THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Damai Entertainment Holdings Limited**, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

PROPOSED RE-ELECTION OF DIRECTORS, GENERAL MANDATES TO ISSUE SECURITIES, SELL TREASURY SHARES AND BUY BACK SHARES, PROPOSED RE-APPOINTMENT OF AUDITOR AND NOTICE OF ANNUAL GENERAL MEETING

A notice convening the annual general meeting ("AGM") of Damai Entertainment Holdings Limited (the "Company") to be held at Forum Room 2, B2/F, Regal Hongkong Hotel, 88 Yee Wo Street, Causeway Bay, Hong Kong on Thursday, August 14, 2025 at 11:00 a.m. is set out on pages AGM-1 to AGM-5 of this circular. If you are not able to attend the AGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours (i.e. not later than 11:00 a.m. on Tuesday, August 12, 2025) before the time appointed for the holding of the AGM (or any adjourned meeting) (as the case may be). Completion and return of the form of proxy will not preclude shareholders of the Company from attending and voting in person at the AGM (or at any adjourned meeting) if they so wish.

For the avoidance of doubt, holders of treasury shares of the Company, if any, shall abstain from voting at the Company's general meeting in connection to such treasury shares.

July 23, 2025

CONTENTS

Page

DEFINITIONS 1

LETTER FROM THE BOARD

Introduction 4

Proposed Re-election of Directors. 5

General Mandates to Issue Securities, Sell Treasury Shares and Buy Back Shares 7

Proposed Re-appointment of Auditor 8

Notice of Annual General Meeting 8

Responsibility Statement. 9

Recommendation 9

General Information 9

APPENDIX I – DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION . . . I-1

APPENDIX II – EXPLANATORY STATEMENT II-1

NOTICE OF ANNUAL GENERAL MEETING AGM-1

In this circular (other than the notice of the AGM), unless the context otherwise requires, the following expressions shall have the following meanings:

"ADS(s)"	American depositary share(s)
"AGH"	Alibaba Group Holding Limited, a company incorporated in the Cayman Islands, with its ADS, 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)
"Ali CV"	Ali CV Investment Holding Limited, a company incorporated in the Cayman Islands and an indirect wholly-owned subsidiary of AGH
"Ali 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 AGH
"Alibaba Group"	a group of companies comprising AGH and its subsidiaries
"Annual General Meeting" or "AGM"	the annual general meeting of the Company to be held at Forum Room 2, B2/F, Regal Hongkong Hotel, 88 Yee Wo Street, Causeway Bay, Hong Kong on Thursday, August 14, 2025 at 11:00 a.m.
"Audit Committee"	the audit committee of the Company
"Board"	the board of Directors
"Bye-laws"	the bye-laws of the Company, as amended, modified or otherwise supplemented from time to time
"CCASS"	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited
"CG Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"Company"	Damai Entertainment Holdings Limited (formerly known as Alibaba Pictures Group Limited), a company incorporated in Bermuda with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1060)
"Directors"	the directors of the Company
"Group"	the Company and its subsidiaries, and a "member of the Group" means any or a specific one of them

"HK$"	Hong Kong dollar, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Latest Practicable Date"	July 17, 2025, being the latest practicable date prior to the publication of this circular for ascertaining certain information contained in this circular
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Main Board"	the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM operated by the Stock Exchange. For the avoidance of doubt, Main Board excludes the GEM operated by the Stock Exchange
"New Share Buy-back Mandate"	has the meaning ascribed to it under the paragraph headed "GENERAL MANDATES TO ISSUE SECURITIES, SELL TREASURY SHARES AND BUY BACK SHARES" of the "LETTER FROM THE BOARD" section of this circular
"New Share Issue Mandate"	has the meaning ascribed to it under the paragraph headed "GENERAL MANDATES TO ISSUE SECURITIES, SELL TREASURY SHARES AND BUY BACK SHARES" of the "LETTER FROM THE BOARD" section of this circular
"Nomination Committee"	the nomination committee of the Company
"PRC"	the People's Republic of China
"Remuneration Committee"	the remuneration committee of the Company
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	ordinary share(s) of par value of HK$0.25 each in the capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Share Buy-backs Code"	the Code on Share Buy-backs published by the SFC

