Damai Entertainment Holdings Limited
大麥娛樂控股有限公司

(formerly known as Alibaba Pictures Group Limited 阿里巴巴影業集團有限公司)
(Incorporated in Bermuda with limited liability)
(Stock Code: 1060)

CONTINUING CONNECTED TRANSACTIONS – COOPERATION FRAMEWORK AGREEMENT IN RELATION TO PROVISION OF THE RENTAL SERVICES AND THE COMMISSIONED SERVICES

CONTINUING CONNECTED TRANSACTIONS

The Board announces that on June 24, 2025, Alibaba Pictures (Tianjin), a consolidated subsidiary of the Company, and Beijing Yuyouxiangfa, a consolidated entity of Alibaba Holding, entered into the Cooperation Framework Agreement, pursuant to which the Relevant Beijing Yuyouxiangfa Members and the Relevant AP Tianjin Members may, subject to the relevant annual caps, enter into specific agreement(s) in respect of the provision of the Rental Services and the Commissioned Services.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Beijing Yuyouxiangfa is a consolidated entity of Alibaba Holding. Alibaba Holding is the ultimate shareholder of Alibaba Investment, which is a controlling shareholder and a connected person of the Company holding 16,001,087,693 Shares in aggregate, representing approximately 53.56% of the issued Shares, among which (i) 13,488,058,846 Shares are held by Ali CV, the wholly-owned subsidiary of Alibaba Investment, and (ii) 2,513,028,847 Shares are held by Alibaba Investment. Accordingly, each of Alibaba Holding and Beijing Yuyouxiangfa is an associate of Alibaba Investment and thus a connected person of the Company. The entering into of the Cooperation Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Reference is made to the Company's announcement dated March 31, 2025, in relation to, among other things, the Framework Agreement dated March 31, 2025 entered into between the Company and Youku Information, a consolidated entity of Alibaba Holding, in respect of the provision of certain equipment rental and production services with respect to films and television dramas. As the Cooperation Framework Agreement and the Framework Agreement were entered into with connected entities within Alibaba Group (i.e. Youku Information and Beijing Yuyouxiangfa, respectively) and part of the respective transactions contemplated thereunder is similar in nature, the annual caps under the Cooperation Framework Agreement and the Framework Agreement shall be aggregated pursuant to Rule 14A.81 of the Listing Rules. The Aggregated Annual Caps will be RMB180 million, RMB230 million and RMB240 million for the financial years ending March 31, 2026, 2027 and 2028, respectively.

Given that one or more of the applicable percentage ratios calculated with reference to the highest of the Aggregated Annual Caps are more than 0.1% but less than 5%, the entering into of the Cooperation Framework Agreement and the transactions contemplated under the Cooperation Framework Agreement and the Framework Agreement are subject to reporting, annual review and announcement requirements, but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS

The Board announces that on June 24, 2025, Alibaba Pictures (Tianjin), a consolidated subsidiary of the Company, and Beijing Yuyouxiangfa, a consolidated entity of Alibaba Holding, entered into the Cooperation Framework Agreement, pursuant to which the Relevant Beijing Yuyouxiangfa Members and the Relevant AP Tianjin Members may, subject to the relevant annual caps, enter into specific agreement(s) in respect of the provision of the Rental Services and the Commissioned Services.

The principal terms of the Cooperation Framework Agreement are as follows:

Date : June 24, 2025

Parties : (1) Beijing Yuyouxiangfa, a consolidated entity of Alibaba Holding

(2) Alibaba Pictures (Tianjin), a consolidated subsidiary of the Company

Term : The period commencing from June 24, 2025 and ending on March 31, 2028.

Subject matter and pricing basis

Pursuant to the Cooperation Framework Agreement, the Relevant Beijing Yuyouxiangfa Members and the Relevant AP Tianjin Members may, subject to the relevant annual caps, enter into specific agreement(s) in respect of any of the following services:

(1) The Rental Services

The Relevant AP Tianjin Members may request the Relevant Beijing Yuyouxiangfa Members to provide equipment rental services, in respect of, among others, costumes, props, equipment, venues, vehicles, and houses (the "Rental Services").

