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Maoyan Entertainment

貓眼娛樂

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1896)

**CONTINUING CONNECTED TRANSACTIONS
ENTERING INTO IP BUSINESS COOPERATION
FRAMEWORK AGREEMENT**

THE IP BUSINESS COOPERATION FRAMEWORK AGREEMENT

On August 20, 2026, the Company (for itself and on behalf of the Group) and Shanghai Yueting (for itself and on behalf of China Literature Group) entered into the 2026 IP Business Cooperation Framework Agreement.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Tencent, through its wholly-owned subsidiary, Image Flag Investment (HK) Limited, held more than 10% of the total issued Shares and is one of the substantial Shareholders, and thus Tencent and its associates are connected persons of the Company. As Tencent held more than 30% of the total issued shares of China Literature and Shanghai Yueting is an indirectly wholly-owned subsidiary of China Literature, Shanghai Yueting is a connected person of the Company and the transactions contemplated under the 2026 IP Business Cooperation Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the annual caps under the 2026 IP Business Cooperation Framework Agreement is more than 0.1% but less than 5%, the transactions contemplated thereunder are therefore subject to reporting, announcement and annual review requirements, but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

INTRODUCTION

On August 20, 2026, the Company (for itself and on behalf of the Group) and Shanghai Yueting (for itself and on behalf of China Literature Group) entered into the 2026 IP Business Cooperation Framework Agreement.

PRINCIPAL TERMS OF THE AGREEMENT

Principal terms of the 2026 IP Business Cooperation Framework Agreement are set out below:

Date	August 20, 2026
Parties	(a) Company (for itself and on behalf of the Group) (b) Shanghai Yueting (for itself and on behalf of China Literature Group)
Term	From August 20, 2026 to December 31, 2027
Subject Matter	The Group and China Literature Group have agreed to cooperate in respect of the IP held by China Literature Group in accordance with the 2026 IP Business Cooperation Framework Agreement. Specific forms of cooperation include, but are not limited to: (1) China Literature Group grants licenses to the Group, which shall, independently or jointly with third parties, develop television series (including, but not limited to, television dramas, web series, micro/short series), animations, comics, anime, games and IP derivatives, and undertake the production, sale and/or sub-licensing thereof; (2) The Group and China Literature Group jointly invest in television series, animations, comics, anime, games, IP derivatives and other products; and (3) Other forms of cooperation that are reasonably feasible in the development, production and/or sale of the IP held by China Literature Group.

Payment Separate underlying agreements will be entered into which will set out the precise scope of cooperation, licensing fee, payment methods and other details of the arrangements in the manner provided in the 2026 IP Business Cooperation Framework Agreement. The definitive terms of each of such agreements will be determined on a case-by-case basis and on a fair and reasonable basis after arm's length negotiation between relevant parties taking into account various factors such as the costs and expenses involved in the licensing of IP, as well as the resources that need to be invested in the production process.

PRICING POLICIES

(1) The Group Developing IP Licensed from China Literature Group

The Group shall pay IP licensing fees to China Literature Group using one or more of the following pricing methods: (i) a fixed amount; (ii) a percentage, as mutually agreed by both parties, calculated based on the sales revenue of television series, animations, comics, anime, games and IP derivatives; and (iii) a percentage, as mutually agreed by both parties, calculated based on the research and development/production costs of television series, animations, comics, anime, games and IP derivatives.

(2) Joint Investment in IP between the Group and China Literature Group

The Group and China Literature Group shall distribute the revenues from the relevant IP business in accordance with their respective investment contributions and/or agreed ratios under the relevant agreements, and/or adopt other appropriate payment/distribution methods corresponding to the specific forms of cooperation, taking into account various factors such as resources invested (including but not limited to human resources investment).

(3) Other pricing methods applicable to the relevant cooperation forms, that are in principle fair and reasonable.

HISTORICAL AMOUNT

There was no historical amount under the IP business cooperation transaction between the Group and China Literature Group for the three financial years ended December 31, 2025 and for the period from that date to the date of this announcement.