"Share Buy-back Mandate"	has the meaning ascribed to it under the paragraph headed "GENERAL MANDATES TO ISSUE SECURITIES, SELL TREASURY SHARES AND BUY BACK SHARES" of the "LETTER FROM THE BOARD" section of this circular
"Share Issue Mandate"	has the meaning ascribed to it under the paragraph headed "GENERAL MANDATES TO ISSUE SECURITIES, SELL TREASURY SHARES AND BUY BACK SHARES" of the "LETTER FROM THE BOARD" section of this circular
"Stock Exchange" or "SEHK"	The Stock Exchange of Hong Kong Limited
"Takeovers Code"	the Code on Takeovers and Mergers published by the SFC
"Treasury Shares"	has the meaning ascribed to it under the Listing Rules
"%"	per cent

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)

Executive Directors
Mr. Fan Luyuan *(Chairman & Chief Executive Officer)*
Mr. Li Jie *(President)*
Mr. Meng Jun *(Chief Financial Officer)*

Independent non-executive Directors
Ms. Song Lixin
Mr. Tong Xiaomeng
Mr. Johnny Chen

Registered Office
Clarendon House
2 Church Street, Hamilton
Pembroke, HM 11
Bermuda

Head Office and Principal Place of Business in Hong Kong
26/F, Tower One
Times Square
1 Matheson Street
Causeway Bay
Hong Kong

July 23, 2025

To the Shareholders

Dear Sir or Madam,

PROPOSED RE-ELECTION OF DIRECTORS, GENERAL MANDATES TO ISSUE SECURITIES, SELL TREASURY SHARES AND BUY BACK SHARES, PROPOSED RE-APPOINTMENT OF AUDITOR AND NOTICE OF ANNUAL GENERAL MEETING

INTRODUCTION

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the AGM relating to (i) the re-election of Directors; (ii) the granting to the Directors of general mandates for the issue of securities (including sale of Treasury Shares) and the buy-back of Shares up to 20% and 10%, respectively, of the total number of the issued Shares (excluding Treasury Shares) as at the date of passing of the relevant resolutions; and (iii) the re-appointment of auditor.

This circular contains details of the Directors proposed for re-election and an explanatory statement and gives all the information reasonably necessary to enable you to make a decision on whether to vote for or against the resolutions proposed at the AGM.

PROPOSED RE-ELECTION OF DIRECTORS

The Board currently consists of six Directors, namely Mr. Fan Luyuan, Mr. Li Jie, Mr. Meng Jun, Ms. Song Lixin, Mr. Tong Xiaomeng and Mr. Johnny Chen.

Pursuant to bye-laws 87(1) and (2) of the Bye-laws, at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation such that each Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election. The Directors to retire by rotation shall include (so far as necessary to ascertain the number of Directors to retire by rotation) any Director who wishes to retire and not to offer himself/herself for re-election. Any further Directors so to retire shall be those of the other Directors 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. Accordingly, Ms. Song Lixin and Mr. Tong Xiaomeng shall retire by rotation and, being eligible, offer themselves for re-election at the AGM.

Bye-law 88 of the Bye-laws provides that no person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless no earlier than the day after the despatch of the notice of the meeting and not less than seven (7) days before the date appointed for such meeting there shall have been lodged at the head office or at the registration office of the Company a notice in writing signed by a registered Shareholder (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his/her intention to propose such person for election and also a notice in writing signed by the person to be proposed of his/her willingness to be elected.

Accordingly, if a registered Shareholder wishes to nominate a person to stand for election as a Director at the AGM, a notice of his/her intention to propose such person for election as a Director and a notice executed by the nominee of his/her willingness to be elected must be validly served at the head office and principal place of business in Hong Kong of the Company at 26/F, Tower One, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong on or before August 6, 2025. If a valid notice from a registered Shareholder to propose a person to stand for election as a Director at the AGM is received after the printing of this circular, the Company will issue a supplementary circular to inform Shareholders of the details of the additional candidate proposed.

According to code provision B.2.3 of the CG Code, if an independent non-executive director serves more than nine years, such director's further appointment should be subject to a separate resolution to be approved by the Shareholders. Given that Ms. Song Lixin and Mr. Tong Xiaomeng have served as an independent non-executive Directors for more than nine years, their re-election and further appointment as an independent non-executive Director will be subject to a separate resolution.