The Relevant AP Tianjin Members shall pay the rental fees to the Relevant Beijing Yuyouxiangfa Members for the Rental Services (the "Rental Fees"), which shall be reasonably determined by the parties through arm's length negotiation with reference to, among other factors, the actual situations of the relevant project, the prevailing market conditions, specific quantities to be utilized, the length of the rental period, and the specific equipment to be rented.

(2) The Commissioned Services

The Relevant AP Tianjin Members may commission the Relevant Beijing Yuyouxiangfa Members to (i) provide services for the film and television drama projects undertaken by the Relevant AP Tianjin Members, in respect of art, props setup, makeup styling guidance/design, photography and videography, etc.; and (ii) assemble a team of personnel for the provision of the foregoing services (collectively, the "Commissioned Services").

The Relevant AP Tianjin Members shall pay the commission service fees (the "Commissioned Service Fees") to the Relevant Beijing Yuyouxiangfa Members for the Commissioned Services, which shall be determined on a cost-plus basis as follows:

Commissioned Service Fees	= (	Actual labour costs for creators and other staff *(Note (b))*	+	Agreed production costs *(Note (a))*	) ×	(1+	Production management fee percentage ranging from 0.5% to 10%) *(Note (c))*	)

Notes:

(a) The production costs means all costs incurred in the preparation, filming, and other production-related items, including but not limited to costume production costs, prop materials costs, costume venue rental costs, and staff labour costs. The labour costs can be apportioned to production costs.

(b) The labour costs are determined based on the number and level of professional competence of the creators and other staff, market prices and other comprehensive factors.

(c) The Production management fee percentage shall be reasonably determined by the parties through arm's length negotiation with reference to, among other factors, the project scale of filming, shooting cycle, and the required team of personnel.

Payment terms and specific agreements

The Relevant AP Tianjin Members and the Relevant Beijing Yuyouxiangfa Members may, subject to the relevant annual caps, from time to time enter into specific agreement(s) to set out detailed terms (including payment terms) of the transactions contemplated under the Cooperation Framework Agreement. The terms of such specific agreement(s) must be on normal commercial terms or better and more favourable terms.

ANNUAL CAPS AND BASIS OF DETERMINATION OF ANNUAL CAPS

There is no historical transaction amounts paid by the Group to the Alibaba Group under the Framework Agreement subsequent to the entry into of the Framework Agreement and up to the date of this announcement.

The Annual Caps for the total Service Fees under the Cooperation Framework Agreement for the financial years ending March 31, 2026, 2027 and 2028 are fixed at RMB160 million, RMB200 million and RMB200 million, respectively, which are determined with reference to the following factors:

(i) the estimated total Service Fees payable by the Relevant AP Tianjin Members to the Relevant Beijing Yuyouxiangfa Members under the Cooperation Framework Agreement with reference to the following projected business requirements of the Group:

  (a) at least eight film and television drama projects are expected to launch for the year ending March 31, 2026, with an estimated maximum transaction amount of approximately RMB5 million per project for Rental Services and approximately RMB15 million per project for the Commissioned Services;

  (b) with the increasing number of studios to be operated by the Group for the self-produced films and television dramas, it is anticipated that the overall film and television drama projects in the pipeline will be on the rise accordingly; and

(ii) certain buffer against the potential increases in demand for the Rental Services and the Commissioned Services of the Group to allow for operational flexibility and future business growth of the Group.

The above information (i) is based on the assumption that the demands for the Rental Services and the Commissioned Services will grow steadily and is only estimated by the Company for the purpose of arriving at the Annual Caps, which is subject to change due to market conditions in the PRC and implementation of the relevant business plan of the Group; and (ii) bears no direct relationship to, nor should be taken to have any direct bearing on, the Group's financial or potential financial performance.

