Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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

RENEWAL OF EXISTING CONTINUING CONNECTED TRANSACTIONS – PROVISION OF THE OPERATING SERVICES

RENEWAL OF EXISTING CONTINUING CONNECTED TRANSACTIONS

Reference is made to the 2024 Announcement in relation to the existing continuing connected transactions contemplated under the 2024 Operating Service Agreement.

As the 2024 Operating Service Agreement will expire on March 31, 2027, Shouquanbao, an indirect wholly-owned subsidiary of the Company, and the Tmall Entities entered into the 2027 Joint Operation Cooperation Agreement on November 18, 2026 to renew the existing arrangements under the 2024 Operating Service Agreement for a term of three years commencing on April 1, 2027 and ending on March 31, 2030. Under the 2027 Joint Operation Cooperation Agreement, Shouquanbao agreed to provide, and the Tmall Entities agreed to use, the Operating Services, subject to the relevant annual caps.

LISTING RULES IMPLICATIONS

As at the date of this announcement, 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 53.38% of the issued share capital of the Company, of which (i) 13,488,058,846 Shares are held by Ali CV, a wholly-owned subsidiary of Alibaba Investment, and (ii) 2,513,028,847 Shares are directly held by Alibaba Investment.

Tmall Network and Tmall Technology are a consolidated entity and an indirect wholly-owned subsidiary of Alibaba Holding, respectively.

Accordingly, each of the Tmall Entities is an associate of Alibaba Investment and hence a connected person of the Company. The transactions contemplated under the 2027 Joint Operation Cooperation Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.54(2) of the Listing Rules, the Company is required to re-comply with the applicable provisions of Chapter 14A of the Listing Rules when renewing the continuing connected transactions contemplated under the 2024 Operating Service Agreement.

Since all of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the annual caps for the service fees payable by the Tmall Entities to Shouquanbao for the transactions contemplated under the 2027 Joint Operation Cooperation Agreement are above 0.1% but below 5%, the entry into the 2027 Joint Operation Cooperation Agreement and the transactions contemplated thereunder (including the related annual caps) are subject to the reporting, announcement and annual review requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

RENEWAL OF EXISTING CONTINUING CONNECTED TRANSACTIONS

Reference is made to the 2024 Announcement in relation to the existing continuing connected transactions contemplated under the 2024 Operating Service Agreement.

As the 2024 Operating Service Agreement will expire on March 31, 2027, Shouquanbao, an indirect wholly-owned subsidiary of the Company, and the Tmall Entities entered into the 2027 Joint Operation Cooperation Agreement on November 18, 2026 to renew the existing arrangements under the 2024 Operating Service Agreement for a term of three years commencing on April 1, 2027 and ending on March 31, 2030. Under the 2027 Joint Operation Cooperation Agreement, Shouquanbao agreed to provide, and the Tmall Entities agreed to use, the Operating Services, subject to the relevant annual caps. The principal terms are set out below:

THE 2027 JOINT OPERATION COOPERATION AGREEMENT

Date : November 18, 2026

Parties :

(1) Tmall Network, a consolidated entity of Alibaba Holding

(2) Tmall Technology, an indirect wholly-owned subsidiary of Alibaba Holding

(3) Shouquanbao, an indirect wholly-owned subsidiary of the Company

Term : Three years commencing on April 1, 2027 and ending on March 31, 2030

Subject matter and pricing basis

Operating Services

Under the 2027 Joint Operation Cooperation Agreement, Shouquanbao agreed to provide, and the Tmall Entities agreed to use, the services necessary for the parties to jointly operate Tmall Platform in relation to the Relevant Product Categories (the "Operating Services"). The Operating Services include developing the Relevant Product Categories by sourcing, managing and regulating merchandise; recruiting and evaluating Merchants; conducting quality control checks on merchandise; providing customer and marketing services; taking action in respect of breaches of contract by Merchants; and providing specialized services for new operational modes in accordance with Tmall Platform's category development guidelines and relevant compliance requirements.

Base GMV Target

Shouquanbao will ensure that the GMV for the Relevant Product Categories for the financial year ending March 31, 2028 will not be less than that for the financial year ending March 31, 2027 (the "Base GMV Target"). The Base GMV Target for subsequent financial years during the term of the 2027 Joint Operation Cooperation Agreement will be determined on the same basis. If (i) the GMV for the Relevant Product Categories for any financial year is less than 70% of that for the preceding financial year; or (ii) Shouquanbao fails to maintain a team of at least five operating personnel assigned to support the joint operation in connection with the Operating Services (the "Basic Personnel Support Requirement"), the Tmall Entities may request amendments to the relevant terms of the 2027 Joint Operation Cooperation Agreement, provided that any such amendments shall become effective upon separate negotiation and written agreement between the parties, and shall be subject to compliance with applicable requirements under the Listing Rules.