The Nomination Committee has assessed the independence of Ms. Song Lixin and Mr. Tong Xiaomeng in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. The Nomination Committee believes that although Ms. Song Lixin and Mr. Tong Xiaomeng have each served on the Board for over nine years, this does not impair their independence judgment. Nonetheless, it will carefully consider the recently published new Listing Rules in relation to this matter. Ms. Song Lixin and Mr. Tong Xiaomeng have consistently brought value and the right experience to the Board as they maintain independent thinking. All of them have actively participated in Board meetings and have shown themselves able to give constructive and independent advice to the Board over significant issues. In the meantime, none of Ms. Song Lixin and Mr. Tong Xiaomeng holds any Shares in the Company, nor do they have any significant connections with other Directors, substantial Shareholders or controlling Shareholders (as defined in the Listing Rules) that could give rise to conflicts of interest in the role of independent non-executive Director of the Company, and which could potentially compromise their independence judgment. Based on the above, the Nomination Committee has affirmed that both Ms. Song and Mr. Tong remain independent and is satisfied that they have the required character, integrity, independence and experience to fulfill the role of independent non-executive Directors effectively. The Nomination Committee has also reviewed the time spent by both Ms. Song and Mr. Tong performing their duties and considered that they are able to devote sufficient time and attention to the Company's affairs.

With the recommendation of the Nomination Committee, the Board has proposed that Ms. Song Lixin and Mr. Tong Xiaomeng, stand for re-election as Directors at the AGM.

As a good corporate governance practice, the above Directors abstained from voting at the relevant Board meeting on the respective propositions of their recommendations for re-election by the Shareholders at the AGM.

Pursuant to code provision B.2.4 of the CG Code, where all the independent non-executive directors of an issuer have served more than nine years on the board, the length of tenure of each existing independent non-executive director on a named basis should be disclosed. In addition, the issuer should appoint a new independent non-executive director on the board at the forthcoming annual general meeting. As at the Latest Practicable Date, all existing independent non-executive Directors, namely Ms. Song Lixin, Mr. Tong Xiaomeng and Mr. Johnny Chen, have served the Company for more than nine years, and their length of tenure are respectively more than 10 years, 11 years and 9 years. The Company is in the course of identifying a suitable candidate to be appointed as an additional independent non-executive Director to comply with code provision B.2.4(b) of the CG Code and will make further announcement as and when appropriate.

Pursuant to Rule 13.74 of the Listing Rules, brief biographical details of the Directors who are proposed to be re-elected at the AGM are set out in Appendix I to this circular.

GENERAL MANDATES TO ISSUE SECURITIES, SELL TREASURY SHARES AND BUY BACK SHARES

At the annual general meeting of the Company held on August 30, 2024, ordinary resolutions were passed for the granting of general mandates to the Directors, among other things, (i) to allot, issue or otherwise deal with additional securities of the Company (including any sale and transfer of Treasury Shares) not exceeding 20% of the total number of the issued Shares (excluding Treasury Shares) as at that date (the "Share Issue Mandate"); and (ii) to buy back Shares representing up to a maximum of 10% of the total number of the issued Shares (excluding Treasury Shares) as at that date (the "Share Buy-back Mandate").

Resolutions authorizing new general mandates to allot, issue or otherwise deal with additional securities of the Company including any sale or transfer of Treasury Shares of up to 20% (the "New Share Issue Mandate") and to buy back Shares of up to 10% of the total number of the issued Shares (excluding Treasury shares, if any) as at the date of passing the resolutions (the "New Share Buy-back Mandate") as set out in resolutions numbered 4 and 5 respectively of the notice of Annual General Meeting will be proposed at the AGM. A resolution authorizing the extension of the general mandate to the Directors to issue Shares (or be sold or transferred out of treasury) to include the total number of such Shares bought back (if any) under the New Share Buy-back Mandate is to be proposed at the AGM as the resolution numbered 6 of the notice of Annual General Meeting.

The New Share Issue Mandate and the New Share Buy-back Mandate, if granted, will remain in effect until the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws or any applicable laws of Bermuda and other relevant jurisdiction to be held; and (iii) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

The total number of Shares in issue as at the Latest Practicable Date was 29,875,864,325. Assuming no Shares will be issued or bought back from the Latest Practicable Date to the date of the AGM, (i) the maximum number of Shares to be issued pursuant to the New Share Issue Mandate is 5,975,172,865 Shares; and (ii) the maximum number of Shares to be bought back pursuant to the New Share Buy-back Mandate is 2,987,586,432 Shares.

With regard to the proposed New Share Issue Mandate and the proposed New Share Buy-back Mandate, the Directors, as at the date hereof, wish to state that the Company has no immediate plan to issue any new securities (or sell Treasury shares, if any) of the Company or buy back any Shares pursuant to the relevant mandates.