INTERNAL CONTROL MEASURES

In order to ensure that the terms under the Cooperation Framework Agreement for the continuing connected transactions are fair and reasonable, and the transactions are carried out based on normal or better commercial terms, the Group has adopted the following internal control measures:

(i) the business operation department of the Company will from time to time review the pricing and payment terms (including the mark-up percentage, if applicable) and the utilization of the relevant annual caps to ensure the Service Fees chargeable by Relevant AP Tianjin Members are no more favourable than those offered to independent third parties;

(ii) the business operation department of the Company will from time to time check (or obtain) and compare the fee standards for the same type of general Rental Services and the Commissioned Services provided by two or more independent service providers to ensure that the Service Fees (including the mark-up percentage used to calculate relevant Service Fees) shall be calculated in a manner equal to (or better than) the fee standards and calculations provided by independent service providers;

(iii) the finance department of the Company, under the overall supervision of the Company's chief finance officer and the Board, will (a) obtain evidence internally or from the Relevant Beijing Yuyouxiangfa Members regarding the costs and expenses incurred; (b) monitor the transaction amounts in respect of the Rental Services and the Commissioned Services and review the management accounts on a quarterly basis and as required from time to time to ensure that the actual transaction amounts incurred with the Relevant Beijing Yuyouxiangfa Members under the Cooperation Framework Agreement do not exceed the relevant annual caps; and (c) report to the listing compliance department of the Company, which will in turn report to the Board for consideration and approval, to determine whether revision of annual caps is necessary to comply with the Listing Rules if the transaction amount is expected to exceed the relevant annual caps;

(iv) the independent non-executive Directors will conduct independent annual review on the abovementioned internal control measures and the transactions contemplated under the Cooperation Framework Agreement to ensure that those transactions are entered into through arm's length negotiations and on normal commercial terms or better, are fair and reasonable, in the ordinary and usual course of business of the Group, in the interests of the Company and its Shareholders as a whole and are carried out pursuant to the terms of the transactions;

(v) the Company's auditors will conduct annual review on the pricing basis and the annual caps under Cooperation Framework Agreement and report their findings and conclusions to the Board; and

(vi) the Board will continue to review regularly the Company's internal control systems and its effectiveness.

REASONS FOR AND BENEFITS OF ENTERING INTO THE COOPERATION FRAMEWORK AGREEMENT

Beijing Yuyouxiangfa specializes in film and television drama production. Beijing Yuyouxiangfa and Youku Information are both indirectly controlled subsidiaries of Youku Technology. The Group has maintained a long-term cooperation with Youku Information and its affiliates by servicing their demands for production of films and television dramas. Against this backdrop, the Board believes that the entering into of the Cooperation Framework Agreement would better enable the alignment with the production standards required by Youku Information, thereby driving up potential demands for the Group's services and products in the future.

In light of the above, the Directors (including the independent non-executive Directors) are of the view that the terms of the Cooperation Framework Agreement and the relevant annual caps are fair and reasonable, the transactions contemplated thereunder are on normal commercial terms or better and that the entering into of the Cooperation Framework Agreement and the transactions contemplated thereunder are in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Beijing Yuyouxiangfa is a consolidated entity of Alibaba Holding. Alibaba Holding is the ultimate shareholder of Alibaba Investment, which is a controlling shareholder and a connected person of the Company holding 16,001,087,693 Shares in aggregate, representing approximately 53.56% of the issued Shares, among which (i) 13,488,058,846 Shares are held by Ali CV, the wholly-owned subsidiary of Alibaba Investment, and (ii) 2,513,028,847 Shares are held by Alibaba Investment. Accordingly, each of Alibaba Holding and Beijing Yuyouxiangfa is an associate of Alibaba Investment and thus a connected person of the Company. The entering into of the Cooperation Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Reference is made to the Company's announcement dated March 31, 2025, in relation to, among other things, the Framework Agreement dated March 31, 2025 entered into between the Company and Youku Information, a consolidated entity of Alibaba Holding, in respect of the provision of certain equipment rental and production services with respect to films and television dramas. As the Cooperation Framework Agreement and the Framework Agreement were entered into with connected entities within Alibaba Group (i.e. Youku Information and Beijing Yuyouxiangfa, respectively) and part of the respective transactions contemplated thereunder is similar in nature, the annual caps under the Cooperation Framework Agreement and the Framework Agreement shall be aggregated pursuant to Rule 14A.81 of the Listing Rules. The aggregate amount of the relevant annual caps under the Cooperation Framework Agreement and the Framework Agreement (the "Aggregated Annual Caps") will be RMB180 million, RMB230 million and RMB240 million for the financial years ending March 31, 2026, 2027 and 2028, respectively.

