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**Damai Entertainment Holdings Limited**
**大麥娛樂控股有限公司**
*(Incorporated in Bermuda with limited liability)*
**(Stock Code: 1060)**

# REVISION OF ANNUAL CAP FOR CONTINUING CONNECTED TRANSACTIONS

## REVISION OF ANNUAL CAP FOR CONTINUING CONNECTED TRANSACTIONS

Reference is made to the 2024 Announcement in relation to, among other things, the existing continuing connected transactions contemplated under the Commissioned Production Cooperation Framework Agreement.

Based on information currently available to the Directors, the Board anticipates that the Original Annual Cap will not be sufficient to meet the business needs of the Group for the current financial year ending on March 31, 2026. Accordingly, on November 28, 2025, the Board proposed to revise the Original Annual Cap for the current financial year from RMB100 million to RMB200 million.

## LISTING RULES IMPLICATIONS

As at the date of this announcement, Youku Information 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 Youku Information is an associate of Alibaba Investment and thus a connected person of the Company. The transactions contemplated under the Commissioned Production Cooperation Framework Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.54(1) of the Listing Rules, if the Company proposes to revise the Original Annual Cap, the Company will have to re-comply with provisions of Chapter 14A of the Listing Rules applicable to the relevant continuing connected transactions.

As all applicable percentage ratios calculated with reference to the Revised Annual Cap are more than 0.1% but less than 5%, the transactions contemplated under the Commissioned Production Cooperation Framework Agreement (including the Revised Annual Cap) are subject to reporting, annual review and announcement requirements, but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

## REVISION OF THE ANNUAL CAP FOR CONTINUING CONNECTED TRANSACTIONS

Reference is made to the 2024 Announcement in relation to, among other things, the existing continuing connected transactions contemplated under the Commissioned Production Cooperation Framework Agreement.

Based on the Group's unaudited management accounts and operational data for the month ended October 31, 2025, it has come to the attention of the Board that the actual transaction amount under the Commissioned Production Cooperation Framework Agreement was approaching the existing annual cap in respect of the total Service Fees payable by the Relevant ZS Members to the Relevant Youku Members (the "Original Annual Cap") for the financial year ending March 31, 2026. The unaudited historical transaction amount in relation to the Commissioned Production Services for the seven months ended October 31, 2025 already represents approximately 98% of the Original Annual Cap for the financial year ending March 31, 2026. As such, it is expected that the Original Annual Cap for the financial year ending March 31, 2026 may be exceeded before March 31, 2026. Such increase in the actual transaction amount was mainly attributable to the Group's continued expansion of investments in premium content in the drama series production segment, which resulted in a higher-than-expected business volume and, in turn, increased demand for the Commissioned Production Services.

In light of the above, the Board anticipates that the Original Annual Cap for the financial year ending March 31, 2026 will not be sufficient to meet the business needs of the Group. Accordingly, on November 28, 2025, the Board proposed to revise the Original Annual Cap from RMB100 million to RMB200 million for the financial year ending March 31, 2026 (the "Revised Annual Cap").

The Revised Annual Cap is determined after taking into account:

(1) the unaudited historical transaction amount of approximately RMB97.6 million for the seven months ended October 31, 2025 (representing approximately 98% of the Original Annual Cap for the financial year ending March 31, 2026); and

(2) anticipated increase in the transaction amount for the financial year ending March 31, 2026 of approximately RMB100 million, based on an expected increase in demands of the Commissioned Production Services as the Group typically initiates more launches and marketing activities for Movies and Dramas during forthcoming holidays in the PRC such as New Year's Day and the Lunar New Year, resulting in a greater number of new production projects undertaken by the Relevant ZS Members.

As at the date of this announcement, the Original Annual Cap for the financial year ending March 31, 2026 has not been exceeded.

The Directors (including the independent non-executive Directors) consider that the transactions contemplated under the Commissioned Production Cooperation Framework Agreement (including the Revised Annual Cap) are on normal commercial terms or better, and in the ordinary and usual course of business of the Group, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Save for the revision of the Original Annual Cap, the pricing policy and other terms of the Commissioned Production Cooperation Framework Agreement remain unchanged. Details of the terms of the Commissioned Production Cooperation Framework Agreement are set out in the 2024 Announcement.