An explanatory statement containing the particulars required by the Listing Rules to enable the Shareholders to make an informed view on whether to vote for or against resolution numbered 5 to be proposed at the AGM in relation to the proposed New Share Buy-back Mandate is set out in Appendix II to this circular.

PROPOSED RE-APPOINTMENT OF AUDITOR

PricewaterhouseCoopers will retire as the auditor of the Company at the Annual General Meeting and, being eligible, offer themselves for re-appointment.

Upon the recommendation of the Audit Committee, the Board proposed to re-appoint PricewaterhouseCoopers as the auditor of the Company and to hold office until the conclusion of the next annual general meeting of the Company.

NOTICE OF ANNUAL GENERAL MEETING

The notice of Annual General Meeting is set out on pages AGM-1 to AGM-5 of this circular. Ordinary resolutions in respect of the re-election of the Directors, the general mandates to issue securities and sell Treasury Shares (if any) and to buy back Shares and the re-appointment of auditor will be proposed at the AGM.

A form of proxy for the AGM is enclosed with this circular. If you are not able to attend the AGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the AGM (i.e. not later than 11:00 a.m. on Tuesday, August 12, 2025) (or at any adjourned meeting) (as the case may be). Completion and return of the form of proxy shall not preclude you from attending and voting in person at the AGM or any adjourned meeting thereof should you so desire.

The record date for determining the entitlement of the shareholders of the Company to attend and vote at the AGM will be Friday, August 8, 2025. All transfers of shares of the Company accompanied by the relevant share certificates must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration no later than 4:30 p.m. on Friday, August 8, 2025.

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The chairman of the AGM will therefore demand that all resolutions as set out in the notice of Annual General Meeting will be voted upon by way of poll at the AGM (or at any adjourned meeting) and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

RECOMMENDATION

The Directors (including independent non-executive Directors) consider that the proposed resolutions for approval of the re-election of the Directors, the New Share Issue Mandate and the New Share Buy-back Mandate, adding the total number of Shares that may be bought back to the total number of Shares that may be allotted or Treasury Shares (if any) that may be sold pursuant to the New Share Issue Mandate and the re-appointment of auditor, are each in the best interests of the Company and the Shareholders as a whole, and accordingly, recommend all Shareholders to vote in favour of all the resolutions to be proposed at the AGM.

GENERAL INFORMATION

Your attention is drawn to the additional information set out in the Appendices to this circular. The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

Yours faithfully,
For and on behalf of the Board
Damai Entertainment Holdings Limited
Fan Luyuan
Chairman & Chief Executive Officer

The biographical details of the Directors proposed to be re-elected at the AGM are set out as follows:

Ms. SONG Lixin, aged 57 and appointed to the Board on December 22, 2014, is an independent non-executive Director and a member of each of the Audit Committee and the Remuneration Committee. She has been the chairperson of the board of directors of Yingcaiyuan Investment Management Co., Ltd.* (英才元投資管理有限公司) since December 2015. Ms. Song has more than 20 years of experience in the cultural and business sector. Ms. Song founded the China Annual Management Summit in 2001 which has continued to run for 21 consecutive years to date. Ms. Song has been an independent director of Bona Film Group Co., Limited (SZSE stock code: 001330) since May 2023. Ms. Song holds a bachelor's degree in law from Renmin University of China and received an MBA degree from Tsinghua University.

As at the Latest Practicable Date, Ms. Song did not have, and was not deemed to have, any interest or short position in any Shares within the meaning of Part XV of the SFO.

Save as disclosed above, Ms. Song did not hold any directorships in any other public companies the securities of which were listed on any securities market in Hong Kong or overseas in the last three years, nor had she held any other major appointments and professional qualifications and was not connected with any other Directors, senior management, substantial or controlling shareholders (as defined in the Listing Rules) of the Company as at the Latest Practicable Date.

Ms. Song has entered into an appointment letter with the Company for a term of one year and the term of her service shall be renewed automatically for successive one-year term or until terminated in accordance with the said appointment letter. Her appointment is also subject to the relevant provisions of retirement by rotation and re-election in accordance with the Bye-laws or any other applicable laws whereby she shall vacate her office. Ms. Song is entitled to receive a total fee of HK$280,000 per annum, comprising HK$200,000 for her directorship and HK$40,000 each for acting as member of the Audit Committee and the Remuneration Committee. Her remuneration is determined with reference to her experience, the prevailing market rate of director's fees for independent non-executive directors and the terms of the Company's remuneration policy.

