

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.



Maoyan Entertainment

貓眼娛樂

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1896)

ENTERING INTO NEW CONTRACTUAL ARRANGEMENTS

The Board hereby announces that, on July 15, 2024, the WFOE, the New PRC Holdco and the Registered Shareholder entered into the New Contractual Arrangements. Through the New Contractual Arrangements, the Company can consolidate all the economic benefits generated by the New PRC Holdco and its subsidiaries.

LISTING RULES IMPLICATIONS

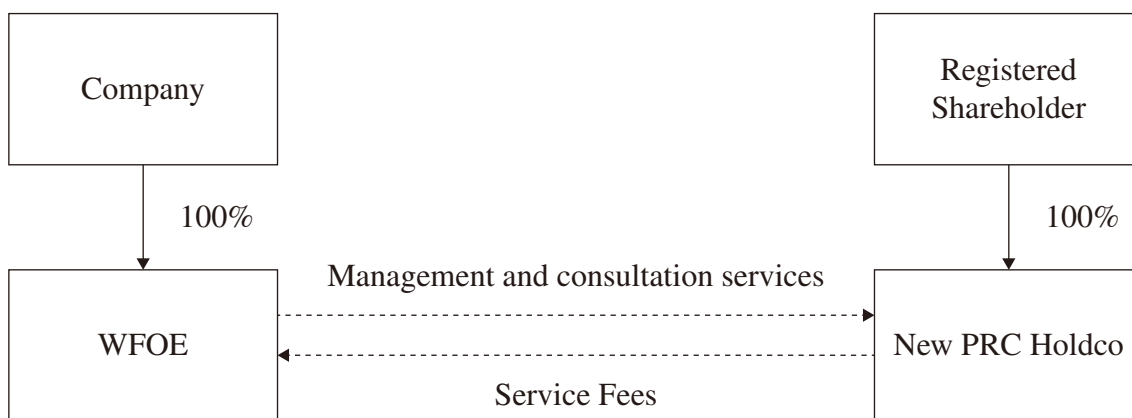
The Registered Shareholder is held as to 50% and 50% by Tianjin Caizhuo and Tianjin Caicheng, respectively. Each of Tianjin Caizhuo and Tianjin Caicheng is held as to 1% by Tianjin Youze as the general partner, 44% and 55% by Ms. Jia Yun and Ms. Zheng Xia, employees of the Company, as the limited partners. Tianjin Youze is owned as to 1%, 44% and 55% by Ms. Wang Jian, a non-executive Director, Ms. Jia Yun and Ms. Zheng Xia, respectively. Save as disclosed above, the Registered Shareholder has no other relationships with the Group nor its connected persons. Accordingly, the Registered Shareholder is not a connected person of the Company and the transactions contemplated under the New Contractual Arrangements do not constitute connected transactions of the Company under Chapter 14A of the Listing Rules. Additionally, any other transactions to be entered into between the WFOE on the one hand and the Consolidated Affiliated Entities (including the New PRC Holdco) on the other hand and which do not result in gain or loss to the Group as a whole would not constitute connected transaction of the Company under Chapter 14A of the Listing Rules, while such transactions may constitute connected transactions of the Company if the transaction shall confer any benefit to the Registered Shareholder. The Company will continue to comply with the requirements under the Listing Rules and the Stock Exchange's guidance letters including annual report disclosure requirement in respect of contractual arrangements.

INTRODUCTION

The Board hereby announces that, on July 15, 2024, the WFOE, the New PRC Holdco and the Registered Shareholder entered into the New Contractual Arrangements. Through the New Contractual Arrangements, the Company can consolidate all the economic benefits generated by the New PRC Holdco and its subsidiaries.

ENTERING INTO NEW CONTRACTUAL ARRANGEMENTS

On July 15, 2024, the WFOE, the New PRC Holdco and the Registered Shareholder entered into the New Contractual Arrangements. Set forth below is the structure of the New Contractual Arrangements:



Notes:

“—————>” denotes direct legal and beneficial ownership in the equity interest.

“----->” denotes contractual relationship.

MAJOR TERMS OF THE NEW CONTRACTUAL ARRANGEMENTS

The New Contractual Arrangements shall comprise the same set of agreements constituting the Existing Contractual Arrangements in substantially the same form:

Exclusive Consultation and Service Agreement

The Exclusive Consultation and Service Agreement dated July 15, 2024 between the WFOE and the New PRC Holdco, pursuant to which, the New PRC Holdco agreed to engage the WFOE as its exclusive provider of technical support, consultation and other services, including the following services:

- providing information consultation services in respect of the Consolidated Affiliated Entities’ business;

- providing enterprise management consultation services;
- providing technical support and professional training services to relevant staff of the Consolidated Affiliated Entities;
- providing order management and customer services;
- providing marketing and promotion services;
- assisting Consolidated Affiliated Entities in consultancy, collection and research of technology and market information (excluding market research business that wholly foreign owned enterprises are prohibited from conducting under PRC laws);
- design, development, maintenance and updating of software in respect of the Consolidated Affiliated Entities' business;
- license and authorization of use of the software, trademarks, domain names and various other types of intellectual properties owned by the WFOE;
- design, installation, daily management, maintenance and updating of network systems, hardware and database;
- maintenance of the local area network of the Consolidated Affiliated Entities' business and anti-virus and security management of the network of the Consolidated Affiliated Entities' business;
- assisting Consolidated Affiliated Entities for transfer, leasing and disposal of equipment and properties;
- providing on-site services upon request from the Consolidated Affiliated Entities, arranging engineers to provide on-site assistance for conferences and other relevant technical support and consultation services; and
- other relevant services requested by the Consolidated Affiliated Entities from time to time to the extent permitted under PRC laws.

Under the Exclusive Consultation and Service Agreement, the service fee shall consist of 100% of the total annual consolidated profit, including any other distribution received from the Consolidated Affiliated Entities, after deduction of any accumulated deficit of the Consolidated Affiliated Entities in respect of the preceding financial year(s), operating costs, expenses, taxes and other statutory contributions. Notwithstanding the foregoing, the WFOE may adjust the scope and amount of service fees as well as the payment time and method according to PRC tax laws, and the New PRC Holdco shall cooperate with such adjustments accordingly. The WFOE shall calculate the service fees on a monthly basis and issue a corresponding invoice to the New PRC Holdco. The New PRC Holdco shall make payment to the bank account designated by the WFOE within 10 business days after receipt of the invoice and send payment certificates to the WFOE.

In addition, absent the prior written consent from the WFOE, during the term of the Exclusive Consultation and Service Agreement, with respect to the services subject to the Exclusive Consultation and Service Agreement and other matters, the Consolidated Affiliated Entities shall not directly or indirectly accept the same or any similar services provided by any third party, establish collaborative relationships similar to that formed by the Exclusive Consultation and Service Agreement with any third party, or in its own initiative perform any acts which might affect the confidentiality of the technology and secrets involved in the service provided by the WFOE or the effectiveness and efficiency of the technical supports or allow any third party to do the same (except for malicious acts of third parties that are out of the WFOE's control). The WFOE may appoint other parties, who may enter into certain agreements with the Consolidated Affiliated Entities, to provide the Consolidated Affiliated Entities with the services under the Exclusive Consultation and Service Agreement. The Exclusive Consultation and Service Agreement also provide that the WFOE has the exclusive proprietary rights to and interests in any and all intellectual property rights developed or created by the Consolidated Affiliated Entities during the performance of the Exclusive Consultation and Service Agreement.

