and the Listing Manual, only interest earned and income derived from the escrowed amounts may be drawn down by the Company from the Escrow Account for purposes permitted by paragraph 6.1(c) of Practice Note 6.4 of the Listing Manual (as supplemented or amended from time to time).

The Escrow Agent may at any time resign for any reason by giving three months' prior written notice (a "**Resignation Notice**") to such effect and stating its reasons for resignation to the Company and the SGX-ST. On receipt of a Resignation Notice from the Escrow Agent, the Company shall appoint a successor escrow agent as soon as reasonably possible and in any event within two months of the Resignation Notice and give (a) written notice to such effect and (b) details of such replacement including the account details of such replacement to the Escrow Agent. In addition, the Company may at any time replace the Escrow Agent by giving (a) written notice (a "**Termination Notice**") to such effect, and (b) details of such replacement including the account details of such replacement to the Escrow Agent, provided always that the Company shall not deliver a Termination Notice until it has given three months' prior written notice to the SGX-ST of its intention to terminate the Escrow Agent's appointment, stating its reasons for termination. Any termination or replacement of or resignation by the Escrow Agent is subject to the applicable provisions of the Listing Manual, including that escrow arrangement(s) must be secured and maintained at all times over the escrowed amounts until termination of the Escrow Account in accordance with the Listing Manual and the escrow agent must be a financial institution licence and approved by the Authority and independent of the Sponsor, the Management Team and their respective Associates. The Company is required to immediately announce via SGXNET such change of Escrow Agent pursuant to Rule 754(2)(a) of the Listing Manual.

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The Company will implement cash control management processes to ensure that only permitted amounts may be properly drawn down or disbursed from the Escrow Account. In particular, the Company will observe the following procedures in sequence prior to any disbursements from the Escrow Account in accordance with the terms of the Escrow Agreement:

- (a) verification by the CFO of all necessary supporting documentation for a disbursement from the Escrow Account;
- (b) passing of a Board resolution to appoint two independent directors to co-sign the relevant payment instruction together with the Company's Non-Executive Chairman or an Executive Officer;
- (c) providing the Escrow Agent with the abovementioned payment instruction at least three clear Business Days before the date of disbursement; and
- (d) attending to the verification by the Escrow Agent by way of a "callback" procedure (where such person attending to the "callback" verification cannot be the same party executing the payment instruction).

Warrant Agreement

Pursuant to the Warrant Agreement, the Warrant Agent will act on behalf of the Company in connection with the issuance, registration, transfer, exchange, redemption and exercise of the Warrants. Please refer to the section titled "*Appendix E – Terms and Conditions of the Warrants*" of the Prospectus for more details on the Warrant Conditions.

The Warrant Exercise Price is in line with the market practice in the context of the initial public offerings of U.S. SPACs where the exercise price of warrants issued is typically US\$11.50 (or at a 15% premium to the typical offering price of US\$10.00). Given that the Offering Price per Unit is S\$5.00, the Warrant Exercise Price has been adjusted proportionately.

The proposed structure of the Offering Unit, comprising one Share and up to one half of one Warrant, is a common commercial structure for U.S. SPAC offerings. The maximum dilution to the Company's post-invitation share capital following the conversion of such Warrants will be approximately 44.4% and not be more than 50.0% of the Company's post-invitation share capital (on a fully diluted basis). In respect of the one half of one Warrant, 0.3 of one Warrant per Share will be issued at the completion of the Offering, with an additional right to the Additional Warrants which will only be issued later to holders of Shares (which have not been tendered for Redemption) at or around the completion of the initial business combination. Such Additional Warrants is expected to be credited into the Securities Accounts of the relevant Shareholders after the initial business combination. Persons who do not hold any Shares will not be entitled to the Additional Warrants. This seeks to incentivise Shareholders to elect not to redeem their Shares at the time of the initial business combination and stay vested in the longer-term prospects of the Resulting Issuer. In the event there are redemptions of Shares upon the initial business combination, the lapsing of the Additional Warrants is also intended to mitigate the overall dilutive effect from the issue of the Warrants upon the initial business combination. The Additional Warrants would be extinguished in respect of each Share in which the holder of the Shares elects to redeem.

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In addition, to further minimise the impact of dilution to independent Shareholders (i.e. Shareholders other than the Sponsor, the Management Team and their respective Associates), the terms of the Warrants include a redemption right, exercisable by the Company when the Reference Value equals or exceeds S\$9.00 per Share (subject to adjustment in compliance with the Warrant Conditions). The Private Placement Warrants may similarly be settled on a “cashless basis” during the Warrant Exercise Period. The cashless settlement of the Warrants reduces the dilutive impact of the Warrants as it allows the Company to settle a Warrant by issuing less Shares.

The Shares and Warrants have been separately traded as separate counters from the 45th calendar day from the Listing Date.

The entitlement to the Additional Warrants will be accorded only to holders of the Shares in respect of Shares which are not tendered for Redemption upon the initial business combination.

Pursuant to the Warrant Conditions, any new securities issued in connection with the initial business combination (other than as a result of a sub-division or consolidation of share capital) will result in adjustments to the exercise price of the Warrants, if (a) the effective price of such new securities is less than S\$4.60 per Share (“**Newly Issued Price**”), (b) the aggregate gross proceeds raised from such issuances represent more than 60% of the total equity proceeds (and interests thereon) available for funding of the initial business combination on the date of completion of the initial business combination (net of redemptions) and (c) the volume weighted average trading price of the Shares during the 20 Market Day period starting on the Market Day prior to the day on which the Company consummates the initial business combination (such price, the “**Market Value**”) is below S\$4.60 per Share. In which case, pursuant to the Warrant Conditions, (i) the Warrant Exercise Price shall be adjusted (to the nearest cent) to be equal to 115% of the higher of the Market Value and the Newly Issued Price and (ii) the S\$9.00 per Share redemption trigger price described in the Warrant Conditions hereof shall be adjusted (to the nearest cent) to be equal to 180%, respectively, of the higher of the Market Value and the Newly Issued Price. As such, the additional capital raising event is unlikely to affect the number of Warrants at the completion of the initial business combination.

Private Placement Warrants Purchase Agreement

Concurrent with the Offering, as part of the at-risk capital contribution from Vertex, Vertex has entered into the Private Placement Warrants Purchase Agreement with the Company, pursuant to which Vertex shall procure Vertex SPV to subscribe for an aggregate of up to 20.0 million Warrants (the “**Private Placement Warrants**”), wherein 16.0 million Private Placement Warrants will be issued on the close of the Offering and up to a further 4.0 million Private Placement Warrants may be issued in one or more tranches at any time during the period commencing the date of the close of the Offering to the date of the initial business combination (such issuance(s) which may occur in one or more tranches to be announced on SGXNET), at a consideration of S\$0.50 per Private Placement Warrant. Each Private Placement Warrant entitles Vertex SPV to subscribe for one Share based on the exercise price of S\$5.75 per Share, subject to adjustment. The Private Placement Warrants are identical to the Warrants included in the Units sold in this Offering, subject to certain limited exceptions as described in the section titled “*Proposed Business – Material Contracts – Warrant Agreement – Differences between the Private Placement Warrants and the Public Warrants*” of the Prospectus.

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Pursuant to the terms of the Private Placement Warrants Purchase Agreement, each Private Placement Warrant shall have the terms set forth in the Warrant Agreement except that the Private Placement Warrants will be non-redeemable so long they are held by Vertex SPV (or any of its Permitted Transferees), and may be exercisable on a “cashless basis” if held by Vertex SPV or its Permitted Transferees, as further described in the Warrant Agreement.

The Sponsor’s purchase of the Private Placement Warrants through Vertex SPV demonstrates the Sponsor’s commitment and ensures sufficient alignment of interests with the Shareholders. In particular, given the Private Placement Warrants would only be of value when in-the-money, the Sponsor is incentivised to deliver results to Shareholders and work towards a successful initial business combination.

As at the Latest Practicable Date, the number of Private Placement Warrants purchased is 16.0 million and to the best of the knowledge of the Company and subject to Completion, no additional Private Placement Warrants are intended to be purchased by Vertex SPV.

30. MATERIAL LITIGATION

The Target Group is not, and has not been, engaged in any legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have or have had during the last 12 months before the date of this Circular, a material effect on the Target Group’s financial position or profitability.

31. EXCHANGE CONTROL AND TAXATION

31.1 Exchange Control

Japan

Pursuant to the FEFTA, dividends paid on, and the proceeds from sales of shares held by exchange non-residents of Japan may generally be converted into any foreign currency and repatriated abroad.

Exchange non-residents are defined in the Foreign Exchange Regulations as (i) individuals who do not reside in Japan; or (ii) corporations whose principal offices are located outside Japan. As dividends paid on shares held by exchange non-residents may generally be converted into any foreign currency and repatriated abroad, such regulations are not expected to have a material impact on the availability of cash and cash equivalents for use by the Target Company.

Taiwan

Foreign exchange matters are generally governed by the Foreign Exchange Regulation Act, which was last amended on 29 April 2009, and regulated by the Ministry of Finance of Taiwan and the Taiwan Central Bank. The Taiwan Central Bank promulgated the Regulations Governing the Declaration of Foreign Exchange Receipts and Disbursements or Transactions effective from 26 December 2022, which regulate the declaration of foreign exchange receipts, disbursements or transactions involving not less than NT\$500,000 or its equivalent in foreign currency.

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Pursuant to the Regulations Governing the Declaration of Foreign Exchange Receipts and Disbursements or Transactions, foreign exchange must be approved by the Taiwan Central Bank on a payment-by-payment basis. A single remittance by a Taiwan company with an amount exceeding US\$1 million must be reported to the Taiwan Central Bank with supporting documents, and remittances by a company with an annual aggregate amount of foreign exchange purchased or sold exceeding US\$50 million may not be processed without the approval of the Taiwan Central Bank.

In respect of the dividends distributed by the Taiwan companies to 17LIVE Japan, reporting to the Taiwan Central Bank or approval from the Taiwan Central Bank is required for converting the dividends from New Taiwan Dollars to other currencies.

Singapore

As of the date of this Circular, there are no exchange control restrictions in effect in Singapore.

Cayman Islands

As of the date of this Circular, there are no exchange control restrictions in effect under the currently applicable laws in the Cayman Islands.

31.2 Taxation

The summary below of certain taxes in Japan, Taiwan and Singapore are of a general nature. The summary is based on laws, regulations, interpretations, rulings and decisions in effect as of the Latest Practicable Date. These laws, regulations, interpretations, rulings and decisions, however, may change at any time, and any change could be retrospective. These laws and regulations are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the comments herein.

The summary is not intended to constitute a complete analysis of the taxes mentioned. It is not intended to be and does not constitute legal or tax advice.

Shareholders should consult their own tax advisers regarding taxation and other consequences of owning and disposing of the Shares. It is emphasised that neither the Target Group, the directors of the Target Company nor any other persons involved in this Proposed Business Combination accepts responsibility for any tax effects or liabilities resulting from the subscription, purchase, holding or disposal of the Shares.

Japan

Income Tax

The individual income tax rate is from 5% to 45%. Other than income tax, local tax rate in Japan is 10%. For individual shareholders, capital gains or dividend distributions received from certain securities in Japan are generally taxed at a flat combined rate of 20.315% (i.e., 15.315% national tax + 5% inhabitant's tax).

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Corporations are subject to corporate tax, local corporate tax, inhabitant tax and enterprise tax in Japan. The combined effective statutory tax rate for corporations in Japan is up to approximately 30.6% or approximately 34.6%, depending on the size of the registered capital of the company.

For corporate shareholders, in relation to dividends received from another domestic corporation, (i) if the recipient corporation owns 100% of shares of the domestic corporation distributing the dividends, all of the dividends are excluded from gross income and, (ii) if the recipient owns more than 33.33% and less than 100% of shares of the domestic corporation distributing the dividends, all of the dividend (excluding the interest of the debt) are excluded from gross income. However, if the recipient corporation owns more than 5% and up to 33.33% of shares of the domestic corporation distributing the dividends, 50% of the dividend income is includable in gross income. If the recipient corporation owns 5% or less of the domestic corporation distributing the dividends, 80% of the dividend income is includable in gross income.

A foreign dividend exemption system is available for Japanese companies holding a minimum interest of 25% for a period of at least six months before the date on which the decision to distribute the dividend is made. Under certain tax treaties, the minimum holding interest can be lower than 25%, subject to certain conditions. Under the foreign dividend exemption, 95% of foreign dividends received in Japan are excluded from taxable income. No credit for withholding tax or underlying tax on the foreign dividends is available.

For corporate shareholders, capital gains are not taxed separately. Instead, such gains are treated as ordinary income to which normal tax rates apply.