Ms. Song has served as an independent non-executive Director for more than nine years. The Board is of the view that Ms. Song has thorough understanding of the Company's operations and business. Ms. Song has actively and objectively contributed to advising the Board and the senior management, expressing objective views, and giving valuable independent guidance to the Company in her capacity as independent non-executive Director over the years. Ms. Song has been continuously demonstrating firm commitments to her role. Ms. Song always places great importance on high standards of corporate governance. Ms. Song has never been engaged in any executive management of the Group and did not participate in the management of the Group. The Board is of the view that the re-appointments of Ms. Song will contribute to the diversity of the Board. The Board has received from Ms. Song a confirmation of independence according to Rule 3.13 of the Listing Rules. Ms. Song also confirmed that (i) she meets the independence criteria as set out in Rule 3.13 of the Listing Rules; (ii) she has no past or present financial or other interest in the business of the Company or its subsidiaries or any connection with any core connected person (as defined under the Listing Rules) of the Company, and (iii) there are no other factors that may affect her independence at the time of her appointment.

The Board, with the recommendation of the Nomination Committee, considers Ms. Song satisfies the independence criteria under Rule 3.13 of the Listing Rules. Taking into consideration of the above and the independent nature of Ms. Song's role and duties in the past years, the Board, considers that the long service of Ms. Song would not diminish her independence and affect her exercise of independent judgment and her continuous tenure brings considerable benefits and stability to the management and operation of the Group, and therefore considers Ms. Song to be independent and recommends Ms. Song to be re-elected.

Mr. TONG Xiaomeng, aged 51 and appointed to the Board on June 27, 2014, is an independent non-executive Director, the chairman of the Remuneration Committee and a member of each of the Audit Committee and the Nomination Committee. He is a co-founder and managing partner at Boyu Capital. Prior to founding Boyu Capital, Mr. Tong was a managing director at General Atlantic and Providence Equity Partners, where he headed both firms' Greater China practice and served as a director at a number of publicly-listed and privately-held companies. Mr. Tong is currently a non-executive director of WuXi AppTec Co., Ltd.* (Shanghai Stock Exchange ("SSE") stock code: 603259 and SEHK stock code: 2359). Mr. Tong graduated from Harvard University where he was a member of Phi Beta Kappa.

As at the Latest Practicable Date, Mr. Tong had personal interest in 941,176 ordinary shares of AGH, which represented the underlying share interest in 117,647 ADSs of AGH. Save as disclosed above, Mr. Tong did not have, and was not deemed to have, any interest or short position in any Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date.

Save as disclosed above, Mr. Tong did not hold any directorships in any other public companies the securities of which were listed on any securities market in Hong Kong or overseas in the last three years, nor had he held any other major appointments and professional qualifications and was not connected with any other Directors, senior management, substantial or controlling shareholders (as defined in the Listing Rules) of the Company as at Latest Practicable Date.

Mr. Tong has entered into an appointment letter with the Company for a term of one year and the term of his service shall be renewed automatically for successive one-year term or until terminated in accordance with the said appointment letter. His appointment is also subject to the relevant provisions of retirement by rotation and re-election in accordance with the Bye-laws or any other applicable laws whereby he shall vacate his office. Mr. Tong is entitled to receive a total fee of HK$340,000 per annum, comprising HK$200,000 for his directorship, HK$60,000 for acting as the chairman of the Remuneration Committee and HK$40,000 each for acting as member of the Audit Committee and the Nomination Committee. His remuneration is determined with reference to his experience, the prevailing market rate of director's fees for independent non-executive directors and the terms of the Company's remuneration policy.

Mr. Tong has served as an independent non-executive Director for more than nine years. The Board is of the view that Mr. Tong has thorough understanding of the Company's operations and business. Mr. Tong has actively and objectively contributed to advising the Board and the senior management, expressing objective views, and giving valuable independent guidance to the Company in his capacity as independent non-executive Director over the years. He is currently the chairman of the Remuneration Committee and a member of the Audit Committee and the Nomination Committee. Mr. Tong has been continuously demonstrating firm commitments to his role. Mr. Tong always places great importance on high standards of corporate governance. Mr. Tong has never been engaged in any executive management of the Group and did not participate in the management of the Group. The Board is of the view that the re-appointments of Mr. Tong will contribute to the diversity of the Board. The Board has received from Mr. Tong a confirmation of independence according to Rule 3.13 of the Listing Rules. Mr. Tong also confirmed that (i) he meets the independence criteria as set out in Rule 3.13 of the Listing Rules; (ii) he has no past or present financial or other interest in the business of the Company or its subsidiaries or any connection with any core connected person (as defined under the Listing Rules) of the Company, and (iii) there are no other factors that may affect his independence at the time of his appointment.