The validity period of the Exclusive Consultation and Service Agreement shall start from the execution date and it shall remain effective unless terminated (a) by agreement between the WFOE and the New PRC Holdco; or (b) by a written notice from the WFOE at least 30 days before termination. The New PRC Holdco is not entitled to unilaterally terminate the agreement. If the term of operation of either party expires, that party shall promptly renew its term of operation to ensure the effective implementation of the Exclusive Consultation and Service Agreement.

Exclusive Option Agreement

The Exclusive Option Agreement dated July 15, 2024 among the WFOE, the Registered Shareholder and the New PRC Holdco, pursuant to which, the WFOE has been granted an irrevocable, unconditional and exclusive right to require the Registered Shareholder to transfer any or all its equity interests in the New PRC Holdco to the WFOE and/or a third party designated by it, in whole or in part at any time and from time to time. The New PRC Holdco and the Registered Shareholder, among other things, have covenanted that:

- without the prior written consent of the WFOE, they shall not in any manner supplement, change or amend the constitutional documents of the Consolidated Affiliated Entities, increase or decrease their registered capital, or change the structure of their registered capital in other manner;
- they shall maintain the Consolidated Affiliated Entities' corporate existence in accordance with good financial and business standards and practices, obtain and maintain all necessary government licenses and permits by prudently and effectively operating their business and handling their affairs;
- without the prior written consent of the WFOE, they shall not and shall procure its subsidiaries not to, at any time following the date when the Exclusive Option Agreement came into effect, sell, transfer, pledge or dispose of in any manner any assets of more than RMB5,000,000, business, operation rights or legitimate interest in the income of the New PRC Holdco;
- without the prior written consent of the WFOE, the Consolidated Affiliated Entities shall not incur, inherit, guarantee or assume any debt, except for payables incurred in the ordinary course of business not generated from loans;
- the Consolidated Affiliated Entities shall always operate all of their businesses during the ordinary course of business to maintain their asset value and refrain from any action/omission that may adversely affect their operating status and asset value;
- without the prior written consent of the WFOE, they shall not cause or permit the Consolidated Affiliated Entities to execute any material contract with a value of more than RMB5,000,000, except the contracts executed in the ordinary course of business;
- without the prior written consent of the WFOE, they shall not cause or permit the Consolidated Affiliated Entities to provide any person with any loan or credit, or guarantee for any third-party debt;

- at the request of the WFOE, they shall provide the WFOE with information on the Consolidated Affiliated Entities' business operations and financial condition;
- at the request of the WFOE, they shall procure and maintain insurance in respect of the Consolidated Affiliated Entities' assets and business from an insurance carrier acceptable to the WFOE, at an amount and type of coverage typical for companies that operate similar businesses;
- without the prior written consent of the WFOE, they shall not cause or permit the Consolidated Affiliated Entities to merge, consolidate with, acquire or invest in any entity;
- immediately notify the WFOE of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to the Consolidated Affiliated Entities' assets, business or revenue, as well as any circumstances which may adversely affect the Consolidated Affiliated Entities' existence, business operation, financial situation, assets or goodwill;
- to maintain the ownership by the Consolidated Affiliated Entities of all of their assets, and shall execute all necessary or appropriate documents, take all necessary or appropriate actions and file all necessary or appropriate complaints or raise necessary and appropriate defenses against all claims;
- without the prior written consent of the WFOE, the Consolidated Affiliated Entities shall not in any manner distribute profits or dividends to their shareholders, provided that upon the request of the WFOE, the Consolidated Affiliated Entities shall immediately distribute all distributable profits to their shareholders;
- at the request of the WFOE, they shall appoint any persons designated by the WFOE as the directors, supervisors and senior management of the Consolidated Affiliated Entities, replace or remove the directors, supervisors and senior management of the Consolidated Affiliated Entities, and go through all relevant resolution procedures and filings;
- without the written consent of the WFOE, the Consolidated Affiliated Entities shall not engage in any business in competition with the WFOE or its affiliates;
- unless otherwise mandatorily required by PRC laws, the Consolidated Affiliated Entities shall not be dissolved or liquidated without prior written consent by the WFOE;

- if any of the Consolidated Affiliated Entities is required to be dissolved or liquidated in accordance with the mandatory provisions of applicable laws, the WFOE may exercise all the investor rights over such entity on behalf of the Registered Shareholder when such entity is dissolved or liquidated in accordance with the PRC laws. After the completion of the above dissolution or liquidation, any remaining portion of the benefits distributed by the Consolidated Affiliated Entities to the Registered Shareholder in accordance with the law, after deducting the actual investment amount of their existing shareholder, shall be transferred to the WFOE free of charge, provided such transfer does not violate the applicable laws;
- if the exercise of the rights by the WFOE is obstructed due to the Consolidated Affiliated Entities' or any of their shareholders' non-compliance of their tax duties under applicable laws, the WFOE shall have the right to require them to fulfil such tax duties;
- in the event of bankruptcy, dissolution, liquidation, death or loss of legal capacity (if applicable) of any of Consolidated Affiliated Entities' shareholders, or other circumstances that may affect such shareholders' holding of the Consolidated Affiliated Entities' equity interests, any successor of an existing shareholder shall be deemed to be a party to the Exclusive Option Agreement. The Consolidated Affiliated Entities shall, on or before the day of signing this agreement to make everything properly arranged and signed in order to ensure the documentations, in the event of bankruptcy, dissolution, liquidation, death, incapacity or divorce (if applicable) and any circumstance of their shareholders, will not affect or hinder the fulfilment of the Exclusive Option Agreement. The Exclusive Option Agreement and other contractual arrangements shall prevail over any form of agreements relating to disposition of interests in the Consolidated Affiliated Entity unless prior written consent from the WFOE is obtained;
- without the prior written consent of the WFOE, the Consolidated Affiliated Entities will not and shall not assist or permit their shareholders to transfer or otherwise dispose of any option equity or to establish any security interest or other third-party rights on any option equity; and
- if signing and performance of the Exclusive Option Agreement and the stock transfer options granted under the Exclusive Option Agreement shall require any third party's consent, permission, waiver, authorization or any governmental agency's approval, license, immunity, registration or filing in accordance with the law, the Consolidated Affiliated Entities shall make every endeavour to help satisfy the above conditions.

