

**GRAND COURT OF THE CAYMAN ISLANDS****FINANCIAL SERVICES DIVISION**

CAUSE NO. FSD OF 2022 ()

IN THE MATTER OF SECTIONS 15 AND 86 OF THE COMPANIES ACT (2022 REVISION)**AND IN THE MATTER OF ORDER 102 OF THE GRAND COURT RULES 1995****AND IN THE MATTER OF RAZER INC.**

PETITION

To: The Grand Court of the Cayman Islands

THE HUMBLE PETITION of Razer Inc., whose registered office is at Maples Corporate Services Limited, PO Box 309 Ugland House, Grand Cayman KY1-1104, Cayman Islands (the "**Company**") shows the following:

A. Introduction

1. The object of this Petition is to seek:
 - a. the sanction of the Court pursuant to section 86 of the Companies Act (2022 Revision) (the "**Companies Act**") to a proposed Scheme of Arrangement (the "**Scheme**") between the Company, Ouroboros (I) Inc. (the "**Offeror**") and the Scheme Shareholders as defined in the Scheme contained in a composite scheme document (the "**Scheme Document**") a draft of which is attached as Exhibit "**MLT -1**" to the First Affirmation of Min-Liang Tan made on 21 February 2022, and

- b. the confirmation of the Court, pursuant to section 15 of the Companies Act, of the intended reduction of the issued share capital (the “**Reduction of Capital**”) of the Company consequent upon the cancellation of the Scheme Shares (as defined in the Scheme) pursuant to the Scheme which is expected to be approved by a special resolution of the shareholders passed at an extraordinary general meeting of the Company immediately after the Court Meeting referred to herein.

B. The Company

2. The Company is a company incorporated in the Cayman Islands with limited liability, the shares of which have been listed on the Main Board of the Stock Exchange since November 2017 with the stock code 1337. The principal activities of the Company and its subsidiaries (the “**Group**”) are those relating to the design, manufacture, distribution, research and development of gaming peripherals, systems, software, services, mobiles and accessories. It is a Cayman Islands exempted company limited by shares incorporated under the name “Razer Inc.” on 18 May 2012 under the Companies Act with registration number CT-269045. Its registered office is at Maples Corporate Services Limited, PO Box 309 Umland House, Grand Cayman KY1-1104, Cayman Islands. The principal place of business of the Company in Hong Kong is at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong.
3. As an exempted company, the objects for which the Company was established are unrestricted.
4. As at the date of this Petition, (A) the Company has an authorised share capital of US\$150,000,000 divided into 15,000,000,000 shares of US\$0.01 each (the “**Shares**”), and (B) 8,759,755,691 of the Shares have been issued fully paid-up or credited as fully paid-up and the remainder are unissued. The issued Shares

are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

5. As at the date of this Petition:
- a. Ouroboros (I) Inc. (the “**Offeror**”), Ouroboros (III) Inc., (“**Topco**”) and Ouroboros (II) Inc., (“**Midco**”) do not legally and/or beneficially own, control or have direction over any Shares;
 - b. The Offeror is a company incorporated under the laws of the Cayman Islands with limited liability on 2 November 2021. Its registered office is at Harneys Fiduciary (Cayman) Limited, 4th Floor, Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman KY1-1002, Cayman Islands. The Offeror is in the business of investment holding.
 - c. the founder group (the “**Founder Group**”), being Mr. Min-Liang Tan (“**Mr. Tan**”), Mr. Lim Kaling (“**Mr. Lim**”), Chen Family (Global) Holdings Limited (the “**Chen Family (Global)**”) and Chen Family (Hivemind) Holdings Limited (the “**Chen Family Trust HoldCo**”, along with the Chen Family (Global), the “**Chen Family Trust Holding Companies**”), Chen Family (Hivemind I) Limited (the “**Chen Family Trust SPV 1**”) and Chen Family (Hivemind II) Limited (the “**Chen Family Trust SPV 2**”, along with Chen Family Trust SPV 1, the “**TML HoldCos**”), Voyager Equity Limited (“**Voyager Equity**”), Primerose Ventures Inc. (“**Primerose Ventures**”), Lim Teck Lee Land Pte Ltd. (“**Lim Teck Lee Land**”), Archview Capital Ltd (“**Archview Capital**”) and Sandalwood Associates Limited (“**Sandalwood Associates**” along with Voyager Equity, Primerose Ventures, Lim Teck Lee Land and Archview Capital, collectively the “**LKL HoldCos**”), Lim Teck Lee (Pte.) Ltd (“**Lim Teck Lee**”) and Immobiliari Limited (“**Immobiliari**”), legally and/or beneficially owns 4,973,918,092 Shares in aggregate, representing approximately 56.78% of the issued share capital