ANNUAL CAPS AND BASIS OF DETERMINATION

In respect of the 2026 IP Business Cooperation Framework Agreement, the annual caps are set out in the table below:

	For the year ending	
	December 31, 2026	December 31, 2027
	<i>(RMB in million)</i>	<i>(RMB in million)</i>
Total amount of fees payable by the Group to China Literature Group in relation to developing IP licensed from China Literature Group	10	30
Total investment amount to be contributed by the Group in relation to Joint Investment in IP between the Group and China Literature Group	15	80

The annual caps were determined by the Board taking into account the following factors:

(1) Total amount of fees payable by the Group to China Literature Group in relation to developing IP licensed from China Literature Group

(a) the number and type of IP currently and expected to be held by China Literature Group, (b) the estimated number of certain IPs to be licensed by China Literature Group to the Group in 2026 and 2027. Based on preliminary discussions with China Literature Group, the Group currently plans to pay licensing fees for certain IPs in 2026 and 2027, with the estimated licensing fee for each project per year ranging from RMB1.5 million to RMB10.0 million; and (c) the anticipated growth in sales volume of television series, animations, comics, anime, games and IP derivatives in 2026 and 2027.

(2) Total investment amount to be contributed by the Group in relation to Joint Investment in IP between the Group and China Literature Group

(a) The number of projects in which the Group and China Literature Group may cooperate in the form of joint investment in relation to IP business cooperation. Based on preliminary discussions with China Literature Group, the Group currently plans to cooperate with China Literature Group on approximately 1 to 3 IP business cooperation related joint investments in each of 2026 and 2027, with the Group's investment amount for each joint investment ranging from RMB8.5 million to RMB36.0 million; and (b) with reference to the industry growth of China's television series, animations, comics, anime, games and IP derivatives market and the growth of the Group's business.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The Group's cooperation with China Literature Group enables the Group to access China Literature Group's commercially proven IP library, spanning leading online literature platforms, top-ranked dramas and animation adaptations, and a growing short drama portfolio, to enrich its content pipeline and broaden its revenue mix beyond ticketing. The cooperation allows the Group to apply its rich experience in the entertainment industry and broad consumer base to develop and promote high-quality IP content across television drama, animation, gaming and IP derivative formats. By leveraging the Group's experience and insights in the entertainment industry, the Group is well-positioned to identify and prioritise high-potential IP titles from China Literature Group's IP library for adaptation and commercialisation. This partnership therefore represents a strategic step in the Group's long-term efforts to diversify its revenue streams, deepen its presence across the broader entertainment value chain, and capture incremental value from content investment.

OPINION OF THE BOARD

The Directors (including independent non-executive Directors) consider that it is in the interests of the Company and its Shareholders as a whole to enter into the 2026 IP Business Cooperation Framework Agreement, the terms thereunder are fair and reasonable and the transactions contemplated thereunder (including the annual caps under aforementioned framework agreement) are on normal commercial terms and in the ordinary and usual course of business of the Company.

To the best knowledge of the Company, none of the Directors has material interests in the transactions contemplated thereunder.

INTERNAL CONTROL

In order to ensure that the terms under relevant framework and definitive agreements for the continuing connected transaction are fair and reasonable, or no less favourable than terms available from Independent Third Parties, comply with the annual caps and pricing policies under relevant framework agreement, and are carried out under normal commercial terms, the Company has adopted the following internal control procedures:

- (a) the Company has adopted and implemented a management system on connected transactions. The Board and various other internal departments of the Company, including but not limited to the finance department and compliance and legal department, are jointly responsible for evaluating the terms under framework and definitive agreements for the continuing connected transactions, in particular, the fairness of the pricing policies and annual caps under each agreement, the management of the Company also reviews the pricing policies of the framework agreements annually. In addition, various other internal departments of the Company monitor the fulfilment status and the transaction updates under the framework agreement as necessary from time to time, and the reporting team (the “**Reporting Team**”) within the finance department is responsible for monitoring the transaction amounts of the continuing connected transactions to ensure that the annual caps under the framework agreements are complied with, and that any definitive agreement under the relevant framework agreements shall be entered into by the Company with the prior approval of the Reporting Team.
- (b) the independent non-executive Directors and auditors of the Company will conduct annual review of the continuing connected transactions under the framework agreements and provide annual confirmation to ensure that in accordance with Rules 14A.55 and 14A.56 of the Listing Rules that the transactions are conducted in accordance with the terms of the agreements, on normal commercial terms and in accordance with the relevant pricing policies; the audit committee of the Company will review the Company’s financial controls, risk management and internal control systems; and when considering any renewal or revisions to the framework agreements, the Company will then comply with the Listing Rules as applicable.
- (c) when considering fees to be provided to the Group by the connected persons, the Group will constantly at least on semi-annual basis, research into prevailing market conditions and practices and make reference to the pricing and terms between the Group and Independent Third Parties for similar transactions and the pricing and terms offered by above connected persons over the market if any, to make sure that the pricing and terms offered by the above connected persons from mutual commercial negotiations (as the case may be), are fair, reasonable and are no less favourable than those offered by Independent Third Parties.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Tencent, through its wholly-owned subsidiary, Image Flag Investment (HK) Limited, held more than 10% of the total issued Shares and is one of the substantial Shareholders, and thus Tencent and its associates are connected persons of the Company. As Tencent held more than 30% of the total issued shares of China Literature and Shanghai Yueting is an indirectly wholly-owned subsidiary of China Literature, Shanghai Yueting is a connected person of the Company and the transactions contemplated under the 2026 IP Business Cooperation Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

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INFORMATION RELATING TO PARTIES

The Group is a leading “technology + pan-entertainment” service provider in China, with business covering three main segments, i.e. online entertainment ticketing services, entertainment content services, advertising services and others. The Group is dedicated to providing valuable industry insights and services to partners in pan-entertainment industry, continuing to deepen its industrial service capabilities and strengthen infrastructure construction, as well as creating more value for the industry by providing diversified services.

China Literature Group is principally engaged in online literature business and intellectual property operation business. It incubates original IPs from its online literature platform, which are subsequently adapted into a variety of entertainment formats, including comics, animation, TV series, web series, films, online games, short dramas, AI-animated dramas and IP-related merchandise.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings.

“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of directors of the Company;
“China Literature”	China Literature Limited (閱文集團), an exempted company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Stock Exchange (stock code: 772);
“China Literature Group”	China Literature Limited, its subsidiaries and its consolidated affiliated entities from time to time;
“Company”	Maoyan Entertainment, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Stock Exchange (stock code: 1896);
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;

“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries and consolidated affiliated entities, from time to time;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Third Party(ies)”	any entity or person who is not a connected person of the Company within the meaning ascribed thereto under the Listing Rules;
“IP”	referring to intellectual property with commercial and cultural value (including but not limited to copyrights, etc.), original content and/or characters, artist resources, etc.;
“Listing”	listing of the ordinary Shares on the Stock Exchange on February 4, 2019;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan;
“Shanghai Yueting”	Yueting Information Technology (Shanghai) Co., Ltd. (閱霆信息技術(上海)有限公司), a company established in the PRC on May 27, 2008, and an indirectly wholly-owned subsidiary of China Literature;
“Share(s)”	ordinary share(s) in the share capital of the Company with a par value of US\$0.00002;
“Shareholder(s)”	holder(s) of the share(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules;

“Tencent”	Tencent Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Stock Exchange (stock code: 700);
“2026 IP Business Cooperation Framework Agreement”	a framework agreement entered into between the Company (for itself and on behalf of the Group) and Shanghai Yueting (for itself and on behalf of China Literature Group) on August 20, 2026, pursuant to which the Group and China Literature agreed to cooperate in respect of the IP held by China Literature Group; and
“%”	per cent.

By order of the Board
Maoyan Entertainment
Zheng Zhihao
Executive Director

Hong Kong, August 20, 2026

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Zheng Zhihao as an executive Director, Mr. Wang Changtian, Ms. Li Xiaoping, Ms. Wang Jian, Mr. Sun Zhonghuai and Mr. Tang Lichun as non-executive Directors, and Mr. Wang Hua, Mr. Chan Charles Sheung Wai, Mr. Yin Hong and Ms. Liu Lin as independent non-executive Directors.