Service fees

The service fees payable by the Tmall Entities to Shouquanbao shall comprise:

(a) a base service fee, capped at RMB100,000,000 for each financial year, calculated by reference to the software service fees charged by the Tmall Entities to Merchants on the confirmed transaction amounts for the Relevant Product Categories. If Shouquanbao fails to satisfy the Base GMV Target or the Basic Personnel Support Requirement for the relevant financial year, the base service fee shall be adjusted in accordance with the following formula:

Adjusted Base Service Fee = RMB100,000,000 × (Actual GMV for the current financial year ÷ Actual GMV for the preceding financial year); and

(b) a performance-based bonus service fee of up to RMB50,000,000 for each financial year, subject to Shouquanbao achieving certain performance metrics to be agreed between the parties, which will be assessed by reference to factors including successful recruitment of new Merchants for the Relevant Product Categories and growth in GMV for the Relevant Product Categories.

Payment terms

The base service fee shall be paid in cash on a quarterly basis, subject to an annual reconciliation in May of each year, pursuant to which any overpayment or underpayment in respect of the preceding financial year shall be refunded or paid, as applicable. The performance-based bonus service fee (if any) shall be determined and paid annually following the end of the relevant financial year, based on the extent to which the applicable performance metrics for that financial year have been achieved. Any overpayment or underpayment identified upon such determination shall be refunded or paid, as applicable.

ANNUAL CAP AND BASIS OF DETERMINATION OF ANNUAL CAP

The Board has determined that the annual cap for the total service fees payable by the Tmall Entities to Shouquanbao under the 2027 Joint Operation Cooperation Agreement for each of the financial years ending March 31, 2028, 2029 and 2030 shall be RMB150,000,000.

The annual cap was determined with reference to:

(1) the historical transaction amounts paid/payable by the Tmall Entities to the Group under the 2024 Operating Service Agreement for each of the financial years ended March 31, 2025 and 2026 and the seven months ended October 31, 2026, being approximately RMB99,057,000, RMB94,340,000 and RMB73,899,371, respectively;

(2) the maximum base service fee of RMB100,000,000 payable by the Tmall Entities to the Group per financial year; and

(3) the maximum performance-based bonus service fee of RMB50,000,000 payable by the Tmall Entities to the Group per financial year.

INTERNAL CONTROL MEASURES

In relation to the pricing basis described above, the Group has adopted the following internal control measures to monitor the transactions contemplated under the 2027 Joint Operation Cooperation Agreement to ensure that the fees payable to Shouquanbao are fair and reasonable:

1. the finance department of the Company, under the overall supervision of the Company's chief financial officer and the Board, will (a) obtain evidence from Shouquanbao regarding the costs and expenses incurred in providing services to the Tmall Entities; (b) monitor the transaction amounts in respect of the Operating Services and review the management accounts quarterly and at other times as required to ensure that the actual transaction amounts with the Tmall Entities under the 2027 Joint Operation Cooperation 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 the annual caps need to be revised to comply with the Listing Rules if the transaction amount is expected to exceed the relevant annual caps;

2. the independent non-executive Directors will conduct an independent annual review of the internal control measures described above and the transactions contemplated under the 2027 Joint Operation Cooperation 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, are in the interests of the Company and its Shareholders as a whole, and are carried out in accordance with the terms of the agreement;

3. the Company's auditors will conduct an annual review of the pricing basis and the annual caps under the 2027 Joint Operation Cooperation Agreement and report their findings and conclusions to the Board; and

4. the Board will continue to regularly review the Company's internal control systems and their effectiveness.

REASONS FOR AND BENEFITS OF ENTERING INTO THE 2027 JOINT OPERATION COOPERATION AGREEMENT

Tmall Platform is one of the world's largest third-party online and mobile commerce platforms for brands and retailers, in terms of gross merchandise volume in the twelve months ended November 18, 2026. Tmall Platform caters to consumers' ever-growing demand for high-quality products and a premium shopping experience. Alibaba Holding has positioned Tmall Platform as a trusted platform for consumers in the PRC and overseas to buy both homegrown and international branded products as well as products not available in traditional retail outlets. Brands and Merchants operate their own storefronts on Tmall Platform with distinct brand identities and a unique look and feel, accompanied by full control over their own branding and merchandizing. A large number of international and Chinese brands and Merchants have established storefronts on Tmall Platform.

Through several years of developing IP derivative merchandise, the Group has gained extensive operational experience and accumulated relevant industry resources. The Company believes that combining this expertise in the Relevant Product Categories with Tmall Platform's large user base will be mutually beneficial to the Group and the Tmall Entities. The 2027 Joint Operation Cooperation Agreement will enable the Group to continue pursuing its commercial objectives and expanding its business potential.

Having reviewed the terms of the 2027 Joint Operation Cooperation Agreement, the Directors (including the independent non-executive Directors) consider that the terms of the 2027 Joint Operation Cooperation Agreement and the annual caps are fair and reasonable, and that the transactions contemplated thereunder are on normal commercial terms, 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,

1. 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 53.38% of the issued share capital of the Company, of which (i) 13,488,058,846 Shares are held by Ali CV, a wholly-owned subsidiary of Alibaba Investment, and (ii) 2,513,028,847 Shares are held directly by Alibaba Investment; and

2. Tmall Network and Tmall Technology are a consolidated entity and an indirect wholly-owned subsidiary of Alibaba Holding, respectively.