of the Company, being the founder scheme shares (the “**Founder Scheme Shares**”). For the avoidance of doubt, these Shares form part of the Scheme Shares. In addition, as at 31 January 2022, Mr. Tan and Mr. Lim (collectively the “**Founder RSU Holders**”) hold 90,198,795 RSUs (as defined below) in aggregate;

- d. Sidewinder Holdings Limited (“**CVC HoldCo**”) does not legally and/or beneficially own, control or have direction over any Shares;
- e. the parties acting in concert or presumed to be acting in concert with the Offeror (the “**Offeror Concert Parties**”) (other than the Founder Group, members of the Credit Suisse (Hong Kong) Limited (“**Credit Suisse**”, along with persons controlling, controlled by or under the same control as Credit Suisse, the “**Credit Suisse Group**”) and the entities referred to in paragraphs c and d above) (i) legally and/or beneficially own 39,258,524 Shares in aggregate, representing approximately 0.45% of the issued share capital of the Company; and (ii) hold 2,079,358 RSUs (as defined below) in aggregate;
- f. the holders of shares (including the RSU Trustee (as defined below)) other than any Shares which are beneficially owned by the Offeror or any Offeror Concert Party (the “**Disinterested Shareholders**”) legally and/or beneficially own, control or have direction over 3,746,579,075 Shares in aggregate, representing approximately 42.77% of the issued share capital of the Company;
- g. Computershare Hong Kong Trustees Limited (the “**RSU Trustee**”) holds 51,783,666 Shares in aggregate, representing approximately 0.59% of the issued share capital of the Company, on trust in connection with the 2016 Equity Incentive Plan approved by the board of directors of the Company (the “**Board**”) on 25 July 2016 and by the shareholders of the Company on 23 August 2016 (as subsequently amended on 25 October

2017 and 8 March 2019) for the grant of, among others, restricted stock unit(s) (vested or unvested) granted by the Company (the “**RSU**”) to eligible participants (the “**2016 Equity Incentive Plan**”); and

- h. the RSU Holders (as defined below) (other than the Founder RSU Holders and the Offeror Concert Parties referred to in paragraph (e) above) hold 84,036,565 RSUs in aggregate.

C. The Scheme

- 6. The purpose of the Scheme is to privatise the Company so that the Offeror will own 100% of the issued Shares of the Company.
- 7. This will be achieved by the steps summarised in paragraph 9 below.
- 8. The principal features of the Scheme are:
 - a. the Offeror will subscribe for, and the Company will allot and issue to the Offeror, one Share fully paid at par;
 - b. the Founder Scheme Shares will be cancelled on the Effective Date (as defined in the Scheme) in consideration for the founder scheme shares cancellation consideration, being the crediting of the unpaid ordinary shares and preferences shares in the capital of TopCo (the “**TopCo Shares**”) held by the TML HoldCos, Mr. Lim and the LKL HoldCos as being fully paid in an amount equivalent to the aggregate Cancellation Price (as defined below) for all of the Founder Scheme Shares (the “**Founder Scheme Shares Cancellation Consideration**”);
 - c. the Scheme Shares (as defined below) held by the RSU Trustee (the “**RSU Trustee Scheme Shares**”) (which are held by the RSU Trustee pending the vesting of RSUs granted under the 2016 Equity Incentive