The Board, with the recommendation of the Nomination Committee, considers Mr. Tong satisfies the independence criteria under Rule 3.13 of the Listing Rules. Taking into consideration of the above and the independent nature of Mr. Tong's role and duties in the past years, the Board, considers that the long service of Mr. Tong would not diminish his independence and affect his exercise of independent judgment and his continuous tenure brings considerable benefits and stability to the management and operation of the Group, and therefore considers Mr. Tong to be independent and recommends Mr. Tong to be re-elected.

Save as disclosed herein, there is no other matter concerning the above Directors that needs to be brought to the attention of the Shareholders nor is there any other information relating to the above Directors that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

* *For identification purpose only*

This Appendix contains the particulars that are required by the Listing Rules to be included in an explanatory statement to enable the Shareholders to make an informed view on whether to vote for or against the resolution to be proposed at the AGM in relation to the proposed New Share Buy-back Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company was HK$7,468,966,081.25 divided into 29,875,864,325 Shares and the Company did not have any Treasury Share.

Subject to the passing of the resolution granting the proposed mandate to buy back its own Shares and on the basis that no further Shares are issued or bought back before the AGM, the Company will be allowed to buy back a maximum of 2,987,586,432 Shares, representing 10.00% of the total number of Shares in issue, during the period ending on the earlier of the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required to be held by law or the date upon which such authority is revoked or varied by a resolution of the Shareholders in general meeting.

2. REASONS FOR THE BUY-BACK

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole to seek a general authority from the Shareholders to enable the Company to buy back its Shares on the Stock Exchange. Such buy-backs for cancellation may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or earnings per Share and will only be made when the Directors believe that such buy-backs will benefit the Company and the Shareholders.

3. FUNDING OF BUY-BACK

Buy-backs made pursuant to the proposed New Share Buy-back Mandate would be funded out of funds legally available for the purpose in accordance with the Company's memorandum of association, the Bye-laws and the laws of Bermuda.

The Directors have no present intention to buy back any Shares and they would only exercise the power to buy back in circumstances where they consider that the buy-back would be in the best interests of the Company and in circumstances where they consider that the Shares can be bought back on terms favourable to the Company. On the basis of the consolidated financial position of the Company as at March 31, 2025, being the date to which the latest published audited financial statements of the Company were made up, the Directors consider that if the New Share Buy-back Mandate were to be exercised in full at the currently prevailing market value, it could have a material adverse impact on the working capital position and gearing level of the Company.

The Directors do not propose to exercise the New Share Buy-back Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing level of the Company (as compared with the position disclosed in the latest published audited financial statements) which, in the opinion of the Directors, are from time to time appropriate for the Company.

4. INTENTION OF DEALINGS

To the best of their knowledge and having made all reasonable enquiries, none of the Directors nor any of their close associates (as defined in the Listing Rules) currently intend to sell Shares to the Company or its subsidiaries in the event that the proposal is approved by the Shareholders.

No core connected persons (as defined in the Listing Rules) of the Company have notified the Company that they have a present intention to sell Shares held by them to the Company, or have undertaken not to do so in the event that the Company is authorized to make buy-backs of the Shares.

5. SHARE PRICE

The following table shows the highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the previous twelve months up to and including the Latest Practicable Date:

	Shares	
	Highest	**Lowest**
	(HK$)	*(HK$)*
2024		
July	0.430	0.385
August	0.400	0.350
September	0.520	0.350
October	0.590	0.430
November	0.520	0.400
December	0.510	0.415
2025		
January	0.540	0.460
February	0.660	0.450
March	0.590	0.520
April	0.550	0.445
May	0.920	0.425
June	1.130	0.800
July (up to the Latest Practicable Date)	1.210	0.880

6. SHARES BOUGHT BACK

In the six months immediately preceding the Latest Practicable Date, the Company did not buy back any Shares on the Stock Exchange or otherwise.

7. STATEMENTS FROM THE DIRECTORS

The Directors will exercise the New Share Buy-back Mandate pursuant to the relevant proposed resolution at the AGM to buy back Shares in accordance with the Listing Rules and the applicable laws of Bermuda. Neither this Explanatory Statement nor the New Share Buy-back Mandate has any unusual features.