Stamp Duty

Contracts for the transfer of interests in land and certain documents are subject to stamp duty. Stamp duty in Japan is at a progressive rate and the maximum amount of stamp duty in Japan is JPY600,000.

Estate Duty

The estate duty or inheritance tax is at a progressive rate from 10% to 55%.

Consumption Tax

In Japan, Japanese Consumption Tax (“**JCT**”) is levied when a business enterprise transfers goods, provides services, or imports goods into Japan. The general rate is 10%, however, a lower rate of 8% applies to food and beverages (excluding alcoholic beverages and when served at dining facilities including restaurants) and to newspaper subscriptions that meet certain criteria. Exports and certain services to non-residents are taxed at a zero rate. Specified transactions, such as sales or lease of land, sales of securities, and provision of public services, are not subject to taxation.

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Taiwan

Income Tax

The individual income tax rate is from 5% to 40%.

The corporate tax rate is 20%. Resident companies with taxable income of NT\$120,000 or less are exempted from corporate tax. A non-resident company is taxed on income derived from Taiwan sources. Resident companies paying service fees or royalties to foreign entities are generally subject to 20% withholding tax.

Capital gain arising from disposal of shares in Taiwanese private company is generally not subject to regular income tax but is generally subject to Taiwan Alternative Minimum Tax. For Taiwanese company shareholders, the applicable tax rate is 12%. If the holding period is 3 years or more at the time of disposal, only half of the capital gain will be subject to Taiwan Alternative Minimum Tax. For Taiwanese individual shareholders, the applicable tax rate is 20%.

Dividend distributed from Taiwanese companies to foreign shareholders is subject to Taiwan dividend withholding tax at 21%, which could be reduced by applicable tax treaties. Dividend distributed from Taiwanese companies to Taiwan domestic shareholders is generally exempted from withholding. An additional profit retention tax of 5% is imposed on Taiwanese companies' current year earnings that remain undistributed by the end of the following year.

Stamp Duty

The stamp duty rate in Taiwan is 0.1% for contracts for the transfer of interest in land and contractual agreements under which one party agrees to complete a specific piece of work for the other party for consideration. The stamp duty rate in Taiwan is 0.4% for hardcopy receipts of cash payments. Stamp duty in Taiwan is fixed at NT\$12 for written contracts to purchase and sale of goods.

Estate Duty

The estate duty ranges from 10% to 20%.

VAT

VAT is applicable to general industries, and the rate is 5%. Under the VAT system, each seller collects output VAT from the buyer at the time of sale, deducts input VAT paid on purchases from output VAT, and remits the balance to the tax authority.

Singapore

Income Tax

Individual Income Tax

An individual is a tax resident in Singapore in a year of assessment if, in the preceding year, he was physically present in Singapore or exercised an employment in Singapore (other than as a director of a company) for 183 days or more, or if he resides in Singapore.

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Individual taxpayers who are Singapore tax residents are subject to Singapore income tax on income accruing in or derived from Singapore. All foreign-sourced income received in Singapore on or after 1 January 2004 by a Singapore tax resident individual (except for income received through a partnership in Singapore) is exempt from Singapore income tax if the Comptroller of Income Tax in Singapore (“**Comptroller**”) is satisfied that the tax exemption would be beneficial to the individual. A Singapore tax resident individual is taxed at progressive rates ranging from 0% to 24%.

Non-resident individuals, subject to certain exceptions and conditions, are subject to Singapore income tax on non-employment income accruing in or derived from Singapore at the rate of 24%.

Corporate Income Tax

Under the provisions of the Income Tax Act 1947 of Singapore (“**SITA**”), a company is regarded as a tax resident of Singapore if the control and management of its business is exercised in Singapore. While the term “control and management” is not specifically defined in the SITA, it has generally been accepted that control and management refers to the policy level decision-making which is normally vested in a company’s board of directors.

The Singapore taxation system is territorial in nature. Unless otherwise exempted, a Singapore tax resident company is subject to Singapore income tax on:

- (a) income accruing in or derived from Singapore (i.e. Singapore-sourced income); and
- (b) foreign-sourced income which is considered received in Singapore (i.e. through physical remittance or constructive remittance).

The prevailing rate of corporate income tax is 17%. In addition, three-quarters of up to the first S\$10,000 of a company’s annual normal chargeable income, and one-half of up to the next S\$190,000, is exempt from corporate tax. The remaining chargeable income (after the partial tax exemption) will be taxed at the applicable prevailing corporate income tax rate.

A non-Singapore tax resident company is subject to income tax on income that is accruing in or derived from Singapore, and on foreign-sourced income received or deemed received in Singapore, subject to certain exceptions.

Dividend Distributions

Under the one-tier corporate taxation system, dividends paid by a Singapore tax resident company are tax-exempt in the hands of the shareholders (regardless of their profile or tax residency status).

Gains arising from disposal of Shares and Warrants

Singapore currently only imposes tax on income. Gains of a capital nature are currently not subject to tax. In the absence of any tax exemption or incentives, gains derived by the shareholders from a disposal or Redemption of the Shares may be taxable in Singapore at the prevailing corporate tax rate (currently 17%), to the extent that such gains are regarded as revenue or income in nature if they arise from activities which the IRAS views as the carrying on of a trade of business in Singapore. Such gains may also be considered as income in nature, even if they do not arise from an activity in the ordinary course of trade

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or business or an ordinary incident of some other business activity, if the shares were purchased with the intention or purpose of making a profit by sale rather than for long-term investment purposes in Singapore. Conversely, where the gains are regarded as capital in nature by the IRAS, they should not be subject to Singapore income tax.

The ability to claim tax deductions on losses derived, if any, by the Singapore corporate shareholders on the disposal or Redemption of the Shares would depend on the individual circumstances and whether the Shares are held by such shareholder on a capital or revenue account.

Section 13W of the SITA

Section 13W (previously Section 13Z) of the SITA provides tax exemption to corporate shareholders on gains from disposal of ordinary shares which are legally and beneficially owned by the divesting company and which takes place between 1 June 2012 and 31 December 2027 (both dates inclusive) subject to the following key conditions:

- (a) immediately prior to the disposal, the divesting company has at all times during a continuous period of at least 24 months, legally and beneficially owned at least 20% of the ordinary shares in the investee company; and
- (b) the investee company being disposed of is not an excluded investee company. A company that is listed on a stock exchange in Singapore or elsewhere would fall outside the scope of an Excluded Investee Company.

Section 13W of the SITA will not apply to a divesting company under certain scenarios. These include (but are not limited to) a divesting company whose gains or profits arising from the disposal are included as part of its income based on Section 26 of the SITA, disposal of shares by a partnership, limited partnership or limited liability partnership where one or more of the partners is a company or are companies, etc.

Section 10L of the SITA

The Income Tax (Amendment) Bill 2023 which was introduced in Parliament on 18 September 2023 includes a new Section 10L to the SITA that aims to bring to tax gains from the sale or disposal by an entity of a relevant group on or after 1 January 2024, of any movable or immovable property situated outside Singapore at the time of such sale or disposal or any rights or interest thereof (“foreign asset”), which are received or deemed received in Singapore, subject to conditions. This section will not apply to Singapore-only groups without foreign operations, or to individuals.

The proposed Section 10L should not apply if the entity meets the definition of an “excluded entity” which includes (but is not limited to) a pure equity holding entity that has operations managed and performed in Singapore with adequate human resources and premises in Singapore to carry out the operations of the entity; and a non-pure equity holding entities that has operations managed and performed in Singapore with adequate economic substance in Singapore, among other conditions. Key substance-based indicators will be used to assess whether an entity has adequate economic substance in Singapore, including the number, qualifications and experience of employees in Singapore, amount of business expenditure incurred by the entity in Singapore and whether the key business decisions of the entity are made in Singapore.

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As the proposed Section 10L has not yet been legislated, Shareholders should consult their own tax advisers for relevant updates and other consequences of owning and disposing of the Shares.

Unrealised fair value gains arising from investment in Shares and Warrants

FRS109 is an accounting standard for the recognition and measurement of financial assets and liabilities. Where a Singapore company adopts FRS 109 for accounting purposes, it must adopt FRS 109 tax treatment.

Typically, any unrealised gains (including any related foreign exchange differences) arising on a financial asset (equity or debt instrument) held on revenue account and treated as FVTPL should be subject to tax on a mark-to-market basis. Where the financial asset is held on capital account, the taxpayer needs to submit a list of assets to the IRAS annually together with its income tax return, for determination that the assets are indeed on capital account. FVTPL movements are to be disregarded for Singapore income tax purposes when the assets are on capital account.

Accordingly, where FRS 109 accounting recognition is applicable to the Singapore corporate investor for its investment in the Shares and/or Warrants of the company and it is treated as FVTPL for accounting purposes, any unrealised fair value gains could potentially be subject to Singapore tax at 17%, if the investment is held on revenue account and in the absence of any tax incentive (e.g., fund tax incentive scheme).

Stamp Duty

There is no Singapore stamp duty payable on the subscription, allotment or holding of the Shares.

Stamp duty is payable on executed share transfer instrument at the rate of 0.2% on the amount of consideration paid or market value of the shares transferred, whichever is higher. The purchaser is liable for stamp duty, unless there is an agreement to the contrary.

Where an instrument of transfer (including electronic documents) is executed outside Singapore, stamp duty is payable if the executed instrument of transfer is received in Singapore. An electronic instrument that is executed outside Singapore is received in Singapore if (a) it is retrieved or accessed by a person in Singapore; (b) an electronic copy of it is stored on a device (including a computer) and brought into Singapore; or (c) an electronic copy of it is stored on a computer or server in Singapore.

No Singapore stamp duty is payable in respect of the transfer of Shares of the company that are settled on a book-entry basis through the CDP.

Estate Duty

Singapore estate duty has been abolished with effect from 15 February 2008.

GST

The purchase of Shares or Warrants should not attract any GST in Singapore. Any GST incurred directly by a GST-registered investor in making the purchase is generally not recoverable as an input tax credit by the investor.

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The sale of Shares or Warrants by a GST-registered investor belonging in Singapore to another person belonging in Singapore or via the Singapore exchange, is an exempt supply that is not subject to GST. Any GST incurred by the investor that is directly attributable to the making of the exempt supply is generally not recoverable as an input tax credit by the investor.

Where the Shares or Warrants are sold by a GST-registered investor in the course of or furtherance of a business carried on by such investor via an overseas exchange or contractually to a person belonging in a country other than in Singapore and directly benefitting a person belonging in a country other than Singapore or a person belonging in Singapore but registered for GST in Singapore, and the contractual person is outside Singapore when the sale is executed, the sale should be considered a taxable supply that is subject to GST at zero-rate. Any GST incurred by a GST-registered investor that is directly attributable to the making of the zero-rated supply should be recoverable as an input tax credit.

Services such as brokerage, handling, clearing and professional services rendered by a GST-registered person to an investor belonging in Singapore in connection with the investor's purchase, sale or holding of the Shares or Warrants will be subject to GST at the prevailing rate which is currently 8% and would be increased to 9% with effect from 1 January 2024. Similar services rendered contractually to a person belonging in a country other than in Singapore and directly benefitting a person belonging outside Singapore or a person belonging in Singapore but registered for GST in Singapore should, subject to the satisfaction of certain conditions, generally be zero-rated for Singapore GST purposes.

Services such as brokerage, handling, clearing and professional services rendered by a person belonging outside Singapore to an investor (whether GST-registered or non-GST registered) belonging in Singapore in connection with the investor's purchase, sale or holding of the Units, Shares or Warrants in the course of or furtherance of a business carried on by the investor ("**Business Investor**"), may be subject to reverse charge under certain circumstances.

Investors should seek their own tax advice on the recoverability of GST incurred on expenses in connection with the purchase, sale and holding of the Shares or Warrants as well as the reverse charge implications if expenses are incurred by a Business Investor from a service provider belonging in a country other than in Singapore.

Cayman Islands

The following is a discussion on certain Cayman Islands income tax consequences of an investment in the securities of the Company. The discussion is a general summary of present law, which is subject to prospective and retroactive change. It is not intended as tax advice, does not consider any investor's particular circumstances, and does not consider tax consequences other than those arising under Cayman Islands law.

Under existing Cayman Islands laws:

Payments of dividends and capital in respect of the Company's securities will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of a dividend or capital to any holder of the securities, nor will gains derived from the disposal

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of the securities be subject to Cayman Islands income or corporate tax. The Cayman Islands currently has no income, corporate or capital gains tax and no estate duty, inheritance tax or gift tax.