Plan) will be cancelled on the Effective Date for nil consideration on the basis that pursuant to and in accordance with the terms of the proposal to be made by or on behalf of the Offeror to the RSU Holders (the “**RSU Proposal**”), the proposal price of HK\$2.82 for each RSU (the “**RSU Proposal Price**”), which is equal to the Cancellation Price (as defined below), will be paid directly to the RSU Holders in cash;

- d. all Shares in issue on Scheme Record Date (as defined in the Scheme) (including any Shares issued or transferred to RSU Holders upon vesting of the RSUs held by them on or before Scheme Record Date) (the “**Scheme Shares**”) (other than the Founder Scheme Shares and the RSU Trustee Scheme Shares) will be cancelled on the Effective Date in consideration for the cancellation price of HK\$2.82 per Scheme Share (other than Founder Scheme Shares and the RSU Trustee Scheme Shares) (the “**Cancellation Price**”), which will be paid in cash; and
- e. such number of new Shares as is equal to the number of Scheme Shares cancelled (minus one) will be issued to the Offeror, credited as fully paid, such that the Company will become wholly owned by the Offeror (the “**Restoration of Capital**”).

D. Reasons for and benefits of the Scheme

- 9. Building on its successful hardware business, the Company has in recent years sought to create an ecosystem and expand into other business segments such as software and fintech services. At present, the hardware business still contributes most of the Company’s revenue, while the other businesses are at a relatively early stage of development. The Company has continuously been evaluating and investing in new growth areas to build out the Company’s gaming ecosystem. These growth areas require ongoing investments to prove out the business case over a longer period.

10. Recent efforts include extending its hardware offerings to new gaming equipment and lifestyle categories that will require investments and time to build up distribution capabilities as these are different from existing peripherals or device systems partners.
11. With regard to its services business, as outlined in the Company's interim report for the six months ended 30 June 2021, the Company intends to expand into new regions for Razer Gold. For Razer Fintech, the Company seeks to scale payment volume and expand geographically across the Southeast Asia region. These geographical expansions require investments over a long period to establish local partners and teams for developing each business segment.
12. In addition, the Company intends to expand its service offering into areas such as decentralised finance and the metaverse, which requires significant investments. The path to profitability for such business lines are uncertain and long-term in nature.
13. The Company's business strategy step-change will face execution, market, regulatory and competitive risks and requires a long period to undertake. The Company believes that the investments and strategies needed to execute on these plans may affect the performance of the business and the Company's Shares. As a result, the Offeror believes this process is best undertaken as a privatised business.
14. Since the Company's listing, publicly listed technology companies have experienced changes in market sentiment toward the technology sector regarding supply chain, global trade, and public policy developments. While the Company has been less directly affected by such headwinds than other technology firms, these conditions may continue to persist for a longer period.

15. The Company has been unable to fulfil the initial objectives of its public listing, including attracting funds for future growth and fully developing its software and services segment. The Proposal would allow the Company to reduce administrative costs and management resources associated with maintaining its listing and to enable the Company to focus on developing its long-term business growth areas as a private company.
16. Further, relatively low institutional investor participation in the Shares compounded by prolonged low trading liquidity has had a negative impact on the Company's share price. The average daily trading volume of the Shares for the 12 months up to and including 27 October 2021, being the last trading day prior to which there were irregular trading volumes and price movements in the Shares (the "**Undisturbed Date**") was approximately 29,844,018 Shares per day, which is approximately 0.34% of the issued Shares as at date of this petition. Even after the Company's announcement of its strong financial performance for the six months ended 30 June 2021, trading in the Shares continued to be muted and price performance remained relatively weak.
17. The Cancellation Price of HK\$2.82 for each Scheme Share represents a premium of approximately 55.8% over the closing price of HK\$1.81 per Share as quoted on the Stock Exchange on the Undisturbed Date, and a premium of approximately 67.9% and 51.6% over the average closing price of approximately HK\$1.68 and HK\$1.86 per Share for 30 and 90 trading days up to and including the Undisturbed Date, respectively.
18. The Offeror is mindful of the long-term weak performance and thin liquidity of the Shares, which makes it difficult for the Shareholders to monetise their investments in the open market. The Proposal provides the Scheme Shareholders and the RSU Holders with an opportunity to fully crystallise the

value of their investment and interests in the Company at a premium over the market price of the Shares.