In addition, the Registered Shareholder, among other things, has covenanted that:

- without the written consent of the WFOE, they shall not sell, transfer, pledge or dispose of in any other manner the legal or beneficial interest in the New PRC Holdco, or allow the encumbrance thereon of any security interest, except for the interests prescribed in the Equity Pledge Agreement and the Proxy Agreement;
- for each exercise of the equity purchase option, they shall cause the shareholders' meeting and/or the board of directors of the New PRC Holdco to vote on the approval of the transfer of equity interests and any other action requested by the WFOE;
- the Registered Shareholder whose equity interest has not been transferred shall relinquish the pre-emptive right (if any) it is entitled to in relation to the transfer of equity interest by any other shareholders to the WFOE and/or any entity or individual appointed by the WFOE pursuant to the Exclusive Option Agreement;
- without the written consent of the WFOE, the Registered Shareholder shall not request the New PRC Holdco to distribute dividends or profits in any form, propose resolutions in relation to the same at a general meeting, or vote to pass such resolutions. In any event, unless decided otherwise by the WFOE, if any Registered Shareholder receives corporate income, profits or dividends from the New PRC Holdco, they shall pay or transfer the received income, profits, dividends to the WFOE or any party designated by the WFOE to the extent allowed by the PRC laws;
- the Registered Shareholder shall also strictly comply with the provisions of the Exclusive Option Agreement between the Registered Shareholder, the Consolidated Affiliated Entity and the WFOE, and shall faithfully perform the obligations under such agreements and shall not conduct any act and/or omission which shall affect the validity and enforceability of such agreements. If any Registered Shareholder retains any rights on the equities as in the Equity Pledge Agreement or the Proxy Agreement, it shall not exercise such rights unless instructed in writing by the WFOE; and
- the WFOE is entitled to acquire by itself or through any other entity or individual designated by it, the equity or partnership interest held by each indirect shareholder or partner of the Registered Shareholder (as the case may be), so as to indirectly exercise the WFOE's conversion option. The indirect exercise of the conversion option of the WFOE in the above manner shall also be handled in accordance with the provisions of the Exclusive Option Agreement. The Registered Shareholder agrees to use its best endeavors to facilitate the realization of the above transaction.

The validity period of the Exclusive Option Agreement shall start from the execution date and it shall remain effective unless terminated if all option shares are legally transferred to the WFOE and/or any other entity or individual designated by the WFOE in accordance with the provisions of the Exclusive Option Agreement. The WFOE may decide to terminate the Exclusive Option Agreement at any time by giving written notice to the Registered Shareholder and the New PRC Holdco without incurring any liability. Neither the Registered Shareholder nor the New PRC Holdco shall have the right to unilaterally terminate the Exclusive Option Agreement unless otherwise mandatorily required by the laws of the PRC.

Equity Pledge Agreement

The Equity Pledge Agreement dated July 15, 2024 among the WFOE, the Registered Shareholder and the New PRC Holdco, pursuant to which, the Registered Shareholder agreed to pledge all its equity interests in the New PRC Holdco that it owns, including any interest or dividend paid for the shares, to the WFOE as a security interest to guarantee the performance of contractual obligations and the payment of outstanding debts.

The pledge in respect of the New PRC Holdco takes effect upon the completion of change of registration with the relevant administration for industry and commerce and shall remain valid until after all the contractual obligations of the Registered Shareholder and the New PRC Holdco under the relevant Contractual Arrangements have been fully performed and all the outstanding debts of the Registered Shareholder and the New PRC Holdco under the relevant Contractual Arrangements have been fully paid.

Upon the occurrence and during the continuance of an event of default (as defined in the Equity Pledge Agreement), unless such default is cured within twenty days following the Registered Shareholder or the New PRC Holdco's receipt of the written notice which requests for the cure of such default, the WFOE shall have the right to exercise all such rights as a secured party under any applicable PRC law and the Equity Pledge Agreement, including without limitations, being paid in priority with the equity interests based on the monetary valuation that such equity interests are converted into or from the proceeds from auction or sale of the equity interest upon written notice to the Registered Shareholder.

The equity pledge registrations under the Equity Pledge Agreement shall be completed in accordance with the Equity Pledge Agreement and PRC laws and regulations.

Proxy Agreement

The Proxy Agreement dated July 15, 2024 among the WFOE, the Registered Shareholder and the New PRC Holdco, pursuant to which, the Registered Shareholder irrevocably and exclusively appointed the persons designated by the WFOE (including but not limited to directors of the WFOE's parent company, Maoyan Entertainment, and their successors and liquidators replacing the Directors but excluding those who are non-independent or who may give rise to conflict of interests) as its attorneys-in-fact to exercise on its behalf, any and all right that it has in respect of its equity interests in the New PRC Holdco, including without limitation:

- to propose to convene and to attend shareholders' meetings of the New PRC Holdco;
- to receive any notice of the convening of a shareholders' meeting and related proceedings;
- to execute and deliver any and all written resolutions and meeting minutes on behalf of Registered Shareholders and in the capacity as shareholders, and to vote in person or by proxy on any matter under discussion at a shareholders' meeting, including but not limited to the sale, transfer, pledge or disposal of any or all of the assets in the New PRC Holdco;
- to sell, transfer, pledge or dispose of any or all of the equity interests in the New PRC Holdco;
- to nominate, elect, designate, appoint or remove the legal representatives, directors, supervisors, general manager, chief financial officer and other senior management of the New PRC Holdco;
- to supervise business performance, approve annual budget, declare dividends, and review at any time the financial information of the New PRC Holdco;
- to permit the New PRC Holdco to submit any registration documents to relevant governmental authorities and to file documents with the Company Registry;
- to exercise voting rights on behalf of the Registered Shareholder on liquidation of the New PRC Holdco;
- if the act of directors and/or senior management harms the interests of the New PRC Holdco or the Registered Shareholder, to file a shareholder action against such directors and/or senior management or to take other legal actions;

- to approve amendments on the articles of association; and
- to exercise any other rights granted to shareholders pursuant to the New PRC Holdco's articles of association or relevant laws and regulations.

Undertakings from Tianjin Youze, Ms. Wang Jian, Ms. Jia Yun and Ms. Zheng Xia

The undertakings dated July 15, 2024 executed by each of Tianjin Youze, Ms. Wang Jian, Ms. Jia Yun and Ms. Zheng Xia in favour of the WFOE and New PRC Holdco, to the effect, among others, that each of Tianjin Youze, Ms. Wang Jian, Ms. Jia Yun and Ms. Zheng Xia undertakes:

- to procure the Registered Shareholder to strictly and continuously comply with (1) the terms and arrangements under the Exclusive Option Agreement, the Proxy Agreement and the Equity Pledge Agreement and any amendments from time to time, and (2) any other agreements and arrangements related to the aforementioned agreements and any forms of annexes thereto, and terms and arrangements under any supplemental agreements as signed and amended from time to time between the New PRC Holdco and the WFOE;
- any agreement related to the Registered Shareholder does not contain any restrictions on the signing and performance of the New Contractual Arrangements. If such agreement is inconsistent with the New Contractual Arrangements, the New Contractual Arrangements shall prevail;
- any indirect interests held by him/her/it in the New PRC Holdco and its consolidated subsidiaries through the Registered Shareholder are beneficially owned by the WFOE, and he/she/it further undertakes that and he/she/it will not claim against and its consolidated subsidiaries and/or the WFOE regarding such rights and interests at any time or under any circumstances;
- to procure the Registered Shareholder not to raise any claim or take any action against the New Contractual Arrangements based on its direct or indirect holdings in the New PRC Holdco and its consolidated subsidiaries;
- without prior written consent of the WFOE or its designated person, he/she/it will procure Registered Shareholder, Tianjin Youze (with respect to undertakings from Ms. Wang Jian, Ms. Jia Yun, Ms. Zheng Xia), Tianjin Caizhuo and Tianjin Caicheng not to amend their articles of association/partnership agreement, registered capital, or shareholding structure/partnership interests and composition, change executive director/partners, or dispose any interests as applicable;