The Company has been incorporated under the laws of the Cayman Islands as an exempted company with limited liability and, as such, has received an undertaking from the Financial Secretary of the Cayman Islands in the following form:

The Tax Concessions Act (As Revised) Undertaking as to Tax Concessions

In accordance with the Tax Concessions Act (As Revised), the following undertaking is hereby given to Vertex Technology Acquisition Corporation (the “**Company**”):

1. That no law which is hereafter enacted in the Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Company or its operations; and
2. In addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable:
 - a. on or in respect of the shares, debentures or other obligations of the Company; or
 - b. by way of the withholding in whole or in part of any relevant payment as defined in the Tax Concessions Act (As Revised).

These concessions shall be for a period of TWENTY years from the 29th day of October 2021.

32. PROPOSED CHANGE OF THE COMPANY’S NAME

Pursuant to the terms of the SPA, and conditional upon and concurrent with Completion, the Company is required to change its name from “Vertex Technology Acquisition Corporation Ltd” to “17LIVE Group Limited” to better reflect the identity of the Enlarged Group and the new business and activities of the Enlarged Group.

In line with the Proposed Change of the Company’s Name, the Company also intends to adopt a new corporate logo as shown below:

17LIVE

32.1 Approvals

An application has been made to the Cayman Islands Registrar of Companies by the Company on behalf of the Vendor for the reservation of the name of “17LIVE Group Limited” on 15 September 2023. The proposed name has been reserved with the Cayman Islands Registrar of Companies until 14 December 2023.

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Subject to Shareholders' approval of the special resolution for the Proposed Change of the Company's Name and registration by the Cayman Islands Registrar of Companies, the Company shall change its name to "17LIVE Group Limited" with effect from Completion and the issue by the Cayman Islands Registrar of Companies of the certificate confirming the incorporation of the Company under the new name (being the issuance of the Certificate of Incorporation upon Change of Name). The new name "17LIVE Group Limited" shall be substituted for "Vertex Technology Acquisition Corporation Ltd" wherever the latter name appears in the Memorandum and Articles of Association.

The resolution to seek Shareholders' approval for the Proposed Change of the Company's Name is set out in Special Resolution 1 in the Notice of EGM.

The Company will make an announcement to notify Shareholders when the Proposed Change of the Company's Name takes effect.

32.2 Existing Share Certificates and Warrant Certificates

Shareholders should note that the Proposed Change of the Company's Name does not affect any of the rights of the Shareholders and the Warranholders and the legal status of the Company. The Company will be recalling existing share certificates and warrant certificates of the Company bearing the current name, that is, "Vertex Technology Acquisition Corporation Ltd" and issuing new share certificates and warrant certificates bearing the new name, that is, "17LIVE Group Limited" which states the lower number of Shares outstanding post-Redemption. No further action is required to be taken on the part of the Shareholders in relation to the Proposed Change of the Company's Name.

Upon the Proposed Change of Name becoming effective, any new share certificates and warrant certificates of the Company will be issued under the new name "17LIVE Group Limited".

33. PROPOSED ADOPTION OF THE NEW MEMORANDUM AND ARTICLES OF ASSOCIATION

33.1 Background

The existing Memorandum and Articles of Association was adopted by the Company on (and was effective on) 6 January 2022 in connection with its listing on the SGX-ST. Since the existing Memorandum and Articles of Association was adopted, amendments have been introduced to the Personal Data Protection Act and the Mainboard Rules.

33.2 Rationale for the New Memorandum and Articles of Association

In connection with the Proposed Transactions, the Company has undertaken a review of its Memorandum and Articles of Association and proposes to adopt the New Memorandum and Articles of Association as set out at Appendix D to this Circular, in place of its existing Memorandum and Articles of Association, to streamline its Memorandum and Articles of Association and to remove obsolete SPAC provisions.

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The proposed New Memorandum and Articles of Association also contains updated provisions which are consistent with the Mainboard Rules prevailing as at the Latest Practicable Date, in compliance with Rule 730 of the Mainboard Rules, as well as to address other regulatory changes, namely, the personal data protection regime in Singapore.

The resolution to seek Shareholders' approval for the Proposed Adoption of the New Memorandum and Articles of Association is set out in Special Resolution 2 in the Notice of EGM. Subject to Shareholders' approval of the special resolution for the Proposed Adoption of the New Memorandum and Articles of Association, the Company shall adopt the New Memorandum and Articles of Association with effect from Completion.

33.3 Summary of Main Differences Between the existing Memorandum and Articles of Association and the New Memorandum and Articles of Association

The following is a summary of the provisions of the proposed New Memorandum and Articles of Association which are significantly different from the equivalent provisions in the existing Memorandum and Articles of Association. It does not set out all the new and amended provisions in the proposed New Memorandum and Articles of Association and should be read in conjunction with the proposed New Memorandum and Articles of Association which is set out in its entirety in Appendix D to this Circular. For Shareholders' ease of reference, Appendix E sets out a comparison of the proposed New Memorandum and Articles of Association against the existing Memorandum and Articles of Association, with all additions underlined and any deletions marked with a strikethrough.

Unless otherwise defined, capitalised terms in Sections 33.3 and 33.4 of this Circular below shall bear the meanings ascribed to them in the proposed New Memorandum and Articles of Association.

Changes to Remove Obsolete SPAC Provisions

The following articles have been amended/deleted to remove obsolete SPAC provisions:

- (a) **Article 1 (Article 1 of the existing M&AA).** Definitions in relation to the Company's initial business combination have been deleted, namely, the definitions of "Acquisition Mandate", "Business Combination", "Escrow Account", "IPO", "Prospectus", "Redemption Notice", "Representative" and "Underwriter".
- (b) **Article 8 (Article 8 of the existing M&AA).** Shareholders' entitlement to request the Redemption of Shares in the circumstances pertaining to a business combination pursuant to Article 50 of the existing M&AA has been deleted.
- (c) **Article 20.2 of the existing M&AA.** Article 20.2 of the existing M&AA, which sets out the notice period for any general meeting at which it is proposed to consider any proposal in connection with an initial business combination, has been deleted.
- (d) **Article 26.1 of the existing M&AA.** Article 26.1 of the existing M&AA, which provides that prior to the consummation of an initial business combination, in the event of the resignation or replacement of any Directors or Executive Officers of the Company (which are not due to natural cessation events such as death, bankruptcy, disqualification from acting as a director under applicable law, mental disorder or other

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medical reasons), the Company shall convene a general meeting at which a special resolution shall be passed for the Company's continued listing on the SGX-ST, has been deleted.

- (e) **Article 26.2 of the existing M&AA.** Article 26.2 of the existing M&AA, which provides that in the event that a special resolution for the Company's continued listing on the SGX-ST is not passed at the general meeting convened pursuant to Article 26.1 of the existing M&AA, the Company shall be liquidated in accordance with Article 45 of the existing M&AA.
- (f) **Article 50 of the existing M&AA.** Article 50 of the existing M&AA, which sets out, among others, requirements in relation to the Company's initial business combination, Shareholders' Redemption Right, the Redemption Limit and the consequences of the Company not consummating an initial business combination within the BC Deadline, has been deleted.

Other amendments

The following articles have been amended/included:

- (a) **Article 3.5 (Article 3.5 of the existing M&AA).** A new limitation has been included to provide that the total number of issued preference shares shall not exceed the total number of Shares issued at any time.
- (b) **Article 13.2 (Article 13.2 of the existing M&AA).** A new provision has been added to clarify that any Shares on which the Company has a lien or whose call remain unpaid, and which are sold pursuant to Article 13.2, will be sold pursuant to procedure for the sale of forfeited Shares as described in Article 15.
- (c) **New Article 30(f).** In addition to the existing circumstances for the office of a Director to be vacated, a new circumstance has been added, namely, if the Director is removed from office by ordinary resolution.
- (d) **Article 30.1 (Article 31.1 of the existing M&AA).** Article 30.1 relating to the quorum for the transaction of the business of Directors has been amended to state that if the quorum is not fixed by the Directors, it shall be a majority of the Directors then in office, including the chairperson; provided that a quorum shall exist at a meeting at which a quorum would exist but for the fact that the chairperson is voluntarily absent from the meeting and notifies the Board of Directors his decision to be absent from that meeting, before or at the meeting.
- (e) **Article 32.5 (Article 33.5 of the existing M&AA).** Article 33.5 of the existing M&AA, which provides that a general notice that a Director is to be regarded as interested in any transaction shall be sufficient disclosure for the purposes of voting on a resolution in respect of a contract or transaction in which he has an interest, and after such general notice it shall not be necessary to give special notice relating to any particular transaction, has been deleted.

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33.4 Summary of Principal Provisions of the New Memorandum and Articles of Association

Registration Number

The Company was incorporated on 21 July 2021 and the Company's registration number is 378671.

Memorandum and Articles of Association

The New Memorandum of Association states, *inter alia*, that the liability of each member is limited to the amount, if any, unpaid on the shares held by such member. Paragraph 3 of the New Memorandum of Association states that the objects for which the Company is established are unrestricted and the Company shall have full power and authority to carry out any object not prohibited by the law of the Cayman Islands.

Ordinary and Special Resolution

An "ordinary resolution" is defined in the New M&AA as a resolution passed by a simple majority of votes cast by members, being entitled so to do, voting in person or, in the case of members being corporations, by their respective duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of the Company.

A "special resolution" is defined in the New Articles of Association as a resolution passed by holders of a majority of not less than three-quarters of votes cast by members, being entitled so to do, voting in person or, in the case of members being corporations, by their respective duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of the Company. Notices convening any general meeting at which it is proposed to pass a special resolution shall be sent to members entitled to attend and vote at the meeting at least 21 calendar days before such meeting (excluding the date of notice and the date of the meeting).

Article 21.3 of the New M&AA provides that subject to the Cayman Companies Act, a resolution in writing signed by or on behalf of all persons for the time being entitled to receive notice of and to attend and vote at general meetings of the Company shall, for the purposes of the New M&AA, be treated as a resolution duly passed at a general meeting of the Company and, where relevant, as a special resolution so passed.

Directors

Interested Directors to be Restricted from Voting (Articles 32.4 and 32.5)

A Director shall not participate in any discussions and shall not be entitled to vote on any resolution of the Board in respect of any contract, transaction or arrangement, or proposed contract, transaction or arrangement of any other proposal whatsoever (and/or receive any information relating thereto) (a) in which such Director has any material interest (personal or otherwise), whether directly or indirectly; or (b) which might, whether directly or indirectly, create a conflict with his duties or interests as a Director. An interested Director may nevertheless be counted as part of the quorum for a meeting of the Directors at which a resolution in respect of the proposed contract, transaction or arrangement in which he/she has an interest is tabled as quorum requirements are generic and do not distinguish between interested and non-interested Directors, provided that such an interested Director

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shall not be permitted to vote in respect of such proposed contract or transaction at such Board meeting (or pursuant to a resolution in writing to be signed by all the Directors or all the members of a committee of the Directors whom are entitled to vote on the same) notwithstanding any notice given to the Board regarding such interest.

A Director, whose remuneration (including pension or other benefits) for himself is the subject of a resolution tabled at a meeting of the Board, shall not be entitled to vote on the resolution as he shall be taken have a personal material interest in the matter. Other Directors of the Company will not be prohibited by the New M&AA from voting on that resolution so long as they do not have any direct or indirect personal material interest in the subject matter of the said resolution.

Remuneration (Articles 36.1, 36.2 and 36.3)

The fees of the Directors shall from time to time be determined by the Company in general meeting, shall not be increased except pursuant to an ordinary resolution passed at a general meeting where notice of the proposed increase shall have been given in the notice convening the general meeting, and shall (unless otherwise directed by the resolution by which it is voted) be divided amongst the Board in such proportions and in such manner as the Board may agree or, failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such remuneration is payable shall be entitled only to rank in such division for a proportion of remuneration related to the period during which such Director has held office.

The Directors may by resolution approve additional remuneration to any Director for any services which in the opinion of the Directors go beyond his ordinary routine work as a Director. Any fees paid to a Director who is also counsel, attorney or solicitor to the Company, or otherwise serves it in a professional capacity shall be in addition to such person's remuneration as a Director.

An Executive Director, including a managing director or a person holding an equivalent position, of the Company shall receive such remuneration (whether by way of salary, commission, participation in profits or otherwise or by all or any of those modes) and such other benefits (including pension and/or gratuity and/or other benefits on retirement) and allowances as the Board may from time to time determine, and either in addition to or in lieu of his remuneration as a Director, but no such Executive Director or Director shall in any circumstances be remunerated by a commission on or a percentage of turnover.