Given that one or more of the applicable percentage ratios calculated with reference to the highest of the Aggregated Annual Caps are more than 0.1% but less than 5%, the entering into of the Cooperation Framework Agreement and the transactions contemplated under the Cooperation Framework Agreement and the Framework Agreement are subject to reporting, annual review and announcement requirements, but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

As each of Mr. Fan Luyuan and Mr. Meng Jun holds positions in Alibaba Holding or its subsidiaries, and Mr. Li Jie is currently taking up a management role in a subsidiary of Alibaba Holding, they are deemed or may be perceived to have a material interest in the transactions contemplated under the Cooperation Framework Agreement. Accordingly, they have abstained from voting on the related Board resolutions. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, other than those Directors, no other Directors have any material interest in the Cooperation Framework Agreement and the transactions contemplated thereunder (including the annual caps related thereto), or are required to abstain from voting on the resolutions of the Board approving the same.

INFORMATION ABOUT THE PARTIES

The Company

The Company was incorporated in Bermuda and the Shares are listed and traded on the Main Board of the Stock Exchange. The Company is an investment holding company and the Group focuses on developing the full business potential of integration and innovative applications of the internet and traditional film and television industries. The core business of the Company includes four major segments, namely, "Film technology and investment, production, promotion and distribution platform", "Damai ticketing and live entertainment platform", "IP merchandising" and "Drama series production".

Alibaba Pictures (Tianjin)

Alibaba Pictures (Tianjin), being a company established under the laws of the PRC, is a consolidated subsidiary of the Company which is principally engaged in production of broadcasting and television programs.

Alibaba Holding and Beijing Yuyouxiangfa

Alibaba Holding is a company incorporated in the Cayman Islands with its American depositary shares, each representing eight ordinary shares, listed on the New York Stock Exchange (stock symbol: BABA), and its ordinary shares listed on the Main Board of the Stock Exchange (stock codes: 9988 (HKD counter) and 89988 (RMB counter)). Alibaba Group's mission is to "make it easy to do business anywhere". Alibaba Group aims to build the future infrastructure of commerce and envisions that its customers will meet, work and live at Alibaba, and that it will be a good company that lasts for 102 years.

Beijing Yuyouxiangfa is a limited liability company established under the laws of the PRC. It is a consolidated entity of Alibaba Holding which is principally engaged in the development, production and filming of films and television dramas, as well as the provision of related services including digital content production, costume, art, set construction and styling for films and television dramas.

DEFINITIONS

In this announcement, save as the context otherwise requires, the defined terms shall have the following meanings:

"Aggregated Annual Caps"	has the meaning ascribed to it under section headed "LISTING RULES IMPLICATIONS" of this announcement
"Ali CV"	Ali CV Investment Holding Limited, a company incorporated in the Cayman Islands and a controlling shareholder of the Company, an indirect wholly-owned subsidiary of Alibaba Holding and a direct wholly-owned subsidiary of Alibaba Investment
"Alibaba Group"	Alibaba Holding and its subsidiaries