- if the WFOE or any individual designated by it requires amendments to relevant matters of the Registered Shareholder, Tianjin Youze (with respect to undertakings from Ms. Wang Jian, Ms. Jia Yun, Ms. Zheng Xia), Tianjin Caizhuo and Tianjin Caicheng in accordance with the New Contractual Arrangements, he/she/it shall actively facilitate and accomplish such requirements as instructed;
- to transfer his/her/its interests in the Registered Shareholder, Tianjin Youze (with respect to undertakings from Ms. Wang Jian, Ms. Jia Yun, Ms. Zheng Xia), Tianjin Caizhuo and Tianjin Caicheng to the designated person in accordance with the instruction of the WFOE or its designated person at the lowest consideration to the extent permissible by applicable laws, and to remit the consideration (if any) to the WFOE or its designated person;
- to procure the pledge of his/her/its shares/interests in Tianjin Youze, Tianjin Caizhuo and/or Tianjin Caicheng to the WFOE as soon as possible after the execution of the letter of undertakings; and
- to bear liability for breaching of undertakings in the same way as a breaching party does under the New Contractual Arrangements and compensate for losses.

Spouse Undertakings

The spouse undertakings dated July 15, 2024 executed by the spouse of each of Ms. Wang Jian, Ms. Jia Yun and Ms. Zheng Xia to the effect, among others, that each of them unconditionally and irrevocably:

- confirmed and agreed that their spouse's existing and future equity interests in Tianjin Youze, Tianjin Caizhuo, Tianjin Caicheng and the Registered Shareholder, and in the New PRC Holdco through the Registered Shareholder (together with any other interests therein) do not fall within the scope of common properties; the Registered Shareholder is entitled to deal with the respective spouse's equity interests and any interests therein in the New PRC Holdco in accordance with the New Contractual Arrangements without the prior consent of them;
- confirmed that the respective spouse may further amend or terminate the New Contractual Arrangements without the need for authorization or consent by him/her;
- will not raise any proposition or take any action against the New Contractual Arrangements based on the shares in the New PRC Holdco held by their spouse through the Registered Shareholder;

- if all or part of the shares held by their spouse through the Registered Shareholder are transferred to him/her, to pledge, sell or dispose such shares in accordance with the provisions and requirements prescribed in the New Contractual Arrangements, to observe obligations of the Registered Shareholder as a shareholder of the New PRC Holdco under the New Contractual Arrangements, and to sign all necessary documents and take all necessary actions to ensure the New Contractual Arrangements to be properly performed;
- promised that he/she has never and does not intend to participate in the operation, management or voting matters of the New PRC Holdco; and
- waives, unconditionally and irrevocably, any shareholding rights or any other rights related to the equities that may be vested in him/her accordance with applicable laws.

Other key terms thereunder

Dispute resolution

Each of the agreements under the New Contractual Arrangements contains a dispute resolution provision. Pursuant to such provision, in the event of any dispute arising from the performance of or relating to the New Contractual Arrangements, any party has the right to submit the relevant dispute to the China International Economic and Trade Arbitration Commission (“CIETAC”) for arbitration, in accordance with the then effective arbitration rules. The arbitration shall be conducted in Beijing and the language used during arbitration shall be Chinese. The arbitration award shall be final and binding on all parties. The dispute resolution provisions also provide that subject to the requirements under PRC laws, the arbitral tribunal may award remedies over the shares or assets of Consolidated Affiliated Entities or injunctive relief (e.g. limiting the conduct of business, limiting or restricting transfer or sale of shares or assets) or order the winding up of Consolidated Affiliated Entities; any party may apply to the courts of the PRC, Hong Kong, the Cayman Islands (being the place of incorporation of the Company), and the places where the principal assets of the Consolidated Affiliated Entities are located for interim remedies or injunctive relief.

However, PRC Legal Advisor has advised that the above provisions may not be enforceable under the PRC laws. For instance, the arbitral tribunal has no power to grant such injunctive relief, nor will it be able to order the winding up of Consolidated Affiliated Entities pursuant to the current PRC laws. In addition, interim remedies or enforcement order granted by overseas courts such as Hong Kong and the Cayman Islands may not be recognizable or enforceable in the PRC. Even if the abovementioned provisions may not be enforceable under PRC laws, the remaining provisions of the dispute resolution clauses are legal, valid and binding on the parties to the agreement under the New Contractual Arrangements.

As a result of the above, in the event that the Consolidated Affiliated Entities or the Registered Shareholder or the other individuals stated above breach any of the New Contractual Arrangements, we may not be able to obtain sufficient remedies in a timely manner, and the Company's ability to exert effective control over the Consolidated Affiliated Entities and conduct the Group's business could be materially and adversely affected. See "Risks and Limitations Relating to the New Contractual Arrangements" in this announcement for further details.

Potential conflict of interest

To ensure effective control over the Consolidated Affiliated Entities, the Group has implemented measures to protect against the potential conflicts of interest between the Company and the Registered Shareholder. Pursuant to the Exclusive Option Agreement, the WFOE has the right to require the Registered Shareholder to transfer any or all their equity interests in the New PRC Holdco to the WFOE or its designated third party. Under the Proxy Agreement, each of the Registered Shareholder appointed the persons designated by the WFOE (excluding non-independent persons or persons who may give rise to conflicts of interests) as their attorney-in-fact to exercise its rights in respect of its equity interests in the New PRC Holdco. Furthermore, under the Spouse Undertakings, spouses of the partners of the Registered Shareholder unconditionally and irrevocably (i) acknowledged the entry into of the New Contractual Arrangements by their spouses; (ii) confirmed that any equity interests of their spouses in the New PRC Holdco do not fall within the scope of their common properties; (iii) undertook that he or she shall not take any actions against the New Contractual Arrangements; and (iv) confirmed that his or her consent and approval is not required for the implementation of the New Contractual Arrangements, any amendments thereto or the termination thereof. Based on the foregoing, the Directors are of the view that the measures we have adopted are sufficient to mitigate the risks associated with potential conflicts of interest between the Group and the Registered Shareholder and that these measures are sufficient to protect the Group's interest in the Consolidated Affiliated Entities.

Loss sharing

Under the relevant PRC laws and regulations, none of the Group and the WFOE is expressly legally required to share the losses of, or provide financial support to, the Consolidated Affiliated Entities. Further, each of the Consolidated Affiliated Entities is a limited liability company and shall be solely liable for its own debts and losses with assets and properties owned by it. The WFOE intends to continuously provide to or assist the Consolidated Affiliated Entities in obtaining financial support when deemed necessary. In addition, given that Group mainly conducts its business operations in the PRC through its consolidated affiliated entities from time to time (including but not limited to the Consolidated Affiliated Entities), and that their financial position and results of operations are consolidated into the Group's financial statements under the applicable accounting principles, the Company's business, financial position and results of operations would be adversely affected if the Consolidated Affiliated Entities suffer losses.