## LISTING RULES IMPLICATIONS

As at the date of this announcement, Youku Information 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 Youku Information is an associate of Alibaba Investment and thus a connected person of the Company. The transactions contemplated under the Commissioned Production Cooperation Framework Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.54(1) of the Listing Rules, if the Company proposes to revise the Original Annual Cap, the Company will have to re-comply with provisions of Chapter 14A of the Listing Rules applicable to the relevant continuing connected transactions.

As all applicable percentage ratios calculated with reference to the Revised Annual Cap are more than 0.1% but less than 5%, the transactions contemplated under the Commissioned Production Cooperation Framework Agreement (including the Revised Annual Cap) 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 Commissioned Production 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 Commissioned Production 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 and Zhonglian Shengshi

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, "Live content and technology business", "IP merchandizing", "Film content and technology business" and "Dama series production".

Zhonglian Shengshi, being a limited liability company established under the laws of the PRC, is an indirect wholly-owned subsidiary of the Company. It serves mainly administrative management or support and investment holding purposes for the Group.

**Alibaba Holding, Youku Information**

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.

Youku Information, being a limited liability company established under the laws of the PRC and a consolidated entity of Alibaba Holding, is principally engaged in the business of providing online videos in the PRC on the Youku platform, which is one of the leading online video streaming websites in the PRC.

**DEFINITIONS**

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

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| "2024 Announcement" | the announcement of the Company dated September 3, 2024 in relation to, among other things, the existing continuing connected transactions contemplated under the Commissioned Production Cooperation Framework Agreement |
| "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 |

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| "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 |
| "associate" | has the meaning ascribed to it under the Listing Rules |
| "Board" | board of Directors |
| "Children's Show(s)" | include, among others, variety shows, television programs and short dramas for children |
| "Commissioned Production Cooperation Framework Agreement" | the commissioned production cooperation framework agreement dated September 3, 2024 and entered into between Zhonglian Shengshi and Youku Information with respect to the provision of the Commissioned Production Services |
| "Commissioned Production Services" | production of projects relating to the Shows and the Movies and Dramas commissioned by the Relevant ZS Members and/or other investors under the Commissioned Production Cooperation Framework Agreement to be undertaken by the Relevant Youku Members in accordance with the instructions of the Relevant ZS Members, including without limitation, shooting, artificial intelligence model creation/training, video editing, special effects creation, press-show creation, model training, digital intermediate post-production and materials production |
| "Company" | Damai Entertainment Holdings Limited (大麥娛樂控股有限公司), 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 |
| "Director(s)" | the director(s) of the Company |
| "Group" | the Company and its subsidiaries |
| "HK$" | Hong Kong dollars, the lawful currency of Hong Kong |

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| "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 |
| "Movies and Dramas" | include among others, movies, online movies, TV dramas and online dramas |
| "Original Annual Cap" | has the meaning ascribed to it under the section headed "REVISION OF THE ANNUAL CAP FOR CONTINUING CONNECTED TRANSACTIONS" in this announcement |
| "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 Youku Members" | Youku Information and/or its affiliates |
| "Relevant ZS Members" | Zhonglian Shengshi and/or its affiliates |
| "Revised Annual Cap" | has the meaning ascribed to it under the section headed "REVISION OF THE ANNUAL CAP FOR CONTINUING CONNECTED TRANSACTIONS" in this announcement |
| "RMB" | Renminbi, the lawful currency of the PRC |
| "Service Fees" | the fees payable by the Relevant ZS Members to the Relevant Youku Members in respect of the Commissioned Production Services under the Commissioned Production Cooperation Framework Agreement |
| "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) |
| "Show(s)" | all types of shows and programs, including the Variety Shows and the Children's Shows |
| "Stock Exchange" | The Stock Exchange of Hong Kong Limited |

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|---|---|
| "subsidiary(ies)" | has the meaning ascribed to it under the Listing Rules |
| "Variety Show(s)" | include, among others, any type of variety shows, variety videos, pan-cultural and pan-entertainment programs |
| "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 |
| "Zhonglian Shengshi" | 中聯盛世文化(北京)有限公司 (Zhonglian Shengshi Culture (Beijing) Co., Ltd.*), a company established under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of the Company |
| "%" | per cent |

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

Hong Kong, November 28, 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 as the independent non-executive Directors.

* *For identification purposes only*