Borrowing Powers (Article 27.4)

Subject to the provisions of the New Articles of Association, the Board may exercise all the powers of the Company to raise or borrow money and to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company and, subject to the Cayman Companies Act, to issue debentures, bonds and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

Retirement Age Limit

There are no provisions relating to retirement of Directors upon reaching any age limit.

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Shareholding Qualification (Article 35)

Neither a Director nor an alternate Director is required to hold any Shares of the Company by way of qualification.

Share Rights and Restrictions

The Company currently has only one class of shares, namely Shares.

Dividends and Distributions (Article 39)

Subject to the Cayman Companies Act and except as otherwise provided by the rights attached to any Shares, the Directors may resolve to pay dividends and other distributions on Shares in issue and authorise payment of the dividends or other distributions out of the funds of the Company lawfully available therefor. A dividend shall be deemed to be an interim dividend unless the terms of the resolution pursuant to which the Directors resolve to pay such dividend specifically state that such dividend shall be a final dividend. No dividend or other distribution shall be paid except out of the realised or unrealised profits of the Company, out of the share premium account or as otherwise permitted by law.

Except as otherwise provided by the rights attached to any Shares, all dividends and other distributions shall be paid according to the par value of the Shares that a member holds. If any Share is issued on terms providing that it shall rank for dividend as from a particular date, that Share shall rank for dividend accordingly, provided that where such Shares are partly paid, all dividends or other profits or distributions must be apportioned and paid proportionately to the amounts paid or credited as paid on the partly paid Shares.

The Directors may deduct from any dividend or other distribution payable to any member all sums of money (if any) then payable by him to the Company on account of calls or otherwise.

The Directors may resolve that any dividend or other distribution be paid wholly or partly by the distribution of specific assets and in particular (but without limitation) by the distribution of shares, debentures, or securities of any other company or in any one or more of such ways and where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and in particular may issue fractional Shares and may fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any members upon the basis of the value so fixed in order to adjust the rights of all members and may vest any such specific assets in trustees in such manner as may seem expedient to the Directors.

Any dividend or other distribution which cannot be paid to a member and/or which remains unclaimed after six months from the date on which such dividend or other distribution becomes payable may, in the discretion of the Directors, be paid into a separate account in the Company's name, provided that the Company shall not be constituted as a trustee in respect of that account and the dividend or other distribution shall remain as a debt due to the member. Any dividend or other distribution which remains unclaimed after a period of six years from the date on which such dividend or other distribution becomes payable shall be forfeited and shall revert to the Company.

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Voting Rights (Articles 22 and 23)

Subject to any special rights or restrictions as to voting for the time being attached to any Shares by or in accordance with the New Articles of Association, at any general meeting (i) on a show of hands every member present in person (or being a corporation, is present by a representative duly authorised under Article 22.1 or by proxy shall have one vote; and (ii) on a poll every member present in person or by proxy or, in the case of a member being a corporation, by its duly authorised representative shall have one vote for every fully paid Share of which such member is the holder. For so long as the Shares of the Company are listed on SGX-ST, if required by the rules or regulations of SGX-ST, all resolutions at general meetings shall be voted by poll unless such requirement is waived by SGX-ST. If the member is CDP or a relevant intermediary, CDP or the relevant intermediary may each appoint more than two proxies to attend and vote at the same general meeting and each proxy shall be entitled to exercise the same powers on behalf of CDP or the relevant intermediary (as the case may be) as CDP or the relevant intermediary (as the case may be) could exercise, including the right to vote individually on a show of hands or on a poll.

The New Memorandum and Articles of Association do not provide for cumulative voting in relation to election or re-election of Directors.

Share in Profits

Holders of Shares shall be entitled to share in the Company's profits by way of dividends declared or distributions approved by the Company in general meeting or by the Directors in accordance with the Cayman Companies Act and the New Memorandum and Articles of Association.

Liquidation (Articles 44.1 and 44.2)

Shareholders are entitled to the surplus assets of the Company in the event that it is wound up.

If the Company shall be voluntarily wound up, the application to wind up the Company shall, subject to applicable law (including the Cayman Companies Act), be made pursuant to the provisions of the Insolvency, Restructuring and Dissolution Act 2018, No. 40 of 2018, of Singapore. If the Company shall be involuntarily wound up, the administration of the winding-up process shall be by the Cayman court in accordance with the Cayman Companies Act.

If the Company shall be wound up, the liquidator shall, subject always to applicable law, apply the assets of the Company in satisfaction of creditors' claims in such manner and order as such liquidator thinks fit. Subject to the rights attaching to any Shares, in a winding up:

- (a) if the assets available for distribution amongst the members shall be insufficient to repay the whole of the Company's issued share capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the par value of the Shares held by them; or

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- (b) if the assets available for distribution amongst the members shall be more than sufficient to repay the whole of the Company's issued share capital at the commencement of the winding up, the surplus shall be distributed amongst the members in proportion to the par value of the Shares held by them at the commencement of the winding up subject to a deduction from those Shares in respect of which there are monies due, of all monies payable to the Company for unpaid calls or otherwise.

If the Company shall be wound up (whether the liquidation is voluntary, under supervision, or by the court) the liquidator may, subject to the rights attaching to any Shares and applicable law, and with the approval of a special resolution of the Company and any other approval required under applicable law, divide amongst the members in kind the whole or any part of the assets of the Company (whether such assets shall consist of property of the same kind or not) and may for that purpose set such value as such liquidator deems fair upon any assets and may determine how the division shall be carried out as between the members or different classes of members. The liquidator may, with the like approval, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the members as the liquidator, with the like approval, shall think fit, but so that no member shall be compelled to accept any asset upon which there is a liability.

Redemption Provisions (Article 8)

Subject to the Cayman Companies Act, the New Memorandum and Articles of Association and, where applicable, the rules or regulations or waivers of SGX-ST, and to any special rights conferred on the holders of any shares or attaching to any class of shares, Shares may be issued on the terms that they may be, or at the option of the Company or the holder are, liable to be redeemed on such terms and in such manner, including out of capital, as the Board may deem fit in accordance with the Cayman Companies Act.

Sinking Fund

The New Memorandum and Articles of Association do not contain sinking fund provisions.

Calls on Shares (Article 14)

Subject to the terms of the allotment and issue of any Shares, the Directors may make calls upon the members in respect of any monies unpaid on their Shares (whether in respect of par value or premium), and each member shall (subject to receiving at least fourteen clear days' notice specifying the time or times of payment) pay to the Company at the time or times so specified the amount called on the Shares. A call may be revoked or postponed, in whole or in part, as the Directors may determine. A call may be required to be paid by instalments. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the Shares in respect of which the call was made.

If a call remains unpaid after it has become due and payable, the person from whom it is due shall pay interest on the amount unpaid from the day it became due and payable until it is paid at such rate as the Directors may determine (and in addition all expenses that have been incurred by the Company by reason of such non-payment), but the Directors may waive payment of the interest or expenses wholly or in part.

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The Directors may, if they think fit, receive an amount from any member willing to advance all or any part of the monies uncalled and unpaid upon any Shares held by him, and may (until the amount would otherwise become payable) pay interest at such rate as may be agreed upon between the Directors and the member paying such amount in advance.

The New Memorandum and Articles of Association states that the liability of each member of the Company is limited to the amount, if any, unpaid on the Shares held by such member.

Discriminatory Provisions against Substantial Shareholder

Neither the Cayman Companies Act nor the New Memorandum and Articles of Association contain any provision discriminating against any existing or prospective holder of Shares as a result of such Shareholder owning a substantial number of Shares.

Variation of Rights of Existing Shares or Classes of Shares (Article 10)

If at any time the share capital of the Company is divided into different classes of shares, all or any of the rights attached to any class (save and except for preference shares (other than redeemable preference shares)) may, whether or not the Company is being wound up, be varied without the consent of the holders of the issued shares of that class where such variation is considered by the Directors not to have a material adverse effect upon such rights. For the avoidance of doubt, the Directors reserve the right, notwithstanding that any such variation may not have a material adverse effect, to obtain consent from the holders of shares of the relevant class at a separate meeting of such class held for such purpose. To any such meeting all the provisions of the New Memorandum and Articles of Association relating to general meetings shall apply *mutatis mutandis*, except that the necessary quorum shall be one person holding or representing by proxy at least one-third of the issued shares of the class and that any holder of shares of the class present may demand a poll.

Subject to the provisions of the applicable law, preference shares (other than redeemable preference shares) may be repaid or repurchased and the special rights attached to preference shares may be varied or abrogated only with the sanction of a special resolution passed at a separate class meeting of the preference shareholders concerned (but not otherwise), provided always that where the necessary majority for such a special resolution is not obtained at such class meeting, the consent in writing if obtained from the holders of three-quarters of the issued shares of the class concerned within two calendar months of the date of such meeting shall be as valid and effectual as a special resolution adopted at such meeting.

The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith or shares issued with preferred or other rights.

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General Meetings (Articles 19 and 23)

Under the New Memorandum and Articles of Association, the Company may but shall not (unless required by the Cayman Companies Act or where applicable, the rules and regulations of SGX-ST and/or any other competent regulatory authority or otherwise under applicable law) be obliged to, in each year hold a general meeting as its annual general meeting, and shall specify the meeting as such in the notices calling it. For so long as the Shares of the Company are listed on SGX-ST, the Company shall hold all its general meetings in Singapore (unless prohibited by any applicable law) or such other jurisdiction as permitted or required by the applicable law or the rules or regulations of SGX-ST.

The Company shall hold its annual general meeting within 4 months from the end of its financial year (or such other period as may be permitted by the applicable law or the rules and regulations of SGX-ST).

The Directors, the chief executive officer or the chairperson of the board of Directors may call general meetings, and general meetings shall also be convened on a members' requisition. A members' requisition is a requisition of members holding at the date of deposit of the requisition not less than ten per cent of the total number of paid-up Shares which as at that date carry the right to vote at general meetings of the Company.

No business shall be transacted at any general meeting unless a quorum is present. Two members present shall be a quorum unless there is only one member of the Company in which case that member may constitute a quorum. For the avoidance of doubt, where a member is the depository, one or more person(s) attending as the depository's proxy or as the depository's duly authorised representative may count towards the quorum.

For so long as the Shares of the Company are listed on SGX-ST, if required by the rules or regulations of SGX-ST, all resolutions at general meetings shall be voted by poll unless such requirement is waived by SGX-ST. A poll shall be taken as the chairperson directs, and the result of the poll shall be deemed to be the resolution of the general meeting at which the poll was required or demanded.

An instrument appointing a proxy shall be deemed to include the right to demand or join in demanding a poll, to move any resolution or amendment thereto and, if afforded the opportunity, to speak at the meeting the same as any other voting member. Votes may be cast either personally or by proxy (or in the case of a corporation or other non-natural person by its duly authorised representative or proxy). A member may appoint more than one proxy or the same proxy under one or more instruments to attend and vote at a meeting. Where a member appoints more than one proxy the instrument of proxy shall specify the number of Shares in respect of which each proxy is entitled to exercise the related votes.

A member, including for the avoidance of doubt a depository, holding more than one Share need not cast the votes in respect of such member's Shares in the same way on any resolution and therefore may vote a Share or some or all such Shares either for or against a resolution and/or abstain from voting a Share or some or all of the Shares and, subject to the terms of the instrument appointing such member, a proxy appointed under one or more instruments may vote a Share or some or all of the Shares in respect of which such member is appointed either for or against a resolution and/or abstain from voting a Share or some or all of the Shares in respect of which such member is appointed.