However, as provided in the Exclusive Option Agreement, without the prior written consent of the WFOE, the New PRC Holdco shall not, among others, (i) sell, transfer, pledge or dispose of in any manner any of their material assets of more than RMB5,000,000; (ii) execute any material contract with a value of more than RMB5,000,000, except those entered into in the ordinary course of business; (iii) provide any loan, credit or guarantees in any form to any third party, or allow any third party create any other security interests on its assets or equity; (iv) incur, inherit, guarantee or allow any debt that is not incurred in the ordinary course of business; (v) enter into any consolidation or merger with any third party, or being acquired by or invest in any third party; (vi) increase or reduce its respective registered capital, or alter the structure of its registered capital in any other way, or amend its articles of association, (vii) conduct any act or act of omission that may adversely affect its operation condition or value of assets, (viii) distribute any dividends to the Registered Shareholder, (ix) conduct any business that competes with the business of the WFOE or its affiliates, or (x) liquidate or dissolve. Therefore, due to the relevant restrictive provisions in the agreements, the potential adverse effect on the WFOE and the Company in the event of any loss suffered from the Consolidated Affiliated Entities can be limited to a certain extent.

Liquidation

Pursuant to the Exclusive Option Agreement, in the event of a mandatory liquidation required by the PRC laws, the Registered Shareholder shall give the proceeds they received from liquidation as a gift to the WFOE or its designee(s) to the extent permitted by the PRC laws.

Insurance

The Company does not maintain an insurance policy to cover the risks relating to the New Contractual Arrangements.

REASONS FOR AND BENEFITS OF ENTERING INTO NEW CONTRACTUAL ARRANGEMENT

The New Contractual Arrangement will be established to operate the business of the Group and its establishment will enhance administration efficiency such that various administrative matters or filings which require the signatures of the registered shareholder of the New PRC Holdco could be more efficiently handled.

As disclosed in the Prospectus, due to applicable laws and regulatory (i) prohibitions on foreign investors conducting movie distribution and radio television program production (collectively the “**Prohibited Businesses**”) by foreign ownership, (ii) restrictions on foreign investors conducting value-added telecommunication services business (the “**Restricted Businesses**”, together with the Prohibited Businesses, the “**Relevant Businesses**”), the Group has in place the Existing Contractual Arrangement that was designed to allow the Company to exercise control over the operations of the Existing PRC Holdco and enjoy the economic benefits generated by the Existing PRC Holdco. Please refer to the section headed “Contractual Arrangements” of the Prospectus for the detailed reasons why the Group’s businesses are required to be carried out by way of contractual arrangements from a perspective of compliance of PRC laws and the details of the Existing Contractual Arrangements. The Company will unwind and terminate the New Contractual Arrangements wholly or partially once the Group’s businesses are no longer prohibited or restricted from foreign investment. Please refer to section headed “Legality of the New Contractual Arrangement” for PRC Legal Advisor’s opinion.

Based on the above analysis and the opinion of the PRC Legal Advisor, the Company is of the view that (i) the likelihood that the adoption of the New Contractual Arrangement is deemed ineffective or invalid under the applicable PRC laws and regulations is remote and the use of the New Contractual Arrangements does not constitute a breach of the relevant PRC laws and regulations in any material respect; and (ii) it was not viable for the Company to hold the New PRC Holdco and its subsidiaries directly through equity ownership. Instead, the Board decided that, in line with common practice in industries in the PRC subject to foreign investment restrictions and prohibitions, the Company would gain effective control over, and receive all the economic benefits generated by the businesses currently operated by the New Holdco and its subsidiaries through the New Contractual Arrangements.

LEGALITY OF THE NEW CONTRACTUAL ARRANGEMENTS

Based on the above, the PRC Legal Advisor is of the opinion that the New Contractual Arrangements are narrowly tailored to minimize potential conflict with relevant PRC laws and regulations and that:

- i. the use of the New Contractual Arrangements does not constitute a breach of applicable laws and regulations of the PRC in any material respect;
- ii. the New Contractual Arrangements do not contravene the current articles of association of the New PRC Holdco;
- iii. each of the New Contractual Agreements is binding on the parties thereto and none of them would be void under the Civil Code of the PRC;

- iv. except for the clauses providing that (a) an arbitral body may award injunctive relief or winding up orders and that courts in Hong Kong and the Cayman Islands may grant interim remedies may not be enforceable under PRC laws; (b) the equity interest pledge contemplated under the New Contractual Arrangements will not become effective until registration with competent governmental authorities; and (c) the shareholder of the New PRC Holdco undertakes to appoint a committee designated by the WFOE as the liquidation committee upon the winding up of the New PRC Holdco to manage their assets. However, in the event of a mandatory liquidation required by PRC laws or bankruptcy liquidation, these provisions may not be enforceable under PRC laws (collectively, the “**Exceptions**”), the New Contractual Arrangements are enforceable under the laws of the PRC; and
- v. notwithstanding paragraph iv above, as such Exceptions will not affect the effectiveness of the agreements under the New Contractual Arrangements conferring significant control and economic benefits from the New PRC Holdco to the Company, each of the agreements under the New Contractual Arrangements will become effective, valid, legally binding on the parties thereto, and enforceable under the PRC laws and regulations once it has been duly executed.

DEVELOPMENT IN THE PRC LEGISLATION ON FOREIGN INVESTMENT

The Foreign Investment Law of the PRC (《中華人民共和國外商投資法》), the “**Foreign Investment Law**”), which took effect on January 1, 2020, replaced the Sino-foreign Equity Joint Venture Enterprise Law of the PRC (《中華人民共和國中外合資經營企業法》), the Sino-foreign Cooperative Joint Venture Enterprise Law of the PRC (《中華人民共和國中外合作經營企業法》) and the Wholly Foreign-invested Enterprise Law of the PRC (《中華人民共和國外資企業法》) and became the legal foundation for foreign investment in the PRC.

Conducting operations through contractual arrangements has been and will be further adopted by many PRC-based companies, including the Group, to obtain and maintain necessary licenses and permits in the industries that are currently subject to foreign investment restrictions or prohibitions in China. The Foreign Investment Law does not explicitly stipulate contractual arrangements as a form of foreign investment. As advised by the PRC Legal Advisor, since contractual arrangements are not specified as foreign investment under the Foreign Investment Law, and if the future laws, regulations and rules do not incorporate contractual arrangements as a form of foreign investment, the New Contractual Arrangements as a whole and each of the agreements comprising the New Contractual Arrangements will not be affected and will continue to be legal, valid and binding on the parties.

Notwithstanding the above, there are possibilities that future laws, administrative regulations or provisions of the State Council may stipulate contractual arrangements as a way of foreign investment, and then whether the New Contractual Arrangements will be recognized as foreign investment, whether the New Contractual Arrangements will be deemed to be in violation of the foreign investment access requirements and how the New Contractual Arrangements will be handled are uncertain.

If the relevant rules, regulations or policy in the PRC become clear and there is specific implementation guidance as to allow the business to be operated by the Group without the New Contractual Arrangements in whole or in part, the WFOE will exercise the options under the Exclusive Option Agreement to acquire the equity interest in the New PRC Holdco and unwind the New Contractual Arrangements subject to re-approval by the relevant authorities.