E. Shareholder Profile

19. On the assumption that (a) no further Shares will be issued and no further RSUs will be granted under the 2016 Equity Incentive Plan on or before the Scheme Record Date (as defined in the Scheme); and (b) there will be no other change in the shareholding of the Company before the Effective Date (as defined in the Scheme), the shareholding structure of the Company on (i) the date of this Petition, and (ii) immediately following implementation of the Proposal (as defined in the Scheme) and completion of the transfer of 100,000,000 fully paid TopCo Shares by Chen Family Trust SPV 2 to CVC HoldCo, are as follows:

	As at the date of this Petition		Immediately following implementation of the Scheme		
	<i>Number of Shares as a percentage of total number of Shares in issue (%)</i>		<i>Number of RSUs which have been granted but have not yet vested</i>	<i>Number of Shares %</i>	
	<i>Number of Shares</i>				
(A1) Founder Group					
Mr Tan ⁽¹⁾	81,343,906	0.93	90,008,651	—	—
Chen Family Trust HoldCo ⁽¹⁾	2,837,935,801	32.40	—	—	—
Chen Family Trust SPV 1 ⁽¹⁾	—	—	—	—	—
Chen Family Trust SPV 2	—	—	—	—	—
Mr. Lim	1,464,300	0.02	190,144	—	—
Voyager Equity	1,342,446,474	15.33	—	—	—
Primerose Ventures	330,643,967	3.77	—	—	—
Lim Teck Lee Land	307,424,615	3.51	—	—	—
Archview Capital Ltd	18,358,843	0.21	—	—	—
Sandalwood Associates	54,300,186	0.62	—	—	—
(A2)CVC HoldCo	—	—	—	—	—
(A3)Offeror	—	—	—	8,759,755,691	100

(A) Sub-total = (A1) + (A2) +	4,973,918,092	56.78	90,198,795	8,759,755,691	100
(B) Offeror Concert Parties other than the Founder Group, the CVC Funds (as defined in Scheme Document) and CVC Holdco					
Mr. Tan's close relatives	37,026,412	0.42	—	—	—
Mr. Lim's close relatives	2,232,112	0.03	--	-	-
Mr. Tan Chong Neng	2,232,112	0.03	2,079,358	—	—
(B) Sub-total	39,258,524	0.45	2,079,358	—	—
(C) Disinterested Shareholders					
RSU Trustee	51,783,666	0.59	—	—	—
Mr. Chau Kwok Fun Kevin	1,534,755	0.02	348,597	—	—
Nottinghill Holdings Limited	600,000	0.01	—	—	—
Mr. Lee Yong Sun	1,116,187	0.01	253,523	—	—
Mr. Gideon Yu	5,165,149	0.06	253,523	—	—
Others	3,686,379,318	42.08	83,180,922	—	—
(C) Sub-total	3,746,579,075	42.77	84,036,565	—	—
Total (A) + (B) + (C)	<u>8,759,755,691</u>	<u>100</u>	<u>176,314,718</u>	<u>8,759,755,691</u>	<u>100</u>

20. As at 31 January 2022, 176,314,718 RSUs have been granted, but have not yet vested, under the 2016 Equity Incentive Plan. Upon the satisfaction of all vesting and other conditions as set out in the 2016 Equity Incentive Plan and/or as specified by the Board, and subject to compliance with the rules of the 2016 Equity Incentive Plan, the holders of RSU(s) (the “**RSU Holders**”) are entitled to receive an aggregate of 176,314,718 Shares, which will be satisfied by the transfer by the RSU Trustee to the RSU Holders of Shares held by the RSU Trustee (either those already held by the RSU Trustee or new Shares which may be issued by the Company to the RSU Trustee for this purpose). The vesting date of 74,049,590 RSUs falls before 23 August 2022 (being the current Long Stop Date (as defined in the Scheme Document)), of which 72,796,509 RSUs will

vest on 1 April 2022 and 1,253,081 RSUs will vest on 1 July 2022 (being the last vesting date before the Long Stop Date (as defined in the Scheme Document)), in each case so long as the relevant RSU Holders continue to be employees of the Group and satisfy all vesting and other conditions. The Company granted 362,494 new RSUs to employees of the Group on 1 January 2022. The Offeror will make (or procure to be made on its behalf) an appropriate proposal to the RSU Holders in accordance with Rule 13.1 of the Code on Takeovers and Mergers of Hong Kong (the “**Takeovers Code**”). The RSU Proposal will be conditional upon the Scheme becoming effective.