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Any member entitled to attend, vote and speak at a meeting of the Company who is the holder of two or more Shares shall be entitled to appoint not more than two proxies to attend, vote and speak instead of such member at the same general meeting provided that if the member is the depository:

- (a) the depository may appoint more than two proxies to attend, vote and speak at the same general meeting and each proxy shall be entitled to exercise the same powers on behalf of the depository as the depository could exercise;
- (b) unless the depository specifies otherwise in a written notice to the Company, the depository shall be deemed to have appointed as the depository's proxies to vote on behalf of the depository at a general meeting of the Company each of the depositors who are individuals and whose names are shown in the records of the depository as at a time not earlier than 48 hours prior to the time of the relevant general meeting supplied by the depository to the Company, the appointment of proxies by the depository shall not require an instrument of proxy or the lodgement of any instrument of proxy;
- (c) the Company shall accept as valid in all respects the form of instrument of proxy approved by the depository (the "**Depository Proxy Form**" or "**Proxy Form**") for use at the date relevant to the general meeting in question naming a depositor (the "**Nominating Depositor**") and permitting that Nominating Depositor to nominate a person or persons other than the Nominating Depositor as the proxy or proxies appointed by the depository. A Nominating Depositor who is not a relevant intermediary may nominate not more than two persons to attend and vote in such Nominating Depositor's place as proxy or proxies appointed by the depository, and a Nominating Depositor who is a relevant intermediary may nominate more than two persons to attend and vote in its place as proxies appointed by the depository. The Company shall, in determining rights to vote and other matters in respect of a completed Depository Proxy Form submitted to it, have regard to the instructions given by and the notes (if any) set out in the Depository Proxy Form. The submission of any Depository Proxy Form shall not affect the operation of (b) and shall not preclude a depositor appointed as a proxy by virtue of (b) from attending and voting at the relevant meeting but in the event of attendance by such depositor the Depository Proxy Form submitted bearing such depositor's name as the Nominating Depositor shall be deemed to be revoked;
- (d) the Company shall reject any Depository Proxy Form of a Nominating Depositor if such Nominating Depositor's name is not shown in the records of the Depository as at a time not earlier than forty-eight (48) hours prior to the time of the relevant general meeting supplied by the depository to the Company; and
- (e) on a poll the maximum number of votes which a depositor, or proxies appointed pursuant to a Depository Proxy Form in respect of that depositor, is able to cast shall be the number of Shares credited to the Securities Account of that depositor as shown in the records of the depository as at a time not earlier than forty-eight (48) hours prior to the time of the relevant general meeting supplied by the depository to the Company (or such timing as may be stipulated by SGX-ST from time to time), whether that number is greater or smaller than the number specified in any Depository Proxy Form or instrument of proxy executed by or on behalf of the depository.

See also the section "Ordinary and Special Resolution" above.

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No Limitation on Non-Cayman Shareholders

There are no limitations, either under Cayman Islands law or the New Memorandum and Articles of Association, on the rights of owners of the Company's Shares to hold or vote their Shares solely by reason that they are non-Cayman Island shareholders.

Shareholding Disclosure Requirements

The Cayman Companies Act and the New Memorandum and Articles of Association do not require disclosure of shareholder ownership beyond a certain threshold.

Changes in Capital (Articles 17.1 and 17.4)

Under the Cayman Companies Act, certain changes in the capital of a company such as an increase, consolidation or subdivision are permitted if authorised by its memorandum and articles of association and its shareholders. Article 17.1 of the New Memorandum and Articles of Association provides that an ordinary resolution is required for an increase to, consolidation or subdivision of, the Company's share capital. Under Article 17.4 of the New Memorandum and Articles of Associations, the Company may by special resolution, subject to any confirmation or consent required by the Cayman Companies Act, reduce its share capital in any manner permitted by law.

34. PROPOSED CHANGE OF THE COMPANY'S INDEPENDENT AUDITOR

34.1 Background and Rationale for the Proposed Change of the Company's Independent Auditor

The Company's existing auditor is KPMG LLP. The Proposed New Board is proposing the appointment of Ernst & Young LLP as independent auditor of the Company in place of the existing Independent Auditor, KPMG LLP, with effect from the Completion Date and for the financial year ending 31 December 2023 and to hold office until the conclusion of the next AGM, subject to approval for the Proposed Transactions being obtained from Shareholders at the EGM and subject to Completion taking place.

The board is proposing the Proposed Change of the Company's Independent Auditor for the purpose of continuity as Ernst & Young LLP is the existing independent auditor of the Target Group. Following Completion, the principal business of the Enlarged Group will be the business of the Target Group. As such, the Board is of the opinion that Ernst & Young LLP will be more familiar with the Target Group's business and be better positioned to act as the independent auditor of the Company following Completion. In addition, the Proposed Change of the Company's Independent Auditor is not due to any dismissal of KPMG LLP, or due to KPMG LLP declining to stand for election. It is also not a reflection of any concerns over the integrity of the Company's operations or management or effectiveness of the Company's internal controls or the capability of the auditor of the Company.

The resignation of KPMG LLP as Independent Auditor of the Company will take effect from the Completion Date, subject to approval for the Proposed Change of the Company's Independent Auditor and the Proposed Transactions being obtained from Shareholders at the EGM and subject to Completion taking place.

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34.2 Information on Ernst & Young LLP

Ernst & Young LLP, an accounting firm registered with ACRA, is one of the largest professional services organisations in Singapore, and is among the “Big Four” accounting firms in Singapore.

Ernst & Young LLP has more than 134 years of experience providing audit, tax and professional services to the Singapore and global markets and employs more than 350,000 people globally. Ernst & Young LLP has relevant industry experience with audit clients in the technology, live streaming and e-commerce industry that the Target Group is in.

More information about Ernst & Young LLP, its values and its services can be found on Ernst & Young’s website at www.ey.com.

Sharon Peh (“**Sharon**”), a partner with Ernst & Young LLP, will be assigned to the audit of the Company as the audit partner-in-charge. Sharon has more than 17 years of experience in providing audit and assurance services to clients in a wide range of industries, including technology, live streaming, e-commerce and in-app gaming, and to clients which are public companies listed on the Exchange. Sharon is registered as a public accountant with ACRA. Sharon is also a practising member of the Institute of Singapore Chartered Accountants, and a member of CPA Australia.

34.3 Disclosure pursuant to Rule 1205(5) of the Mainboard Rules

(a) Rule 1203(5)(a) – Confirmation from the outgoing auditor

The outgoing auditor, KPMG LLP, has confirmed that they are not aware of any professional reasons why Ernst & Young LLP should not accept appointment as the new auditor of the Company.

(b) Rule 1203(5)(b) – Confirmation from the issuer on any disagreements with outgoing auditor

The Company confirms that there were no disagreements with KPMG LLP on accounting treatments within the last 12 months.

(c) Rule 1203(5)(c) – Confirmation from the issuer on circumstances connected with change of auditor

The Company confirms that it is not aware of any circumstances connected with the Proposed Change of the Company’s Independent Auditor that should be brought to the attention of the Shareholders which has not been disclosed in this Circular.

(d) Rule 1203(5)(d) – Specific reasons for change of auditor

The Company confirms that the specific reasons for the Proposed Change of the Company’s Independent Auditor are disclosed in Section 34.1 titled “*Proposed Change of the Company’s Independent Auditor – Background and Rationale for the Proposed Change of the Company’s Independent Auditor*” of this Circular. The Proposed Change of the Company’s Independent Auditor is neither due to the dismissal of KPMG LLP nor KPMG LLP declining to stand for re-election.

LETTER TO SHAREHOLDERS

(e) **1203(5)(e) – Confirmation from issuer on compliance with Rules 712 and 715 or 716**

The Company confirms that it complies with Rules 712, 715 and 716 of the Mainboard Rules in relation to the proposed appointment of Ernst & Young LLP as auditor of the Company.

The Proposed Change of the Company's Independent Auditor has been reviewed and recommended by the Audit Committee.

35. PROPOSED APPOINTMENT OF THE PROPOSED DIRECTORS

Upon Completion, the Company proposes to appoint the Proposed Directors who are as follows:

- (a) Mr. Phua Jiexian Joseph (*Non-Executive Director and Chairman*);
- (b) Mr. Lien Chien-Lin (*Executive Director and CEO*);
- (c) Mr. Akio Tanaka (*Non-Executive Director*);
- (d) Mr. Hideto Mizuno (*Independent Non-Executive Director*); and
- (e) Ms. Chen Xiuling (*Independent Non-Executive Director*)

Please refer to Section 24 titled "*Proposed Directors and Executive Officers of the Enlarged Group*" of this Circular for details on the working experience and qualifications of the Proposed Directors.

36. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed in this Circular and save for the interests of the Directors and Substantial Shareholders in the Shares as disclosed in Section 23.5 titled "*Enlarged Group Corporate and Shareholding Structure – Changes in Shareholding Structure*" of this Circular, none of the Directors or Substantial Shareholders of the Company has any interests, direct or indirect, in the Proposed Transactions.

37. INTERESTS OF SOLE ISSUE MANAGER, JOINT FINANCIAL ADVISERS, JOINT PLACEMENT AGENTS AND INDEPENDENT BUSINESS VALUER

37.1 Interests of DBS as Sole Issue Manager, Joint Financial Adviser and Joint Placement Agent

DBS and its affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, investment and asset management, investment research, principal investment, hedging, financing and brokerage activities and/or other commercial transactions, including holding treasury investments for their own account.

LETTER TO SHAREHOLDERS

DBS and certain of its affiliates may have, from time to time, performed and may, in the future, engage in transactions with and/or performed one or more of the abovementioned services for the Company and/or Target Group and our affiliates in the ordinary course of business for which they received or will receive customary fees and expenses. DBS and certain of its affiliates may also, from time to time, trade in our securities (including holding treasury investments for their own account, make co-investments with funds managed by them or their affiliates), manage funds which invest or trade in our securities and/or engage in other transactions with the Company and/or Target Group, and our affiliates in the ordinary course of business. It is expected that DBS and its affiliates will continue to provide such services to, and enter into such transactions with our Enlarged Group and our affiliates in the future.

In the reasonable opinion of the Directors, DBS does not have a material relationship with the Company and/or the Target Company, save that it is the Sole Issue Manager and one of the Joint Financial Advisers to the Company in respect of the Proposed Transactions and one of the Joint Placement Agents in respect of the PIPE Financing.

37.2 Interests of UBS as Joint Financial Adviser and Joint Placement Agent

UBS and its affiliates have, from time to time, engaged in transactions with, and/or performed services for any member of the Company and/or the Target Group, its affiliates and/or Shareholders in the ordinary course of business and have engaged, and may in the future engage, in commercial banking, lending or investment banking transactions and/or other commercial transactions for which they have received or made payment of, or may in the future receive or make payment of, customary fees. In addition, UBS may, from time to time, be appointed as placement agent and/or underwriter for equity fundraising exercises conducted by the Enlarged Group. Such roles, if any, will not be contingent and inter-conditional on UBS's appointment as Joint Financial Advisers. Details of any such equity fundraising will be included in a separate offering document to be issued in connection with such equity fundraising if and when it is undertaken.

UBS and its affiliates have engaged in, and may in the future engage in, a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers in the ordinary course of business, and such investment and securities activities may involve securities and instruments of the Enlarged Group. However, UBS and its affiliates do not have an exclusive relationship with the Company or the Target Group. UBS and its affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to the clients that it acquires, long and/or short positions in such securities and instruments.

In the reasonable opinion of the Directors, UBS does not have a material relationship with the Company and/or the Target Company, save that UBS Group AG, as at the Latest Practicable Date, is a Substantial Shareholder of the Company holding an aggregate interest of approximately 9.93% in the Company, and UBS is one of the Joint Financial Advisers to the Company in respect of the Proposed Transactions and one of the Joint Placement Agents in respect of the PIPE Financing.

LETTER TO SHAREHOLDERS

37.3 Interests of Frost & Sullivan Limited as Independent Business Valuer

In the reasonable opinion of the Directors, Frost & Sullivan Limited does not have a material relationship with the Company and/or the Target Company, save that it is the Independent Business Valuer to the Company.

38. INTERESTS OF EXPERTS

None of the experts named in this Circular is employed on a contingent basis by the Company, the Target Company and/or any of the Target Company's subsidiaries, or has a material interest, whether direct or indirect, in the Shares and/or the shares of the Target Company and/or any of the Target Company's subsidiaries, or has a material economic interest, whether direct or indirect, in the Company, the Target Company and/or any of the Target Company's subsidiaries, including an interest in any of the Proposed Transactions.

39. ABSTENTION FROM VOTING

Proposed Adoption of the Company ESOP

Shareholders who are eligible to participate in the Company ESOP must abstain from voting on any Shareholders' resolution relating to the Company ESOP, including any Shareholders' resolution relating to the implementation of the Company ESOP, or the making of offers and grants of options under the Company ESOP at a discount not exceeding the maximum discount, or the participation by and grant of options under the Company ESOP to Controlling Shareholders and/or their Associates, and should not accept nominations as proxy or otherwise for voting unless specific instructions have been given in the proxy form on how the vote is to be cast.

Proposed Adoption of the Executive Incentive Scheme

Shareholders who are eligible to participate in the EIS must abstain from voting on any Shareholders' resolution relating to the EIS, including any Shareholders' resolution relating to the implementation of the EIS, and should not accept nominations as proxy or otherwise for voting unless specific instructions have been given in the proxy form on how the vote is to be cast.

40. DIRECTORS' RECOMMENDATIONS

Having considered and reviewed, amongst others, the terms of the Sale and Purchase Agreement, the rationale for and the financial effects of the Proposed Transactions, the risk factors and other investment considerations, and all other relevant facts set out in this Circular, the Board is of the opinion that the Proposed Transactions are in the best interests of the Company and accordingly recommend that Shareholders vote in favour of all of the resolutions as set out in the Notice of EGM.

41. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which accompanies this Circular, will be held at Raffles City Convention Centre, Level 4, Bras Basah Room, 80 Bras Basah Road, Singapore 189560 on 1 December 2023 at 2.00 p.m. for the purpose of considering, and if thought fit, passing with or without any modifications, the resolutions as set out in the Notice of EGM.

LETTER TO SHAREHOLDERS

42. IMPORTANT NOTICE TO SHAREHOLDERS AND ACTIONS TO BE TAKEN

42.1 Actions to be Taken

Printed Copies of Circular, Gatefold, Notice of EGM, Proxy Form, Share Redemption Form, Request Form and Shareholder Letter

The Circular, the Gatefold, the Notice of EGM, the Proxy Form, the Share Redemption Form, the Request Form and the Shareholder Letter have been sent to Shareholders by electronic means via publication on SGXNET and the Company's corporate website at the URL <https://www.vertexspac.com/announcements>. Printed copies of the Gatefold, the Notice of EGM, the Proxy Form, the Share Redemption Form, the Request Form and the Shareholder Letter will be sent to Shareholders. Printed copies of the Circular will **NOT** be sent to Shareholders.

A Shareholder may request for a printed copy of the Circular by completing the Request Form and submitting it:

- (2) by post to the Share Registrar's office at Boardroom Corporate & Advisory Services Pte. Ltd., 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632; or
- (3) by email to the Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at srs.teamd@boardroomlimited.com,

in each case by no later than 2.00 p.m. on 29 November 2023.

The printed copy of the Circular will be mailed to the Shareholder within 14 Business Days upon receipt of such request.

Shareholders who are Depositors

Appointment of Proxies

In accordance with the Memorandum and Articles of Association, 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 (whether individual or corporate) 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 EGM, supplied by CDP to the Company. Therefore, depositors can attend and vote at the general meetings of the Company without the lodgement of the Proxy Form. Depositors (whether individuals or corporates) who cannot attend the EGM may enable their nominees to attend as CDP's proxies by completing and returning the Proxy Form.

The instrument appointing a proxy or proxies or corporate representative(s) (i.e. the Proxy Form) must be submitted in the following manner:

- (a) if submitted by post, be lodged at the Share Registrar's office at Boardroom Corporate & Advisory Services Pte. Ltd., 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632; or
- (b) if submitted electronically, be submitted via email to the Share Registrar at srs.teamd@boardroomlimited.com,

in each case by no later than 2.00 p.m. on 29 November 2023.

LETTER TO SHAREHOLDERS

The Proxy Form must be executed under the hand (or if submitted electronically via email, by way of affixation of an electronic signature) of the appointor or of his or her attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its seal or under the hand (or if submitted electronically via email, by way of affixation of an electronic signature) of an officer or attorney duly authorised. Where the Proxy Form is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof (failing previous registration with the Company), must be lodged with the Proxy Form (if the Proxy Form is submitted by post) or be emailed with the Proxy Form (if the Proxy Form is submitted electronically via email), failing which the Proxy Form may be treated as invalid.

The Company shall be entitled to reject a Proxy Form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form (including any related attachment). In addition, in the case of Shares entered in the depository register, the Company may reject a Proxy Form if the Shareholder, being the appointor, is not shown to have Shares entered against his/her/its name in the depository register as at 48 hours before the time appointed for holding the EGM, as certified by CDP to the Company.

A Shareholder (whether individual or corporate) who is not a relevant intermediary (as defined under Section 181 of the Singapore Companies Act), is entitled to appoint not more than two proxies in his/her/its stead. A proxy need not be a Shareholder. Where a Shareholder appoints two proxies and does not specify the number of Shares to be represented by each proxy, then the proxy whose name appears second shall be deemed to be nominated in the alternate.

As an alternative, Shareholders (whether individuals or corporates) may also appoint the Chairman of the EGM as his/her/its proxy to vote on their behalf. Such Shareholders will have to submit the Proxy Form appointing the Chairman of the EGM to vote on their behalf.

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

When a Depositor is Regarded as a Shareholder

A depositor shall not be regarded as a Shareholder entitled to attend and vote at the EGM and his/her/its Proxy Form may be rejected by the Company unless he/she/it is shown to have Shares entered against his/her/its name in the depository register, as certified by the CDP, at least 48 hours before the EGM.

LETTER TO SHAREHOLDERS

Personal Attendance at the EGM

Shareholders, or where applicable, their appointed proxy(ies) who wish to attend the EGM are required to note the following:

Registration

Shareholders will first need to register personally at the registration counter(s) outside the EGM venue on the day of the event, and should bring along their NRIC/passport to enable the Company to verify their identity for entry to, and (where applicable) be provided with a handheld device for electronic voting at, the EGM.

For the avoidance of doubt, Shareholders are not required to pre-register themselves or, where applicable, their appointed proxy(ies), for the EGM.

Registration will commence at 1.00 p.m. on 1 December 2023. Shareholders are advised not to attend the EGM if they are feeling unwell.

Raising Questions

Shareholders, or where applicable, their appointed proxy(ies), can ask the Chairman of the EGM substantial and relevant questions related to the resolutions to be tabled for approval at the EGM, live at the EGM.

Voting at the EGM

Live voting will be conducted during the EGM for Shareholders, or where applicable, their appointed proxy(ies) attending the EGM.

SRS Investors

SRS Investors may (a) vote at the EGM if they are appointed as proxies by their respective SRS Operators, and should contact their respective SRS Operators if they have any queries regarding their appointment as proxies; or (b) specify their voting instructions to their respective SRS Operators or arrange for their votes to be submitted with their respective SRS Operators, and should approach their respective SRS Operators as soon as possible and by the time and date as specified by their respective SRS Operators to ensure their votes are submitted.

Relevant Intermediaries

Shareholders who hold their Shares through a relevant intermediary (as defined under Section 181 of the Singapore Companies Act), and who wish to attend the EGM, should approach their respective relevant intermediaries through which they hold such Shares as soon as possible in order to make the necessary arrangements for them to participate in the EGM.

LETTER TO SHAREHOLDERS

42.2 Redemption

Redemption Right

Prior to the EGM to approve the Proposed Business Combination, Shareholders (save for Vertex SPV and Venezia) will have the opportunity to elect to redeem all or a portion of their Shares at a per-Share price equal to the Redemption Price (the “**Redemption Right**”).

Shareholders (other than the Sponsor, the Management Team and their respective Associates), together with any Associates or persons acting jointly or in concert, may exercise a Redemption Right of up to a maximum limit of 15% of the Shares in the aggregate at the point of Redemption (the “**Redemption Limit**”). Notwithstanding the above, Shareholders (other than the Sponsor, the Management Team and their respective Associates), together with any Associates or persons acting jointly in concert, may exercise a Redemption Right beyond the Redemption Limit with the Company’s prior consent, taking into account, among others: (a) the prevailing circumstances in respect of the Proposed Business Combination; (b) the intended capital structure of the Resulting Issuer; and (c) the intended shareholding mix of the Resulting Issuer. The rationale for the Company’s consent to be procured before the exercise of the Redemption Right beyond the Redemption Limit is to afford the Company with flexibility to commercially determine the appropriateness of establishing the Redemption Limit based on the prevailing circumstances above. Shareholders (other than the Sponsor, the Management Team and their respective Associates) who wish to exercise a Redemption Right beyond the Redemption Limit should submit the Share Redemption Form indicating the total number of Shares that they wish to redeem. The Company shall be deemed to have given its consent to the Redemption beyond the Redemption Limit if all the Shares tendered for Redemption (including such Shares in excess of the Redemption Limit) are debited from the Redeeming Shareholders’ Securities Accounts and the Company makes payment of the Redemption Price in respect of all the Shares tendered for Redemption (including such Shares in excess of the Redemption Limit) to the relevant Redeeming Shareholders on the Redemption Payment Date. The Company shall not be required to separately notify such Redeeming Shareholders of its consent. Where the Company does not consent to the Redemption beyond the Redemption Limit, the Company shall debit from the Redeeming Shareholders’ Securities Accounts such number of Shares up to the Redemption Limit and make payment of the Redemption Price in respect of such number of Shares up to the Redemption Limit to the relevant Redeeming Shareholders on the Redemption Payment Date. The Company shall not be required to separately notify such Redeeming Shareholders that it has not consented to the exercise of the Redemption Right beyond the Redemption Limit. There is no threshold on the aggregate percentage of Shares owned by Redeeming Shareholders beyond which the Company will not proceed with Completion of the Proposed Business Combination.

Shareholders may elect to redeem all or a portion of their Shares irrespective of whether they vote for or against the Proposed Business Combination at the EGM. Each Redeeming Share issued and outstanding immediately prior to the Completion Date will automatically be cancelled and cease to exist and will thereafter represent only the right to be paid the Redemption Price.

LETTER TO SHAREHOLDERS

Shareholders who elect to redeem all or a portion of their Shares will not have any right to receive the Special Bonus NRS Shares and the Additional Warrants in respect of the Shares that they have elected to redeem. Shareholders who wish to redeem a portion of their Shares should continue to complete and return the Share Redemption Form, and indicate the number of Shares that they wish to redeem.

Shareholders who wish to receive the Special Bonus NRS Shares and the Additional Warrants should NOT complete and return the Share Redemption Form.

Election Period

Shareholders may elect to redeem their Shares during the Election Period which starts on 9 November 2023, being the date of the Notice of EGM, and ends on 28 November 2023 at 2.00 p.m., being 72 hours prior to the commencement of the EGM.

The Election Period is scheduled to end 72 hours prior to the commencement of the EGM to provide sufficient time for the relevant operational processes in relation to the Redemption to take place. After the Election Period ends, the Share Registrar shall (a) collate the total number of Shares tendered for Redemption and inform the Company of the indicative number of Shares tendered for Redemption, (b) provide the relevant information to the CDP for the purposes of validation and earmarking in CDP's system to block the Redeeming Shares from trading and (c) check and verify the earmarking results file sent by the CDP, obtain the relevant confirmation from the CDP and ensure that the Redeeming Shares have been blocked accurately prior to the Company's announcement of the total number of Redeeming Shares at the EGM. The Company will announce the total number of Redeeming Shares at the EGM (i.e. the level of Redemption) at the EGM.

Procedure to Elect for Redemption

Shareholders who are Depositors

Shareholders who wish to redeem part or all of their Shares must:

- (a) complete the Share Redemption Form in accordance with the instructions printed thereon (and, in the case of joint holders, signed by all the joint holders to which it relates, and in the case of a holder or a joint holder which is a body corporate, signed on its behalf by one of its directors or a duly authorised signatory) in respect of part or all of the Shares registered in their names; and
- (b) lodge the duly completed and executed Share Redemption Form at the Share Registrar's office at Boardroom Corporate & Advisory Services Pte. Ltd., 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632 during the Election Period but in any event so as to reach the above address by not later than 2.00 p.m. on 28 November 2023, being the end of the Election Period. The Share Redemption Form will only be valid if, among others, the relevant Shareholder duly completing and delivering it in accordance with the instructions therein is a registered Shareholder as at the end of the Election Period. No acknowledgement of receipt of any Share Redemption Form will be given.

LETTER TO SHAREHOLDERS

A Share Redemption Form which is completed and returned may not be amended, withdrawn or revoked. All requests for Redemption, once made through the completion and return of the Share Redemption Form, are final, regardless of whether the Election Period has ended or not.

The Company reserves the right to reject any Share Redemption Form which it determines to not be duly completed or executed in accordance with the instructions therein, or containing inaccurate, incorrect, invalid or incomplete information or illegible writing, or otherwise not valid in accordance with the terms of the Redemption Right as set out in this Circular or the Mainboard Rules. In that case, the relevant Shareholder will not receive the Redemption Price in respect of the Shares he/she/it has elected to redeem. None of the Company or the Share Registrar is obliged to return the Share Redemption Form to such Shareholder or give notice to any Shareholder of the rejection of any Share Redemption Form and each of them hereby disclaims any and all liabilities arising from not giving such notification.

Any Shareholder who holds Shares as a nominee, trustee or registered Shareholder in any other capacity will not be treated differently from any other registered Shareholder. A beneficial owner whose Shares are registered in the name of a registered Shareholder and who wishes to exercise the Redemption Right should contact such registered Shareholder to give instructions to and to make arrangements with such registered Shareholder as to the election.

For the avoidance of doubt, the Share Redemption Form is not for use as a form of proxy or otherwise at the EGM. The Proxy Form must be used for the purpose of voting on the relevant resolutions to approve the Proposed business Combination at the EGM.