8. EFFECTS OF THE TAKEOVERS CODE

If as a result of a buy-back of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code and Rule 6 of the Share Buy-backs Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert, depending on the level of increase of the Shareholders' interest, could obtain or consolidate control of the Company and may become obliged to make a mandatory general offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, Alibaba Investment was directly or indirectly (via Ali CV) interested in 16,001,087,693 Shares, representing approximately 53.5586% of the issued Shares. On the basis that no further Shares are issued or bought back and in the event that the New Share Buy-back Mandate is exercised in full and that there is no change in the shareholding of Alibaba Investment, the exercise in full of the New Share Buy-back Mandate would cause the aggregate shareholding of Alibaba Investment in the Company to increase from approximately 53.5586% to approximately 59.5095%. To the best of the knowledge and belief of the Directors, the increase in the shareholding of Alibaba Investment as a result of the exercise in full of the New Share Buy-back Mandate would not give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

The Directors do not propose to exercise the New Share Buy-back Mandate to such extent that would, in the circumstances, result in the number of Shares held by the public to fall below 25%. In addition, in the event that the New Share Buy-back Mandate is exercised in full, the total number of Shares held by the public will not fall below the prescribed minimum percentage of 25%.

9. GENERAL

The Company may cancel such bought back Shares or hold them as Treasury Shares, subject to market conditions and the Group's capital management needs at the relevant time of the buy-backs.

As at the Latest Practicable Date, the Company has no intention to cancel the Shares bought back following settlement of any such buy back or hold them as Treasury Shares.

For any Treasury Shares deposited with CCASS pending resale on the Stock Exchange, the Company shall (i) procure its broker not to give any instructions to Hong Kong Securities Clearing Company Limited to vote at general meetings of the Company for the Treasury Shares deposited with CCASS; and (ii) in the case of dividends or distributions, withdraw the Treasury Shares from CCASS, and either re-register them in its own name as Treasury Shares or cancel them, in each case before the record date for the dividends or distributions, or take any other measures to ensure that it will not exercise any shareholders' rights or receive any entitlements which would otherwise be suspended under the applicable laws if those Shares were registered in its own name as Treasury Shares.

Notwithstanding anything contrary to the foregoing, the holding and/or use of the Treasury Shares is subject to the special resolution(s) in relation to the proposed amendments to the Bye-laws as set out in this circular being approved by the Shareholders.

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)

NOTICE IS HEREBY GIVEN that the Annual General Meeting (the "Meeting") of Damai Entertainment Holdings Limited (the "Company") will be held at Forum Room 2, B2/F, Regal Hongkong Hotel, 88 Yee Wo Street, Causeway Bay, Hong Kong on Thursday, August 14, 2025 at 11:00 a.m. for the following purposes:

1. To receive and adopt the audited consolidated financial statements and the reports of the directors and the auditor of the Company for the year ended March 31, 2025.

2. (i) (a) To re-elect Ms. Song Lixin as an independent non-executive director of the Company.

   (b) To re-elect Mr. Tong Xiaomeng as an independent non-executive director of the Company.

   (ii) To authorize the board of directors of the Company to fix the directors' remuneration.

3. To re-appoint PricewaterhouseCoopers as auditor of the Company and to authorize the board of directors of the Company to fix its remuneration.

SPECIAL BUSINESS

To consider, and if thought fit, to pass each of the following resolutions, with or without modification, as an ordinary resolution:

4. "**THAT**:

   (a) subject to paragraph (c) of this resolution, the exercise by the directors of the Company (the "Directors") during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue or otherwise deal with additional shares of the Company (the "Shares") or securities convertible into Shares, options, warrants or similar rights to subscribe for any Shares, and to make or grant offers, agreements and options which might require the exercise of such powers, be and is hereby generally and unconditionally approved;

(b) the approval given in paragraph (a) of this resolution shall be in addition to any other authorizations given to the Directors and shall authorize the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;

(c) the total number of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval given in paragraph (a) of this resolution, otherwise than pursuant to:

(i) a Rights Issue (as hereinafter defined);

(ii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into Shares;

(iii) the exercise of any share options or share awards granted under any share scheme or similar arrangement for the time being adopted for the grant or issue of any options to subscribe for, or rights to acquire Shares; or

(iv) any scrip dividend or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the bye-laws of the Company from time to time;

shall not exceed 20% of the total number of Shares in issue at the date of the passing of this resolution (excluding treasury shares (if any)) and the said approval shall be limited accordingly; and

(d) for the purpose of this resolution:

"**Relevant Period**" means the period from the passing of this resolution until whichever is the earlier of:

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws of Bermuda and other relevant jurisdiction to be held; and

(iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and

"Rights Issue" means the allotment, issue or grant of Shares pursuant to an offer of Shares open for a period fixed by the Directors to holders of Shares or any class thereof on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares at that date (subject to such exclusion or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, any territory applicable to the Company)."