If the operation of the Prohibited Businesses is in the Negative List, the New Contractual Arrangements may be viewed as restricted and/or prohibited foreign investment. Although New Contractual Arrangements are not specified as foreign investment under the Foreign Investment Law, the New Contractual Arrangements may be regarded as invalid and illegal if the future laws, administrative regulations or provisions prescribed by the State Council define New Contractual Arrangements as a form of foreign investment and the operation of the Prohibited Businesses is still in the Negative List. As a result, the Group would not be able to operate the New PRC Holdco through the New Contractual Arrangements and the Group would lose the Company's rights to receive the economic benefits of the New PRC Holdco. As a result, the financial results of the New PRC Holdco would no longer be consolidated into the Group's financial results and the group would have to derecognize their assets and liabilities according to the relevant accounting standards. An investment loss would be recognized as a result of such derecognition.

Nevertheless, considering that a number of existing conglomerates are operating under contractual arrangements and some of which have obtained listing status abroad and contractual arrangements are not specified as foreign investment under the Foreign Investment Law, the Directors are of the view that it is unlikely that the relevant regulations will take retrospective effect to require the relevant enterprises to remove the contractual arrangements.

DIRECTORS' VIEWS ON THE NEW CONTRACTUAL ARRANGEMENTS

Based on the above, the Directors are of the view that the New Contractual Arrangements conferring significant control and economic benefits from the New PRC Holdco are enforceable under the PRC laws and regulations. The Directors are also of the view that, as the New Contractual Arrangements, having their terms and conditions substantially the same as those of the Existing Contractual Arrangements, are a reproduction of the Existing Contractual Arrangements.

The Directors believe that the New Contractual Arrangements are narrowly tailored because the New Contractual Arrangements are only used to enable the Group to conduct businesses in industries that are subject to foreign investment restrictions and prohibitions in the PRC, and minimise the potential conflict with relevant PRC laws and regulations. The Directors believe that the New Contractual Arrangements are fair and reasonable because the New Contractual Arrangements were reproduced from the Existing Contractual Arrangements.

CONSOLIDATED FINANCIAL RESULTS OF THE CONSOLIDATED AFFILIATED ENTITIES

Under the Exclusive Consultation and Service Agreement, it was agreed that, as consideration of the services provided by the WFOE, the New PRC Holdco shall pay service fees to the WFOE. The service fees shall equal to approximately 100% of the total consolidated profit, including any other distribution received from the Consolidated Affiliated Entities, after deduction of any accumulated deficit of the Consolidated Affiliated Entities in respect of the preceding financial year(s), operating costs, expenses, taxes and other statutory contributions. The WFOE has the right to periodically receive or inspect the accounts of the Consolidated Affiliated Entities.

Under the Exclusive Option Agreement, the WFOE has been granted an irrevocable, unconditional and exclusive right to require the Registered Shareholder to transfer any or all its equity interests in the New PRC Holdco to the WFOE and/or a third party designated by it, in whole or in part at any time and from time to time. The WFOE has contractual control over the distribution of dividends or any other amounts to the Registered Shareholder as the WFOE's prior written consent is required before any distribution can be made. If the Registered Shareholder receive any income, profit distribution or dividend, they shall promptly transfer or pay, as part of the service fees under the Exclusive Consultation and Service Agreement, such income, profit distribution or dividend to the WFOE or any other person designated by the WFOE to the extent permitted under applicable PRC laws.

Under the Proxy Agreement, the Registered Shareholder irrevocably and exclusively appointed the persons designated by the WFOE (including but not limited to directors of the WFOE's parent company, Maoyan Entertainment, and their successors and liquidators replacing the Directors but excluding those who are non-independent or who may give rise to conflict of interests) as its attorneys-in-fact to exercise on its behalf, any and all right that it has in respect of its equity interests in the New PRC Holdco.

In addition, under the Equity Pledge Agreement, the Registered Shareholder agreed to pledge all its equity interests in the New PRC Holdco that it owns, including any interest or dividend paid for the shares, to the WFOE as a security interest to guarantee the performance of contractual obligations and the payment of outstanding debts.

As a result of the New Contractual Arrangements among the WFOE, the New PRC Holdco, the Registered Shareholder and the individuals stated above, the WFOE is able to effectively control, recognize and receive substantially all the economic benefit of the business and operations of the Consolidated Affiliated Entities. Accordingly, the Consolidated Affiliated Entities are treated as controlled structured entities of the Company and consolidated by the Company.

COMPLIANCE WITH THE NEW CONTRACTUAL ARRANGEMENTS

The Group has adopted the following measures to ensure the effective operation of the Group with the implementation of the New Contractual Arrangements and the Group's compliance with the New Contractual Arrangements:

- i. major issues arising from the implementation and compliance with the New Contractual Arrangements or any regulatory enquiries from government authorities will be submitted to the Board, if necessary, for review and discussion on an occurrence basis;
- ii. the Board will review the overall performance of and compliance with the New Contractual Arrangements at least once a year;
- iii. the Company will disclose the overall performance and compliance with the New Contractual Arrangements in the annual reports of the Company; and
- iv. the Company will engage external legal advisors or other professional advisors, if necessary, to assist the Board to review the implementation of the New Contractual Arrangements, review the legal compliance of the WFOE and the Consolidated Affiliated Entities to deal with specific issues or matters arising from the New Contractual Arrangements.

RISKS AND LIMITATIONS RELATING TO THE NEW CONTRACTUAL ARRANGEMENTS

(i) Loss sharing and economic risks of the Company

Under the relevant PRC laws and regulations, none of the Group and the WFOE is expressly legally required to share the losses of, or provide financial support to, the Consolidated Affiliated Entities. Further, each of the Consolidated Affiliated Entities is a limited liability company and shall be solely liable for its own debts and losses with assets and properties owned by it. The WFOE intends to continuously provide to or assist the Consolidated Affiliated Entities in obtaining financial support when deemed necessary. In addition, given that the Group mainly conducts its business operations in the PRC through its consolidated affiliated entities from time to time (including but not limited to the Consolidated Affiliated Entities), and that their financial position and results of operations are consolidated into the Group's financial statements under the applicable accounting principles, the Company's business, financial position and results of operations would be adversely affected if the Consolidated Affiliated Entities suffer losses. However, due to the restrictive provisions contained in the New Contractual Arrangements as disclosed in this announcement, the potential adverse effect on the WFOE and the Company in the event of any loss suffered from the Consolidated Affiliated Entities can be limited to a certain extent.

(ii) The PRC government may find that the New Contractual Arrangements do not comply with applicable PRC laws and regulations

If the PRC government determines that we are in violation of PRC laws or regulations or lack the necessary permits or licenses to operate Group's business, the relevant PRC regulatory authorities, including the MOFCOM, the MIIT, the Ministry of Culture and Tourism, the National Film Bureau and the State Administration of Radio and Television, would have broad discretion in dealing with such violation or failures, including, but not limited to:

- revoking the Group's business and operating licenses;
- discontinuing or restricting the Group's operations;
- imposing fines or confiscating any of the Group's income that they deem to have been obtained through illegal operations;
- imposing conditions or requirements with which we or the WFOE and the Consolidated Affiliated Entities may not be able to comply;
- requiring us or the WFOE and the Consolidated Affiliated Entities to restructure the relevant ownership structure or operations;

- restricting or prohibiting the Group's use of the proceeds from the initial public offering or other of the Group's financing activities to finance the business and operations of the Consolidated Affiliated Entities and their respective subsidiaries; or
- taking other regulatory or enforcement actions that could be harmful to the Group's business.