Shareholders who have sold or transferred all of their Shares held through the CDP need not forward this Circular and the accompanying Proxy Form and the Share Redemption Form to the purchaser or transferee as arrangements will be made by the CDP for a separate Circular and the accompanying Proxy Form and the Share Redemption Form to be sent to the purchaser or transferee. Copies of the Proxy Form and the Share Redemption Form can also be obtained from the Share Registrar during usual business hours on any Market Day until the end of the Election Period.

SRS Investors

SRS Investors who wish to exercise their Redemption Right should approach their respective SRS Operators as soon as possible and by the time and date as specified by their respective SRS Operators. The Share Redemption Form will only be accepted and processed by the Company provided that the name as stated in the Share Redemption Form is reflected as a Shareholder in the CDP register as at 2.00 p.m. on 28 November 2023.

LETTER TO SHAREHOLDERS

Relevant Intermediaries

Shareholders who hold their Shares through a relevant intermediary (as defined under Section 181 of the Singapore Companies Act) and who wish to exercise their Redemption Right should approach their respective relevant intermediaries through which they hold such Shares as soon as possible by the date and time as specified by such relevant intermediaries. The Share Redemption Form will only be accepted and processed by the Company provided that the name as stated in the Share Redemption Form is reflected as a Shareholder in the CDP register by 2.00 p.m. on 28 November 2023.

Redemption Price

The Redemption price, payable in cash, will be equal to the aggregate amount on deposit in the Escrow Account calculated as of two Market Days before Completion, including interest earned on the funds held in the Escrow Account and not previously released to the Company to pay the Company's income taxes or operating expenses, if any, but net of any taxes payable on the interest earned on the funds held in the Escrow Account, divided by the number of outstanding Shares as at the date falling two Market Days before Completion (which for the avoidance of doubt, includes the Shares held by Venezia and the Sponsor but does not include the Promote Shares) (the "**Redemption Price**"). The Redemption Price will in any case be no less than S\$5.00 per Share, being the price at which the Shares were issued pursuant to the Company's initial public offering.

If, at the time the Redemption Price is calculated, there is interest or other income in the Escrow Account, and such amounts have not been released from the Escrow Account to pay the Company's income taxes and operating expenses as permitted by the Mainboard Rules, the Shareholders will be entitled to a *pro rata* share of such amounts (net of any taxes payable on the interest earned on the funds held in the Escrow Account, if any). This may have the effect of increasing the per-Share Redemption Price to an amount higher than S\$5.00.

As at the Latest Practicable Date, the total amount of tax payable by the Company on the interest earned on the funds held in the Escrow Account is S\$552,780. This amount will be fully paid out of the interest earned on the funds held in the Escrow Account. Based on the LPD Remaining Escrow Amount and the estimated interest income that will be earned on the funds held in the Escrow Account, less the taxes payable on the interest earned on the funds held in the Escrow Account and operating expenses including any transaction-related costs incurred in connection with the Proposed Business Combination in the period leading up to Completion, as at the Latest Practicable Date, the Company estimates that the Redemption Price will be in the range of S\$5.00 to S\$5.02 per Share. The actual Redemption Price will be determined two Market Days before Completion and announced by the Company on SGXNET.

Completion of Redemption and Payment of Redemption Price

Redemption is expected to be completed on 8 December 2023 (the "**Redemption Completion Date**"). On the Redemption Completion Date, the Redeeming Shares will be debited from the Redeeming Shareholders' Securities Accounts and the Company will make payment of the Redemption Price to the Redeeming Shareholders through CDP channels.

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Procedures for Non-Redeeming Shareholders

The proposed allotment and issuance of the Special Bonus NRS Shares and Additional Warrants are only available to Non-Redeeming Shareholders (including Venezia) who are not Non-Qualifying Shareholders as at the Redemption Record Date. Fractional entitlements to the Special Bonus NRS Shares and Additional Warrants will be disregarded and will not be allotted to Non-Redeeming Shareholders (including Venezia) who are not Non-Qualifying Shareholders as at the Redemption Record Date and shall be dealt with in any such manner as the Directors may, in their absolute discretion, deem fit.

Printed copies of the Gatefold, the Notice of EGM, the Proxy Form, the Share Redemption Form, the Request Form and the Shareholder Letter WILL NOT BE sent to Overseas Shareholders.

If it is practicable to do so, the Company may, at its absolute discretion, arrange for the Special Bonus NRS Shares and/or Additional Warrants which would otherwise have been allotted to the Non-Qualifying Shareholders to be sold on the SGX-ST as soon as practicable after Completion by a broker to be appointed by the Company. Such sales may, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account the expenses expected to be incurred in relation thereto.

The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to the Non-Qualifying Shareholders in proportion to their respective shareholdings, or as the case may be, the number of Shares entered against their names in the Register of Members as at the Redemption Record Date and disbursed to them AT THEIR OWN RISK, provided that where the amount of net proceeds to be disbursed to any single Non-Qualifying Shareholder or persons acting to the account or benefit of any such persons is less than S\$10.00, the Company shall be entitled to retain or deal with such net proceeds as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Non-Qualifying Shareholder or persons acting to the account or benefit of any such persons shall have any claim whatsoever against the Company, the Resulting Issuer, the Sole Issue Manager, the Joint Financial Advisers, CDP or the Share Registrar or any of their respective officers in connection therewith.

Where such Special Bonus NRS Shares and/or Additional Warrants are sold on the SGX-ST, they will be sold at such price or prices as the Company may, in its absolute discretion, decide and no Non-Qualifying Shareholder or persons acting to the account or benefit of any such persons shall have any claim whatsoever against the Company, the Resulting Issuer, the Sole Issue Manager, the Joint Financial Advisers, CDP or the Share Registrar or any of their respective officers in respect of such sales or the proceeds thereof, the Special Bonus NRS Shares or Additional Warrants.

Shareholders should note that the special arrangements described above will apply only to Non-Qualifying Shareholders.

For the avoidance of doubt, the Non-Qualifying Shareholders and the Overseas Shareholders may vote at the EGM unless otherwise specifically set out in this Circular.

LETTER TO SHAREHOLDERS

“Non-Qualifying Shareholders” refers to those Overseas Shareholder(s) to whom the Directors, in their sole and absolute discretion, after making enquiries, consider it necessary, or expedient not to offer the Special Bonus NRS Shares and Additional Warrants on account of either legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place, including all beneficial owners of Shares at the close of business on the Redemption Record Date who are U.S. Persons.

“Overseas Shareholder(s)” refers to Shareholders with Shares standing to the credit of their Securities Accounts as at the Redemption Record Date and (a) whose registered address(es) with CDP are not in Singapore as at the Redemption Record Date; (b) who have not provided CDP with addresses in Singapore for the service of notices and documents; or (c) who have provided CDP with addresses in Singapore for the service of notices and documents less than three Market Days prior to the Redemption Record Date.

“U.S. Person” includes, but is not limited to: (a) any U.S. citizen; (b) any natural person resident in the U.S.; (c) any partnership or corporation organised or incorporated under the laws of the U.S.; (d) any partnership or corporation organised outside the U.S. by a U.S. Person principally for the purpose of investing in securities not registered under the 1933 Act, unless it is organized or incorporated, and owned, by accredited investors (as defined in Rule 501(a) of the 1933 Act) who are not natural persons, estates or trusts; or (e) any estate or trust of which any executor or administrator or trustee is a U.S. Person.

Trading Suspension

To provide a record date to differentiate between Redeeming Shareholders and Non-Redeeming Shareholders who will be entitled to the Special Bonus NRS Shares and the Additional Warrants based on the Shares held as at the Redemption Record Date, and to prevent disorderly trading in the Company’s counter during the period between the deadline for the submission of the Share Redemption Form and the date of the EGM, the Company will undergo a trading suspension commencing on 28 November 2023, 9.00 a.m. (the **“Trading Suspension”**). Trading of the Company’s securities on the SGX-ST will resume on 4 December 2023, 9.00 a.m. after the lifting of the Trading Suspension.

During the Trading Suspension, trading of the Company’s securities will be suspended and all buy/sell orders entered in respect of the Company’s securities will be purged from the CDP system. Accordingly, Shareholders will not be able to trade on Shares during this period.

Consequences if the Proposed Business Combination is Not Completed

If the Proposed Business Combination is not approved or completed for any reason, all Redemption requests will be cancelled.

The Company will (i) cease all operations except for the purpose of winding up; (ii) to afford the Company with sufficient time for liaison with the Escrow Agent and the Share Registrar and in accordance with applicable law, as promptly as reasonably possible but not more than 10 Business Days thereafter, redeem the Shares, at a per-Share price, on a pro-rata basis, payable in cash, equal to the aggregate amount then on deposit in: (a) the Escrow Account, including interest earned on the funds held in the Escrow Account and not previously released to the Company to pay its income taxes or operating expenses, if any (less any liquidation expenses); and (b) such other bank accounts held by the Company,

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divided by the number of the then-outstanding Shares (which for the avoidance of doubt, includes the Shares held by Venezia and the Sponsor but does not include the Promote Shares), which redemption will completely extinguish Shareholders' rights as Shareholders (including the right to receive further liquidation distributions, if any); and (iii) as promptly as reasonably possible following such redemption, subject to the approval of the remaining Shareholders and the Board of Directors, liquidate and dissolve, subject in the case of clauses (ii) and (iii), to the Company's obligations under applicable law to provide for claims of creditors and the requirements of other applicable law and in accordance with the Memorandum and Articles of Association (the "**Liquidation**"). There will be no redemption rights or liquidating distributions with respect to the Company's Warrants, which will expire worthless.

42.3 Exercise of Warrants

Each whole Warrant entitles the Warrantholder to purchase one Share at the Warrant Exercise Price during the Warrant Exercise Period. Converted Shares allotted and issued upon the exercise of the Warrants shall be fully paid and shall rank *pari passu* in all respects with the then existing Shares save for any dividends, rights, allotments and other distributions the Distribution Record Date for which is before the relevant Exercise Date of the Warrants. "**Distribution Record Date**" means, in relation to any dividends, rights, allotments or other distributions, the date at the close of business on which Shareholders must be registered in order to participate in such dividends, rights, allotments or other distributions.

Fractional Warrants to be Disregarded

Pursuant to the Warrant Agreement, a Warrantholder may exercise its Warrants only for a whole number of Shares. This means only a whole Warrant may be exercised at a given time by a Warrantholder. Fractional Warrants will be disregarded.

Procedure to Exercise the Warrants

Warrantholders who wish to exercise their Warrants for Shares must complete and submit the applicable Warrant Exercise Form to the Warrant Agent in accordance with the instructions therein. Copies of the Warrant Exercise Forms (for scripless Warrants and scrip-based Warrants) will be published on the Resulting Issuer's corporate website post-Completion.

Please refer to the section titled "*Appendix E – Terms and Conditions of the Warrants – Exercise and Exchange of Warrants*" of the Prospectus and Section 23.6 titled "*Enlarged Group Corporate and Shareholding Structure – Dilution Effect Resulting from the Proposed Transactions and the Exercise of the Warrants – Dilution Effect Resulting from the Exercise of the Warrants*" of this Circular for further details.

43. CONSENTS

DBS Bank Ltd., the Sole Issue Manager and one of the Joint Financial Advisers and the Joint Placement Agents to the Company, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of its name and all references thereto in the form and context in which it appears in this Circular and to act in such capacities in relation to this Circular.

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UBS AG, Singapore Branch, one of the Joint Financial Advisers and Joint Placement Agents to the Company, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of its name and all references thereto in the form and context in which it appears in this Circular and to act in such capacities in relation to this Circular.

Eng and Co. LLC, the Legal Adviser to the Company as to Singapore law, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of its name and all references thereto, in the form and context in which it appears in this Circular and to act in such capacity in relation to this Circular.

Maples and Calder (Singapore) LLP, the Legal Adviser to the Company as to Cayman Islands law, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of its name and all references thereto, in the form and context in which it appears in this Circular and to act in such capacity in relation to this Circular.

Nishimura & Asahi (Gaikokuho Kyodo Jigyo) and Nishimura & Asahi (Singapore) LLP, the Legal Advisers to the Company as to Japan law, have given and have not withdrawn their written consent to the issue of this Circular with the inclusion herein of their names and all references thereto, in the form and context in which it appears in this Circular and to act in such capacity in relation to this Circular.

Lin & Partners, Attorneys-at-Law, the Legal Adviser to the Company as to Taiwan law, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of its name and all references thereto, in the form and context in which it appears in this Circular and to act in such capacity in relation to this Circular.

Deacons, the Legal Adviser to the Company as to Hong Kong law, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of its name and all references thereto, in the form and context in which it appears in this Circular and to act in such capacity in relation to this Circular.