21. Save for the 8,759,755,691 Shares in issue and the outstanding RSUs which have been granted but have not yet vested, the Company does not have any outstanding shares, options, warrants, convertible securities or other relevant securities in issue as at the date of this Petition. As at 31 January 2022, there were 176,314,718 RSUs which have been granted but have not yet vested.

F. Proposed Sanction Process

22. After careful consideration, the Board has determined that the Scheme is desirable and that the implementation of the Scheme is in the best interests of the Company and its Shareholders. Accordingly, the Board (with the interested directors of the Company abstaining from voting) unanimously approved the Scheme.
23. Scheme Shareholders whose names appear on the register of members of the Company as at the Meeting Record Date (as defined in the Scheme Document) will be entitled to attend and vote on the Scheme at the Court Meeting (as defined below) in person or by proxy. At the Court Meeting, Scheme Shareholders present and voting either in person or by proxy, will be entitled to vote their Scheme Shares in favour of the Scheme or against it. Under the Takeovers Code, persons deemed to be acting in concert with the Offeror in

connection with the implementation of the Scheme who are also Scheme Shareholders shall not be counted (unless permitted by the Securities and Futures Commission of Hong Kong) for the purposes of satisfying the voting requirements of the Takeovers Code. Therefore, the votes of the Shareholders who are both Scheme Shareholders and Offeror Concert Parties shall only be counted for the purpose of the calculation under the Companies Act, but shall not be counted for the purpose of the calculation under the Takeovers Code.

24. The Offeror, the Founder Shareholders and the RSU Trustee will provide undertakings to the Grand Court before the directions hearing for the convening of the Court Meeting before the Grand Court prior to despatch of the Scheme Document to be bound by the Scheme and to receive (in the case of the Founder Shareholders) the Founder Scheme Shares Cancellation Consideration in consideration for cancellation of the Founder Scheme Shares under the Scheme or (in the case of the RSU Trustee) nil consideration for cancellation of the RSU Trustee Scheme Shares under the Scheme.
25. The Company intends to make an application for directions herein for declarations and orders that, among other things:
 - c. the relevant class of shareholders affected by the Scheme are the Scheme Shareholders;
 - d. the Company be at liberty to convene a meeting of the Scheme Shareholders (the “**Court Meeting**”) for the purpose of considering and, if thought fit, approving (with or without modification) the Scheme;
 - e. directions as to the mode of delivery of an explanatory statement and proxy form to the Scheme Shareholders;

- f. the appointment of a chairman of the Court Meeting and for the conduct of the Court Meeting generally; and
- g. directions as to the treatment of Shares held by custodians, clearing houses and other nominees for the purposes of the “majority in number” calculation.

26. The resolution intended to be submitted at the Court Meeting is:

“**THAT** a scheme of arrangement dated [] 2022 (the “**Scheme**”) between the Company and the holders of the Scheme Shares (as defined in the Scheme) in the form of the print thereof which has been produced to this Court Meeting and, for the purpose of identification signed by the chairman of this Court Meeting, or in such other form and on such terms and conditions or may be approved or imposed by the Grand Court of the Cayman Islands, be and is hereby approved.”

G. Reduction of Capital

27. Article 10.2 of the Articles of Association of the Company provides as follows:

“The Company may by special resolution reduce its share capital or any capital redemption reserve in any manner authorised and subject to any conditions prescribed by the Companies Law.”