5. "**THAT**:

(a) subject to paragraph (b) of this resolution, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to buy back shares in the capital of the Company (the "Shares") or any other rights to subscribe Shares in each case on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") or on any other stock exchange on which the Shares may be listed and recognized for this purpose by the Securities and Futures Commission of Hong Kong (the "SFC") and the Stock Exchange under the Code on Share Buy-backs published by the SFC, subject to and in accordance with all applicable laws and regulations, be and is hereby generally and unconditionally approved;

(b) the total number of Shares which may be bought back by the Company pursuant to paragraph (a) of this resolution during the Relevant Period shall not exceed 10% of the total number of Shares in issue at the date of the passing of this resolution (excluding any treasury shares) and the approval granted under paragraph (a) of this resolution shall be limited accordingly; and

(c) for the purpose of this resolution:

"**Relevant Period**" means the period from the passing of this resolution until whichever is the earlier of:

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws of Bermuda or other relevant jurisdiction to be held; and

(iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting."

6. "**THAT**, conditional upon the passing of resolutions numbered 4 and 5 as set out in the notice convening the annual general meeting of the Company dated July 23, 2025 (the "Notice"), the general mandate granted to the directors of the Company to exercise the powers of the Company to allot, issue or otherwise deal with shares of the Company (the "Shares") pursuant to resolution numbered 4 as set out in the Notice be and is hereby extended by the addition thereto an amount representing the total number of Shares bought back by the Company under the authority granted pursuant to resolution numbered 5 as set out in the Notice, provided that such amount shall not exceed 10% of the total number of Shares in issue at the date of the passing of this resolution (excluding any treasury shares (if any))."

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

Hong Kong, July 23, 2025

Registered office:
Clarendon House
2 Church Street, Hamilton
Pembroke, HM 11
Bermuda

Head Office and Principal Place of Business in Hong Kong:
26/F, Tower One
Times Square
1 Matheson Street
Causeway Bay
Hong Kong

Notes:

1. Any member of the Company entitled to attend and vote at the Meeting is entitled to appoint another person as his proxy to attend and vote instead of him. A proxy need not be a member of the Company. A member who is the holder of two or more shares of the Company (the "Shares") may appoint more than one proxy to represent him to attend and vote on his behalf.

2. Where there are joint registered holders of any Share, any one of such holders may vote at the Meeting (or at any adjourned meeting), either personally or by proxy, in respect of such Share as if he was solely entitled thereto; but if more than one of such joint registered holders are present at the Meeting (or at any adjourned meeting) personally or by proxy, that one of such holders so present whose name stands first on the register of members of the Company in respect of the joint holding shall alone be entitled to vote in respect of such Share.

3. To be valid, the form of proxy, duly completed and signed in accordance with the instructions printed thereon, together with any power of attorney (if any) or other authority (if any) under which it is signed or a certified copy thereof, must be deposited at the office of the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time fixed for holding the Meeting (i.e. not later than 11:00 a.m. on Tuesday, August 12, 2025) (or any adjourned meeting) (as the case may be). The completion and delivery of the form of proxy will not preclude you from attending and voting at the Meeting (or at any adjourned meeting) if you so wish.

4. The record date for determining the entitlement of the shareholders of the Company (the "Shareholders") to attend and vote at the Meeting will be Friday, August 8, 2025. All transfers of Shares accompanied by the relevant share certificates must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration no later than 4:30 p.m. on Friday, August 8, 2025.

5. All voting by the members at the Meeting (or at any adjourned meeting) shall be conducted by way of poll.

6. With respect to resolution numbered 2 of this notice, Ms. Song Lixin and Mr. Tong Xiaomeng shall retire from office of directorship and, being eligible, offer themselves for re-election in accordance with the bye-laws of the Company. Details of their information are set out in Appendix I to the circular of the Company dated July 23, 2025.

7. If Typhoon Signal No. 8 or above, or "extreme conditions" caused by super typhoons, or a "black" rainstorm warning is in effect any time and remains in force 2 hours before the time of the Meeting, the Meeting will be postponed. The Company will post an announcement on the website of Company at www.damaiholdings.com and on the website of HKEXnews operated by Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk to notify the Shareholders of the date, time and place of the rescheduled meeting.

As at the date of this notice, the board of Directors of the Company 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.