Accordingly, each of the Tmall Entities is an associate of Alibaba Investment and hence a connected person of the Company. The transactions contemplated under the 2027 Joint Operation Cooperation Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.54(2) of the Listing Rules, the Company is required to re-comply with the applicable provisions of Chapter 14A of the Listing Rules when renewing the continuing connected transactions contemplated under the 2024 Operating Service Agreement.

Since all of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the annual caps for the service fees payable by the Tmall Entities to Shouquanbao for the transactions contemplated under the 2027 Joint Operation Cooperation Agreement are above 0.1% but below 5%, the entry into the 2027 Joint Operation Cooperation Agreement and the transactions contemplated thereunder (including the related annual caps) are subject to the reporting, announcement and annual review requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

As each of Mr. XU Hong, Mr. SHEN Yan and Mr. MENG Jun holds positions in Alibaba Holding or its subsidiaries, and Mr. LI Jie currently holds 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 2027 Joint Operation Cooperation 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 the aforementioned Directors, no other Directors have a material interest in the 2027 Joint Operation Cooperation 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 Shouquanbao

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 Group's core business comprises four major segments, namely, "Live content and technology business", "IP merchandizing", "Film content and technology business" and "Drama series production".

Shouquanbao, being a limited liability company established under the laws of the PRC, is an indirect wholly-owned subsidiary of the Company. It is principally engaged in advertising and the sale of entertainment-related merchandise and derivative products.

Alibaba Holding and the Tmall Entities

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 and traded 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.

Tmall Network, being a consolidated entity of Alibaba Holding, is primarily involved in the operation of Tmall Platform.

Tmall Technology, being an indirect wholly-owned subsidiary of Alibaba Holding, is primarily involved in the operation of Tmall Platform.

DEFINITIONS

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

"2024 Announcement"	the announcement of the Company dated April 8, 2024 in relation to the existing continuing connected transactions contemplated under the 2024 Operating Service Agreement
"2024 Operating Service Agreement"	the operating service agreement entered into between the Tmall Entities and 阿里巴巴授權寶(天津)文化傳播有限公司(Alibaba Shouquanbao (Tianjin) Culture Communication Co., Ltd.*) on April 8, 2024, for a term commencing on April 8, 2024 in relation to the provision of certain operating services to jointly operate Tmall Platform with the Tmall Entities
"2027 Joint Operation Cooperation Agreement"	the joint operation cooperation agreement entered into between the Tmall Entities and Shouquanbao on November 18, 2026, to renew the arrangements under the 2024 Operating Service 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 and traded on the Main Board of the Stock Exchange (stock codes: 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
"associate"	has the meaning ascribed to it under the Listing Rules
"Base GMV Target"	has the meaning ascribed to it under the section headed "THE 2027 JOINT OPERATION COOPERATION AGREEMENT – Subject matter and pricing basis" in this announcement
"Basic Personnel Support Requirement"	has the meaning ascribed to it under the section headed "THE 2027 JOINT OPERATION COOPERATION AGREEMENT – Subject matter and pricing basis" in this announcement
"Board"	board of Directors
"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

"GMV"	gross merchandise volume as determined under the 2027 Joint Operation Cooperation Agreement
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"IP"	intellectual property
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Merchant(s)"	the legal entity(ies) which sell(s) products or provide(s) services on Tmall Platform
"Operating Services"	has the meaning ascribed to it under the section headed "THE 2027 JOINT OPERATION COOPERATION AGREEMENT – Subject matter and pricing basis" in this announcement
"percentage ratio(s)"	has the meaning ascribed to it under the Listing Rules
"PRC" or "China" or "Mainland China"	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 Product Categories"	certain product categories offered on Tmall Platform, namely designer toys and figurines, anime derivatives and entertainment merchandise, *Sankeng* clothing (i.e. Japanese school uniforms, *hanfu* (漢服) and Lolita fashion) and ball-jointed dolls
"RMB"	Renminbi, the lawful currency of the PRC
"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)

"Shouquanbao"	阿里巴巴授權寶(北京)文化傳播有限公司(Alibaba Shouquanbao (Beijing) Culture Communication Co., Ltd.*), a company incorporated under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"Tmall Entities"	Tmall Network and Tmall Technology
"Tmall Network"	浙江天貓網絡有限公司(Zhejiang Tmall Network Co., Ltd.*), a company established under the laws of the PRC with limited liability and a consolidated entity of Alibaba Holding
"Tmall Platform"	the website at www.tmall.com (or at such other addresses as the Tmall Entities may modify from time to time according to their business needs) and client applications (such as mobile apps) for which the Tmall Entities and their affiliates provide Internet information services and related software and technical support
"Tmall Technology"	浙江天貓技術有限公司(Zhejiang Tmall Technology Co., Ltd.*), a company established under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of Alibaba Holding
"%"	per cent

By order of the Board
Damai Entertainment Holdings Limited
Xu Hong
Chairman

Hong Kong, November 18, 2026

As at the date of this announcement, the Board comprises Mr. Xu Hong, being the non-executive Director, Mr. Li Jie, Mr. Shen Yan 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*