Any of these actions could cause significant disruption to the Group's business operations, and may materially and adversely affect the Group's business, financial condition and results of operations. In addition, it is unclear what impact the PRC government actions would have on the Group and on the Group's ability to consolidate the financial results of the New PRC Holdco and its subsidiaries in Group's consolidated financial statements, if the PRC governmental authorities find the Group's legal structure and contractual arrangements to be in violation of PRC laws, rules and regulations. If any of these penalties result in the Group's inability to direct the activities of the New PRC Holdco and its subsidiaries that most significantly impact their economic performance and/or Group's failure to receive the economic benefits from the New PRC Holdco and its subsidiaries, the Group may not be able to consolidate the New PRC Holdco and its subsidiaries into the Group's consolidated financial statements in accordance with IFRS.

(iii) The New Contractual Arrangements may not be as effective in providing operational control over the New PRC Holdco as direct ownership

Due to the PRC restrictions or prohibitions on foreign ownership of certain businesses in the PRC, the Company operates businesses that are subject to foreign investment restriction or prohibition in accordance with the Negative List in the PRC through its consolidated affiliated entities from time to time (including but not limited to the Consolidated Affiliated Entities), in which the Company has no ownership interest. The Company relies on the New Contractual Arrangements with the New PRC Holdco or its shareholders to control and operate their business. The New Contractual Arrangements are intended to provide the Company with effective control over the Consolidated Affiliated Entities and allow the Company to obtain economic benefits from them.

The Company has been advised by PRC Legal Advisor that, except for certain clauses regarding remedies that may be awarded by the arbitration tribunal and the power of courts in Hong Kong and the Cayman Islands to grant interim remedies in support of the arbitration and liquidation arrangement of Consolidated Affiliated Entities, the New Contractual Arrangements, taken individually or collectively, are valid, legally binding and enforceable against each party of such agreements in accordance with their terms. However, there can be no assurance that the PRC governmental authorities will take a view in the future that is not contrary to or otherwise different from the opinion of PRC Legal Advisor stated above, and there is also the possibility that the PRC governmental authorities may adopt new laws and regulations in the future which may invalidate the New Contractual Arrangements. The New Contractual Arrangements may not be as effective in providing control over the New PRC Holdco as direct ownership. If the New PRC Holdco or its shareholders fail to perform their respective obligations under the New Contractual Arrangements, we may incur substantial costs and expend substantial resources to enforce Group's rights. All of the New Contractual Arrangements are governed by and interpreted in accordance with PRC laws and disputes arising from the New Contractual Arrangements will be resolved through arbitration or litigation in China. However, there are very few precedents and little official guidance as to how contractual arrangements in the context of a variable interest entity should be interpreted or enforced under PRC laws. There remain significant uncertainties regarding the outcome of arbitration or litigation. Such uncertainties could limit the Group's ability to enforce the New Contractual Arrangements. In the event we are unable to enforce the New Contractual Arrangements or we experience significant delays or other obstacles in the process of enforcing the New Contractual Arrangements, we may not be able to exert effective control over the Consolidated Affiliated Entities and may lose control over the assets owned by the Group's Consolidated Affiliated Entities. As a result, the Company may be unable to consolidate the Consolidated Affiliated Entities in the Company's consolidated financial statements, and the Group's ability to conduct the Group's business may be materially and adversely affected.

(iv) The Registered Shareholder may have potential conflicts of interest with the Company

Although there are provisions under the New Contractual Arrangements to prevent those situations, conflicts of interest may still arise when the interests of the Registered Shareholder do not align with that of the Company. If the Company fails to resolve this internally, the Company would have to rely on legal proceedings, which may be expensive, time-consuming and disruptive to operations of the Group. There is also substantial uncertainty as to the outcome of any such legal proceedings.

(v) Limitation of the usage of the assets held by the New PRC Holdco during its bankruptcy, dissolution or liquidation proceeding

The Company does not have priority pledges and liens against the assets of the Consolidated Affiliated Entities. If the New PRC Holdco were to undergo an involuntary liquidation proceeding, third-party creditors may claim rights to some or all of its assets and we may not have priority against such third-party creditors on the assets of the Consolidated Affiliated Entities. If the Consolidated Affiliated Entities liquidate, we may take part in the liquidation procedures as a general creditor under the PRC Enterprise Bankruptcy Law and recover any outstanding liabilities owed by the New PRC Holdco to the WFOE under the applicable service agreement.

Under the New Contractual Arrangements, the Registered Shareholder covenanted that they shall not sell, transfer, pledge or dispose of in any other manner the legal or beneficial interest in the New PRC Holdco, or allow the encumbrance thereon of any security interest, except for the Equity Pledge Agreement, without the written consent of the WFOE. In addition, the Registered Shareholder covenanted that they shall not request the New PRC Holdco to in any manner distribute profit or dividends, raise such relevant shareholders' resolution or vote in favor of any such relevant shareholders' resolution without the prior written consent of the WFOE. In the event that they receive any income, profit distribution or dividend, except as otherwise determined by the Group, they shall promptly transfer or pay, as part of the services fee under the Exclusive Consultation and Service Agreement, such income, profit distribution or dividend to the Group or any other person designated by the Group to the extent permitted under applicable PRC laws. In the event that the Registered Shareholder breach the relevant covenants, we may need to resort to legal proceedings to enforce the terms of the contractual arrangements. Any such legal proceeding may be costly and may divert the Group's management's time and attention away from the operation of the Group's business, and the outcome of such legal proceeding is uncertain.

(vi) Limitations in Exercising the Option to Acquire Equity Ownership or Assets in the New PRC Holdco

Pursuant to the New Contractual Arrangements, the WFOE or its designated person(s) has the irrevocable and exclusive right to purchase all or any part of the equity interests in the New PRC Holdco from its shareholders at any time and from time to time in the WFOE's absolute discretion to the extent permitted by PRC laws. The consideration shall be the lower of a nominal price or the lowest price as permitted under applicable PRC laws. The equity transfer may be subject to the approvals from, or filings with, the MOFCOM, the MIIT, the SAIC and/or their local competent counterparts. In addition, the equity transfer price may be subject to review and tax adjustment by the relevant tax authorities. The equity transfer price to be received by the New PRC Holdco under the New Contractual Arrangements may also be subject to enterprise income tax, and such tax amounts could be substantial.