28. The Company intends to convene an extraordinary general meeting to take place immediately after the Court Meeting at which it is intended to, among other things, submit the resolutions to confirm the Reduction of Capital pursuant to the Scheme and to approve the Restoration of Capital. The resolutions are set out below:

SPECIAL RESOLUTION

1. “**THAT**, for the purpose of giving effect to the scheme of arrangement between the Company and the Scheme Shareholders (the “**Scheme**”) as set out in the scheme document dated [date] (the “**Scheme Document**”) and subject to the approval of the Scheme by the Scheme Shareholders at the Court Meeting, on the Effective Date, any reduction of the issued share capital of the Company as a result of the cancellation of the Scheme Shares be and is hereby approved.”

ORDINARY RESOLUTIONS

2. “**THAT**:
 - (A) Immediately prior to the cancellation of the Scheme Shares pursuant to resolution 1 above the Company shall allot and issue to Ouroboros (I) Inc. one (1) Share of the Company fully paid at par and the Directors of the Company be and are hereby authorised to allot and issue such Share;
 - (B) subject to and simultaneously with the cancellation of the Scheme Shares, the application of the credit arising in the books of account of the Company as a result of the cancellation of the Scheme Shares in paying up in full at par the new shares of the Company to be issued to Ouroboros (I) Inc. be and is hereby approved and the directors of the Company be and are hereby authorised to allot and issue the new shares of the Company accordingly;

- (C) subject to the Scheme taking effect, the withdrawal of listing of the shares of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) be and is hereby approved; and
- (D) the directors of the Company be and are hereby unconditionally authorised to do all acts and things and/or sign such documents as considered by them to be necessary or desirable for or in connection with the implementation of the Scheme, including (without limitation) (i) the making of an application to the Stock Exchange for the withdrawal of the listing of the shares of the Company on the Stock Exchange, subject to the Scheme taking effect; (ii) any reduction of issued share capital of the Company; (iii) the allotment and issue of the shares of the Company referred to above; and (iv) the giving, on behalf of the Company, of consent to any modification of, or addition to, the Scheme, which the Grand Court of the Cayman Islands may see fit to impose and to do all other acts and things and/or sign such documents considered by them to be necessary for or desirable in connection with the implementation of the Scheme and in relation to the proposed privatisation of the Company by the Offeror by way of the Scheme as a whole.”

29. The form of Minute proposed to be registered is as follows:

*“The issued share capital of Razer Inc. was by virtue of a Special Resolution passed on [] 2022 and with the confirmation of an order of the Grand Court of the Cayman Islands dated [●] 2022, reduced from US\$[] divided into [] shares of par value US\$0.01 each to US\$[] divided into [] shares of par value US\$0.01 (the “**Reduction of Capital**”). Immediately upon the Reduction of Capital, the issued share capital of Razer Inc. was restored to US\$[] by allotting*

and issuing to the Offeror, credited as fully paid at par, [] shares of par value US\$0.01 each.


The authorised share capital of the Company, on the registration of this Minute, is US\$150,000,000 divided into 15,000,000,000 shares of US\$0.01 each (the “Shares”)

YOUR PETITIONER, THE COMPANY, THEREFORE HUMBLY PRAYS:

- (1) That the Scheme to be approved at the Court Meeting to be convened at the direction of this Honourable Court be sanctioned by the Court so as to be binding on the Company, the Scheme Shareholders and the Offeror.
- (2) That the Reduction of Capital may be confirmed and that the above mentioned minute may be approved by the Court.
- (3) That the preparation of a list of creditors be dispensed with.
- (4) That, to this end, all necessary inquiries may be made and directions may be made and given.
- (5) Such further or other relief as the Court shall see fit.

AND your Petitioner will ever pray etc.

Dated this 21 day of February 2022



Conyers Dill & Pearman LLP
Attorneys-at-Law for the Petitioner

NOTE: It is intended to serve this Petition on Razer Inc., at its registered office located at Maples Corporate Services Limited, PO Box 309 Ugland House, Grand Cayman KY1-1104, Cayman Islands.

This Petition is presented by Conyers Dill & Pearman LLP, for and on behalf of the Petitioner, of Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands

Notice of Hearing

This Petition, having been presented to the Court on the [] day of [] 2022, will be heard at the Law Courts, George Town, Grand Cayman on the day of 2022 at a.m. or as soon thereafter as the Petition can be heard.