WongPartnership LLP, the Legal Adviser to the Joint Financial Advisers as to Singapore law, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of its name and all references thereto, in the form and context in which it appears in this Circular and to act in such capacity in relation to this Circular.

Freshfields Bruckhaus Deringer Singapore Pte. Ltd., the Legal Adviser to the Joint Financial Advisers as to U.S. law, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of its name and all references thereto, in the form and context in which it appears in this Circular and to act in such capacity in relation to this Circular.

K&L Gates LLP, the Global Lead Counsel to the Target Company as to Hong Kong law, Japan law, Taiwan law, United States law and Singapore law, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of its name and all references thereto, in the form and context in which it appears in this Circular and to act in such capacity in relation to this Circular.

Rajah & Tann Singapore LLP, the Legal Adviser to the Target Company as to Singapore law, has given and has not withdrawn its written consent to the issue of this Circular with the

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inclusion herein of its name and all references thereto, in the form and context in which it appears in this Circular and to act in such capacity in relation to this Circular.

Harney Westwood & Riegels, the Legal Adviser to the Target Company as to Cayman Islands law, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of its name and all references thereto, in the form and context in which it appears in this Circular and to act in such capacity in relation to this Circular.

KPMG LLP, the Independent Auditor to the Company, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of its name and all references thereto, in the form and context in which it appears in this Circular and to act in such capacity in relation to this Circular.

Ernst & Young LLP, the Independent Auditor and the Reporting Accountant to the 17LIVE Group, has given and has not withdrawn their written consent to the issue of this Circular with the inclusion herein of its name, Appendix A titled “*Independent Auditor’s Report and Audited Consolidated Financial Statements of the Target Group for the Financial Years ended 31 December 2020, 2021 and 2022*”, Appendix B titled “*Interim Consolidated Financial Statements of the Target Group for the Six-Month Period Ended 30 June 2023*” and Appendix C titled “*Unaudited Pro Forma Consolidated Financial Information of the Enlarged Group for the Financial Year Ended 31 December 2022 and the Six-Month Period Ended 30 June 2023*”, and all references thereto in the form and context in which it appears in this Circular and to act in such respective capacity in relation to this Circular.

Ernst & Young LLP, the Independent Reporting Accountant to the Enlarged Group, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of its name and all references thereto, in the form and context in which it appears in this Circular and to act in such capacity in relation to this Circular.

Frost & Sullivan Limited, the Independent Business Valuer to the Company, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of its name, Appendix M titled “*Summary Valuation Letter*”, and all references thereto, in the form and context in which it appears in this Circular and to act in such capacity in relation to this Circular.

Frost & Sullivan (Singapore) Pte Ltd, the Independent Market Research Consultant to the Target Company, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of its name, Appendix F titled “*Independent Market Research Report*”, and all references thereto, in the form and context in which it appears in this Circular and to act in such capacity in relation to this Circular.

44. RESPONSIBILITY STATEMENTS OF THE DIRECTORS AND THE PROPOSED DIRECTORS

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular in respect of the Company, the Enlarged Group (in so far as they relate to the Company) and the Proposed Transactions (excluding the information herein relating to the Target Company and the Vendor) and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Company, the Enlarged Group (in so far as they relate to the Company) and the Proposed Transactions (excluding the information herein relating to the Target Company and the Vendor), and the Directors are

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not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

The Proposed Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular in respect of the Vendor, the Target Company, the Enlarged Group (in so far as they relate to the Target Company) and the Proposed Transactions (excluding the information herein relating to the Company), and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Vendor, the Target Company, the Enlarged Group (in so far as they relate to the Target Company) and the Proposed Transactions (excluding the information herein relating to the Company), and the Proposed Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from, published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Proposed Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

45. RESPONSIBILITY STATEMENT OF THE SOLE ISSUE MANAGER

To the best of the knowledge and belief of the Sole Issue Manager to the Company in respect of the Proposed Transactions, this Circular constitutes full and true disclosure of all material facts about the Proposed Transactions, the Company, the Target Company and the Enlarged Group, and the Sole Issue Manager is not aware of any facts the omission of which would make any statement in this Circular misleading.

46. RESPONSIBILITY STATEMENT OF THE SPONSOR

To the best of the knowledge and belief of the Sponsor in respect of the Proposed Transactions insofar as they relate to the Sponsor, this Circular constitutes full and true disclosure of all material facts about the Proposed Transactions insofar as they relate to the Sponsor, and the Sponsor is not aware of any facts the omission of which would make any statement in this Circular misleading.

47. GENERAL AND STATUTORY INFORMATION (INCLUDING MATERIAL BACKGROUND INFORMATION)

Material Background Information on the Proposed Directors, Proposed Executive Officers and Controlling Shareholders of the Company

As at the date of this Circular, save as disclosed below, none of the Proposed Directors, Proposed Executive Officers or Controlling Shareholders has:

- (a) at any time during the last 10 years, had an application or a petition under any bankruptcy laws of any jurisdiction filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within two years after the date he ceased to be a partner;

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- (b) at any time during the last 10 years, had an application or a petition under any law of any jurisdiction filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within two years after the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency;
- (c) any unsatisfied judgment against him;
- (d) ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose;
- (e) ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach;
- (f) at any time during the last 10 years, had judgment entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part;
- (g) ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust;
- (h) ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust;
- (i) ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body permanently or temporarily enjoining him from engaging in any type of business practice or activity;
- (j) ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:
 - (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere;
 - (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere;
 - (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or

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- (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during the period when he was so concerned with the entity or business trust; or
- (k) ever been the subject of any current or past investigation or disciplinary proceedings, or been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere.

The following disclosures are made in relation to the following persons:

Dr. Steve Lai Mun Fook

Dr. Steve Lai Mun Fook is a non-executive independent director of Yongmao Holdings Limited (“**Yongmao**”), acting as the Chairman of the Nominating Committee, and a member of the Audit and Remuneration Committees. On 8 September 2022, Yongmao announced that an accident had occurred in September 2022 involving a tower crane owned by its 60% owned subsidiary, Yongmao Machinery (H.K.) Company Limited (“**YMHK**”) in a customer worksite in Sau Mau Ping, Hong Kong which resulted in the death of three workers and injured six other workers. The Hong Kong Labour Department is investigating into the cause of the accident and had ordered a cessation of all works at the worksite.

Yongmao also announced on 13 March 2023 that YMHK had received a letter from the Occupational Safety and Health Branch, Labour Department of Hong Kong indicating that the Commission for Labour is taking legal action against it for alleged offences under (a) Section 13(1) of the Factories and Industrial Undertakings Ordinance, Cap. 59 (“**FIUO**”); (b) Regulations 4(b), 4(c), 4(d), 4(e) and 19(a) of the Factories and Industrial Undertakings (Lifting Appliances and Lifting Gear) Regulations made under the Factories and Industrial Undertakings Ordinance, Cap. 59 (“**FIU Regulations**”); and (c) Section 7(1)(c) and 7(2) of the Occupational Safety and Health Ordinance, Cap. 509 (“**OSHO**”), and YMHK appeared before the magistrate on 30 June 2023, during which the case was adjourned to 27 September 2023 for mention.

Eastime Engineering Limited (“**EEL**”), a 100% wholly-owned subsidiary of YMHK and the operating company and employer of the staff involved in the accident, also received a letter from the Occupational Safety and Health Branch, Labour Department of Hong Kong indicating that the Commission for Labour is taking legal action against it for alleged offences under (a) Section 6A(1), 6A(2)(a), 6A(2)(c) and 6A(3) of the FIUO; (b) Regulations 4(b), 4(c), 4(d), 4(e) and 19(a) of the FIU Regulations; and (c) Section 7(1)(c) and 7(2) of the OSHO, and EEL appeared before the magistrate on 30 June 2023, during which the case was adjourned to 27 September 2023 for mention.

Yongmao announced on 29 September 2023 that YMHK and EEL have appeared before the magistrate on 27 September 2023 and the prosecution has applied for a further adjournment of the cases without taking a plea, and the cases have been adjourned to 30 January 2024 for mention. Yongmao further announced on 10 October 2023 that YMHK, EEL and EEL’s project manager have been served with summons to appear before the magistrate on 30 January 2024 to answer to the alleged offences under Section 40(2B)(a) of the Buildings Ordinance, Cap. 123.

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Mr. Akio Tanaka

Mr. Akio Tanaka is the co-founder and Managing Partner of Headline Asia (which was formerly known as Infinity Ventures) which manages, among others, Infinity e.Ventures Asia III, L.P. (“**IVP Fund III**”). He is also an executive director of Infinity e.Ventures Asia III (GP), Ltd. (“**IVP Fund III GP**”), which is the general partner of IVP Fund III. In May 2019, IVP Fund III lodged a formal complaint with the Regional District Prosecutor’s office against Mr. Tai-yuan (Popo) Chen, who was the co-founder and Chairman of Cobinhood, Ltd. (which is one of IVP Fund III’s portfolio companies), for allegations of embezzlement of company assets, breach of trust through a failure to fulfil his fiduciary responsibilities and deceptive practices directed at defrauding investors. Following the filing of the formal complaint by IVP Fund III, Mr. Tai-yuan (Popo) Chen filed counter-complaints against, among others, IVP Fund III and Mr. Akio Tanaka in May 2019. Following investigations by the District Prosecutor’s office on such counter-complaints, the counter-complaints were dismissed by the District Prosecutor’s office in 2022.

Material Contracts

The material contracts entered into by the Company within the two years preceding the date of issuance of this Circular (not being contracts entered into in the ordinary course of the Company’s business) are as follows:

- (a) the Sale and Purchase Agreement;
- (b) the Management and Placement Agreement;
- (c) the Deed of Waiver;
- (d) the Administrative Services Agreement;
- (e) the Promote Shares Deed of Undertaking;
- (f) the Escrow Agreement;
- (g) the Warrant Agreement; and
- (h) the Private Placement Warrants Purchase Agreement,

as described in Section 29.2 titled “*Material Contracts – The Company*” of this Circular;

Litigation

We were not engaged in any legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have, or which have had in the 12 months immediately preceding the date of lodgement of this Circular, a material effect on the Company’s financial position or profitability.

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Miscellaneous

- (a) As the Company has no subsidiaries, none of the Company's independent directors sits on the board of directors of any such principal subsidiaries based in jurisdictions outside Singapore.
- (b) There have been no public take-over offers by third parties in respect of the Shares or by the Company in respect of the shares of another corporation or the units of a business trust which have occurred between the beginning of the year ended 31 December 2022 and the Latest Practicable Date, save for the Proposed Business Combination.
- (c) We are not aware of any event which has occurred since 30 June 2023 and up to the Latest Practicable Date, which may have a material effect on the Company's financial position and results.
- (d) Save as disclosed in this Circular, no person has, or has the right to be given, an option to subscribe for and/or purchase any securities or securities-based derivatives contracts of the Company.

48. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the principal place of business of the Company during normal business hours for a period of six months from the date of this Circular:

- (a) the existing Memorandum and Articles of Association and the proposed New Memorandum and Articles of Association as set out in Appendix D to this Circular;
- (b) the constitution of the Target Company as of the date of this Circular;
- (c) the constitution of the Target Company to be adopted upon the completion of the Restructuring;
- (d) the material contracts as set out in Section 29 titled "*Material Contracts*" of this Circular;
- (e) the draft employment agreement to be entered into with the Proposed Executive Director as set out in Section 24.10 titled "*Proposed Directors and Executive Officers – Employment Agreements and Indemnification Agreements*" of this Circular;
- (f) the Independent Auditor's Report and Audited Consolidated Financial Statements of the Target Group for the financial years ended 31 December 2020, 2021 and 2022 as set out in Appendix A to this Circular;
- (g) the Interim Consolidated Financial Statements of the Target Group for the Six-Month Period Ended 30 June 2023 as set out in Appendix B to this Circular;
- (h) the Unaudited Pro Forma Consolidated Financial Information of the Enlarged Group for the Financial Year Ended 31 December 2022 and the Six-Month Period Ended 30 June 2023 as set out in Appendix C to this Circular;

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- (i) the IMR Report as set out in Appendix F to this Circular;
- (j) the Summary Valuation Letter as set out in Appendix M to this Circular;
- (k) the Valuation Report;
- (l) the letters of consent described in Section 43 titled “*Consents*” of this Circular;
- (m) the Company ESOP Rules as set out in Appendix H to this Circular; and
- (n) the EIS Rules as set out in Appendix I to this Circular.

Yours faithfully,

For and on behalf of
VERTEX TECHNOLOGY ACQUISITION CORPORATION LTD

Jiang Honghui
Executive Director and Chief Executive Officer