(vii) The New Contractual Arrangements may be subject to scrutiny by the PRC tax authorities and additional tax may be imposed

Under PRC laws and regulations, arrangements and transactions among related parties may be subject to audit or challenge by the PRC tax authorities. The Company could face material and adverse tax consequences if the PRC tax authorities determine that the New Contractual Arrangements among the Group's PRC subsidiaries and the Consolidated Affiliated Entities do not represent an arms-length price and adjust the Consolidated Affiliated Entities' income in the form of a transfer pricing adjustment. A transfer pricing adjustment could, among other things, result in a reduction, for PRC tax purposes, of expense deductions recorded by the Consolidated Affiliated Entities, which could in turn increase their tax liabilities. In addition, the PRC tax authorities may impose late payment fees and other penalties to the Group's PRC variable interest entities for under-paid taxes. The Group's results of operations may be materially and adversely affected if the Group's tax liabilities increase or if the Company is found to be subject to late payment fees or other penalties.

LISTING RULES IMPLICATIONS

The Registered Shareholder is held as to 50% and 50% by Tianjin Caizhuo and Tianjin Caicheng, respectively. Each of Tianjin Caizhuo and Tianjin Caicheng is held as to 1% by Tianjin Youze as the general partner, 44% and 55% by Ms. Jia Yun and Ms. Zheng Xia, employees of the Company, as the limited partners. Tianjin Youze is owned as to 1%, 44% and 55% by Ms. Wang Jian, a non-executive Director, Ms. Jia Yun and Ms. Zheng Xia, respectively. Save as disclosed above, the Registered Shareholder has no other relationships with the Group nor its connected persons. Accordingly, the Registered Shareholder is not a connected person of the Company and the transactions contemplated under the New Contractual Arrangements do not constitute connected transactions of the Company under Chapter 14A of the Listing Rules. Additionally, any other transactions to be entered into between the WFOE on the one hand and the Consolidated Affiliated Entities (including the New PRC Holdco) on the other hand and which do not result in gain or loss to the Group as a whole would not constitute connected transaction of the Company under Chapter 14A of the Listing Rules, while such transactions may constitute connected transactions of the Company if the transaction shall confer any benefit to the Registered Shareholder. The Company will continue to comply with the requirements under the Listing Rules and the Stock Exchange's guidance letters including annual report disclosure requirement in respect of contractual arrangements.

INFORMATION ABOUT THE PARTIES TO THE NEW CONTRACTUAL ARRANGEMENTS

The Group is a leading “technology + pan-entertainment” service provider in the PRC, offering online entertainment ticketing services, entertainment content services, and advertising services and others.

The WFOE is a limited liability company incorporated under the laws of the PRC on February 5, 2018 and an indirect wholly owned subsidiary of our Company. The WFOE is principally engaged in entertainment ticketing business and advertising business and others.

The New PRC Holdco is a limited liability company established in the PRC on June 5, 2024. The New PRC Holdco is principally engaged in entertainment content and related businesses.

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
“Civil Code of the PRC”	the Civil Code of the PRC (《中華人民共和國民法典》) issued by National People’s Congress on May 28, 2020, and became effective on January 1, 2021, and replaced Contract Law of the PRC (《中華人民共和國合同法》), the General Principles of the Civil Law of the PRC (《中華人民共和國民法總則》), and some other laws
“Company”	Maoyan Entertainment, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Stock Exchange (stock code: 1896)
“Consolidated Affiliated Entities”	the entities whose financial results have been consolidated and accounted for as subsidiaries of the Company by virtue of the New Contractual Arrangements. As of the date of this announcement, it refers to the New PRC Holdco and shall include its subsidiaries from time to time
“Director(s)”	the director(s) of the Company
“Existing Contractual Arrangements”	the series of contractual arrangements entered into by, among others, the WFOE and the Existing PRC Holdco, as described in the Prospectus
“Existing PRC Holdco”	Tianjin Maoyan Weying Cultural Media Co., Ltd. (天津貓眼微影文化傳媒有限公司), formerly known as Tianjin Maoyan Cultural Media Co., Ltd. (天津貓眼文化傳媒有限公司), a company incorporated under the laws of the PRC on May 27, 2015 with limited liability
“Group”, “our Group”, “we” or “us”	the Company, its subsidiaries and the consolidated affiliated entities from time to time

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing”	the listing of the Shares on the Main Board
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented, or otherwise modified from time to time
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the Growth Enterprise Market of the Stock Exchange
“MIIT”	Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部)
“MOCT”	Ministry of Culture and Tourism of the PRC (中華人民共和國文化和旅遊部)
“MOFCOM”	Ministry of Commerce of the PRC (中華人民共和國商務部)
“Negative List”	Special Administrative Measures (Negative List) for Access of Foreign Investment (2021 Version) (《外商投資准入特別管理措施(負面清單)》(2021年版)), which became effective on January 1, 2022
“New Contractual Arrangements”	the series of contractual arrangements entered into by, among others, the WFOE and the New PRC Holdco on July 15, 2024, details of which are described in the section headed “Major Terms of the New Contractual Arrangements” in this announcement
“New PRC Holdco”	Tianjin Ganyu Information Technology Co., Ltd. (天津甘雨信息科技有限公司), is a limited liability company established in the PRC on June 5, 2024
“PRC” or “China”	the People’s Republic of China, and for the purposes of this announcement only, excluding Hong Kong, Macau Special Administrative Region, and Taiwan region of the PRC

“PRC Legal Advisor”	Commerce & Finance Law Offices, the legal advisor of the Company as to the laws of the PRC
“Prospectus”	the prospectus of the Company dated January 23, 2019
“Registered Shareholder”	Tianjin Yunqi Information Technology Co., Ltd. (天津雲起信息科技有限公司), is a limited liability company incorporated under the laws of the PRC on June 3, 2024
“RMB”	Renminbi, the lawful currency of the PRC
“SAMR”	State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局)
“Share(s)”	ordinary share(s) in the share capital of the Company with a par value of US\$0.00002
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Tianjin Caicheng”	Tianjin Caicheng Enterprise Management and Consulting Partnership (Limited Partnership) (天津彩誠企業管理諮詢合夥企業(有限合夥)), a limited partnership established in PRC on May 30, 2024, one of the shareholders of the Registered Shareholder
“Tianjin Caizhuo”	Tianjin Caizhuo Enterprise Management and Consulting Partnership (Limited Partnership) (天津彩琢企業管理諮詢合夥企業(有限合夥)), a limited partnership established in PRC on May 30, 2024, one of the shareholders of the Registered Shareholder
“Tianjin Youze”	Tianjin Youze Enterprise Management and Consulting Co., Ltd (天津優澤企業管理諮詢有限公司), is a limited liability company incorporated under the laws of the PRC on May 28, 2024, the general partner of Tianjin Caicheng and Tianjin Caizhuo

“US\$”	the United States dollars, the lawfully currency of the United States
“WFOE”	Tianjin Maoyan Weying Technology Co., Ltd. (天津貓眼微影科技有限公司), is a limited liability company incorporated under the laws of the PRC on February 5, 2018 and an indirect wholly owned subsidiary of our Company
“%”	per cent

By order of the Board
Maoyan Entertainment
Zheng Zhihao
Executive Director

Hong Kong, July 15, 2024

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Zheng Zhihao as Executive Director, Mr. Wang Changtian, Ms. Li Xiaoping, Ms. Wang Jian, Mr. Sun Zhonghuai, Mr. Chen Shaohui 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.