"Alibaba Holding"	Alibaba Group Holding Limited (阿里巴巴集團控股有限公司), a company incorporated in the Cayman Islands, with its American depositary shares (each representing eight ordinary shares) listed on the New York Stock Exchange (stock symbol: BABA) and its ordinary shares listed on the Main Board of the Stock Exchange (stock code: 9988 (HKD counter) and 89988 (RMB counter)) and the ultimate controlling shareholder of the Company
"Alibaba Investment"	Alibaba Investment Limited, a company incorporated in the British Virgin Islands and a controlling shareholder of the Company and a direct wholly-owned subsidiary of Alibaba Holding
"Alibaba Pictures (Tianjin)"	阿里巴巴影業(天津)有限公司 (Alibaba Pictures (Tianjin) Co., Ltd.*), a company established under the laws of the PRC with limited liability and a consolidated subsidiary of the Company
"Annual Caps"	the maximum aggregate fees payable by the Group to the Relevant Beijing Yuyouxiangfa Members in connection with the Cooperation Framework Agreement for the years ending March 31, 2026, 2027 or 2028, as the case may be
"associate"	has the meaning ascribed to it under the Listing Rules
"Beijing Yuyouxiangfa"	北京娛有想法影視文化有限公司 (Beijing Yuyouxiangfa Film and Television Culture Co., Ltd.*), a company established under the laws of the PRC with limited liability and a consolidated entity of Alibaba Holding
"Board"	board of Directors
"Commissioned Services"	has the meaning ascribed to it under section headed "CONTINUING CONNECTED TRANSACTIONS – Subject matter and pricing basis – (2) The Commissioned Services" of this announcement
"Commissioned Service Fees"	has the meaning ascribed to it under section headed "CONTINUING CONNECTED TRANSACTIONS – Subject matter and pricing basis – (2) The Commissioned Services" of this announcement

"Company"	Damai Entertainment Holdings Limited 大麥娛樂控股有限公司 (formerly known as Alibaba Pictures Group Limited (阿里巴巴影業集團有限公司)), a company incorporated in Bermuda with limited liability and the Shares of which are listed and traded on the Main Board of the Stock Exchange (stock code: 1060)
"connected person"	has the meaning ascribed to it under the Listing Rules
"controlling shareholder"	has the meaning ascribed to it under the Listing Rules
"Cooperation Framework Agreement"	the cooperation framework agreement dated June 24, 2025 and entered into between Alibaba Pictures (Tianjin) and Beijing Yuyouxiangfa with respect to the provision of the Rental Services and the Commissioned Services
"Director(s)"	the director(s) of the Company
"Framework Agreement"	the commissioned production cooperation framework agreement dated March 31, 2025 and entered into between the Company and Youku Information, the details of which are set out in the Company's announcement dated March 31, 2025
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"percentage ratio(s)"	has the meaning ascribed to it under the Listing Rules
"PRC"	the People's Republic of China and for the purposes of this announcement, excluding Hong Kong, Macao Special Administrative Region of the PRC and Taiwan
"Relevant AP Tianjin Members"	Alibaba Pictures (Tianjin) and/or its affiliates
"Relevant Beijing Yuyouxiangfa Members"	Beijing Yuyouxiangfa and/or its affiliates

"Rental Fees"	had the meaning ascribed to it under the section headed "CONTINUING CONNECTED TRANSACTIONS – Subject matter and pricing basis – (1) The Rental Services" of this announcement
"Rental Services"	had the meaning ascribed to it under the section headed "CONTINUING CONNECTED TRANSACTIONS – Subject matter and pricing basis – (1) The Rental Services" of this announcement
"RMB"	Renminbi, the lawful currency of the PRC
"Service Fees"	collectively, the Rental Fees and the Commissioned Service Fees
"Share(s)"	ordinary share(s) of HK$0.25 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"Youku Information"	優酷信息技術(北京)有限公司 (Youku Information Technology (Beijing) Co., Ltd.*), a company established under the laws of the PRC with limited liability and a consolidated entity of Alibaba Holding
"Youku Technology"	北京優酷科技有限公司 (Beijing Youku Technology Co., Ltd.*), a company established in the PRC with limited liability and indirect wholly-owned subsidiary of Alibaba Holding
"%"	per cent

By order of the Board
Damai Entertainment Holdings Limited
Fan Luyuan
Chairman & Chief Executive Officer

Hong Kong, June 24, 2025

As of the date of this announcement, the Board comprises Mr. Fan Luyuan, Mr. Li Jie and Mr. Meng Jun, being the executive Directors; and Ms. Song Lixin, Mr. Tong Xiaomeng and Mr. Johnny Chen, being the independent non-executive Directors.

* *For identification purposes only*