
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your Shares in China Ruyi Holdings Limited, you should at once hand this circular to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, 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 circular.



儒意控股
RUYI HOLDINGS

China Ruyi Holdings Limited

中國儒意控股有限公司

(a company incorporated in Bermuda with limited liability)

(Stock Code: 136)

**(1) CONTINUING CONNECTED TRANSACTIONS PURSUANT TO
THE 2026 GAME COOPERATION FRAMEWORK AGREEMENT AND
THE DRAMA SERIES AND MOVIES COPYRIGHTS LICENSING AND
CO-PRODUCTION OF MADE-TO-ORDER SERIES**

FRAMEWORK AGREEMENT;

(2) NOTICE OF SGM; AND

(3) CLOSURE OF REGISTER OF MEMBERS

Independent financial adviser to the Company



邁時資本
MAXA CAPITAL

Capitalised terms used in this cover shall have the same meanings as defined in this circular. A letter from the Board is set out on pages 6 to 25 of this circular. A notice convening the special general meeting of the Company (the “SGM”) to be held at 11:00 a.m. on Tuesday, 19 May 2026 at Room 3701, 37/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong is set out on pages SGM-1 to SGM-3 of this circular. A form of proxy for use by the Shareholders at the SGM (and at any adjournment thereof) is also enclosed herein.

Whether or not you are able to attend the SGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and returning it to the office of the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the SGM or any adjournment thereof in person should you so wish and in such event, the authority of the proxy shall be deemed to be revoked.

4 May 2026

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	6
LETTER FROM THE INDEPENDENT BOARD COMMITTEE	26
LETTER FROM THE INDEPENDENT FINANCIAL ADVISER	28
APPENDIX — GENERAL INFORMATION	68
NOTICE OF SGM	SGM-1

DEFINITIONS

In this circular, unless the context requires otherwise, the following expressions shall have the following meanings:

“2023 Game Cooperation Framework Agreement”	the continuing connected transaction agreement dated 22 February 2023 entered into between Beijing Jingxiu and Tencent Computer, pursuant to which the parties agreed that, (1) Tencent Representative Companies and Beijing Jingxiu shall carry out Distribution Cooperation, (2) Tencent Representative Companies and Beijing Jingxiu shall carry out Joint Operation Cooperation and (3) Beijing Jingxiu shall provide Marketing Services to Tencent Representative Companies
“2026 Game Cooperation Framework Agreement”	the continuing connected transaction agreement dated 7 April 2026 entered into between Tencent Computer and the Company pursuant to which the Group and Tencent Representative Companies shall cooperate in the field of gaming
“Annual Cap(s)”	the Game Cooperation Payable Annual Caps, the Game Cooperation Receivable Annual Caps and/or the Drama Series and Movies Licensing and Co-Production of Made-to-Order Series Annual Caps
“Announcement”	the announcement of the Company dated 7 April 2026 in relation to the entering into of the Framework Agreements
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Beijing Jingxiu”	Beijing Ruyi Jingxiu Network Technology Co., Ltd.* (北京儒意景秀網絡科技有限公司) (formerly known as Shenzhen Jingxiu Network Technology Co., Ltd.* (深圳市景秀網絡科技有限公司)), a company established in the PRC with limited liability and a subsidiary of the Company
“Board”	the board of directors of the Company
“Company”	China Ruyi Holdings Limited (中國儒意控股有限公司), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 136)
“connected person”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed thereto in the Listing Rules

DEFINITIONS

“Cooperation Products”	the game products developed independently by and/or legally licenced to the Group or Tencent Representative Companies under the 2026 Game Cooperation Framework Agreement
“Director(s)”	the director(s) of the Company
“Distribution Cooperation”	has the meaning as ascribed to it under the section headed “The Framework Agreements — A. The 2026 Game Cooperation Framework Agreement — Principal Terms” of this circular
“Drama Series and Movies Copyrights Licensing and Co-Production of Made-to-Order Series Framework Agreement”	the continuing connected transaction agreement dated 7 April 2026 entered into between the Group and Tencent Computer pursuant to which the Group shall license the online broadcasting rights and distribution rights of its original drama series and movies to, and carry out co-production of made-to-order dramas with the Tencent Representative Companies
“Drama Series and Movies Licensing and Co-Production of Made-to-Order Series Annual Caps”	the annual caps in respect of the amounts receivable by the Group from Tencent Representative Companies for the three years ending 31 December 2028 for the revenue from licensing drama series under the Drama Series and Movies Copyrights Licensing and Co-Production of Made-to-Order Series Framework Agreement, each being the “Drama Series and Movies Licensing and Co-Production of Made-to-Order Series Annual Cap” of the corresponding year
“Exclusive Agency”	has the meaning as ascribed to it under the section headed “The Framework Agreements — A. The 2026 Game Cooperation Framework Agreement — Principal Terms” of this circular
“Framework Agreements”	the 2026 Game Cooperation Framework Agreement and the Drama Series and Movies Copyrights Licensing and Co-Production of Made-to-Order Series Framework Agreement
“Game Cooperation Payable Annual Caps”	the annual caps in respect of the total amounts payable by the Group to Tencent Representative Companies for the three years ending 31 December 2028 for game cooperation under the 2026 Game Cooperation Framework Agreement, each being the “Game Cooperation Payable Annual Cap” of the corresponding year

DEFINITIONS

“Game Cooperation Receivable Annual Caps”	the annual caps in respect of the total amounts receivable by the Group from Tencent Representative Companies for the three years ending 31 December 2028 for game cooperation under the 2026 Game Cooperation Framework Agreement, each being the “Game Cooperation Receivable Annual Cap” of the corresponding year
“Group”	the Company, its subsidiaries and controlled entities
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board comprising all the independent non-executive Directors, namely Mr. Chau Shing Yim, David, Mr. Nie Zhixin, Mr. Chen Haiquan and Professor Shi Zhuomin, to advise the Independent Shareholders on the Framework Agreements and the transactions contemplated thereunder (including the Annual Caps)
“Independent Financial Adviser”	Maxa Capital Limited, being appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Framework Agreements and the transactions contemplated thereunder (including the Annual Caps)
“Independent Shareholders”	the Shareholders who are not required by the Listing Rules to abstain from voting at the SGM on the relevant resolutions to approve the Framework Agreements and the transactions contemplated thereunder (including the Annual Caps)
“Joint Operation Cooperation”	has the meaning as ascribed to it under the section headed “The Framework Agreements — A. The 2026 Game Cooperation Framework Agreement — Principal Terms” of this circular
“Latest Practicable Date”	30 April 2026, being the latest practicable date prior to the publication of this circular for the purpose of ascertaining certain information contained in this circular
“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

DEFINITIONS

“Marketing Services”	has the meaning as ascribed to it under the section headed “The Framework Agreements — A. The 2026 Game Cooperation Framework Agreement — Principal Terms” of this circular
“PRC”	the People’s Republic of China, which, for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Relevant Disclosure”	has the meaning as ascribed to it under the section headed “Introduction” of this circular
“RMB”	Renminbi, the lawful currency of the PRC
“SGM”	the special general meeting of the Company to be convened on 19 May 2026, for the Independent Shareholders to consider, and vote on, the Framework Agreements and the transactions contemplated thereunder (including the Annual Caps)
“Share(s)”	the ordinary share(s) in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Tencent Computer”	Shenzhen Tencent Computer Systems Company Limited* (深圳市騰訊計算機系統有限公司), a company established in the PRC and a subsidiary of Tencent Holdings
“Tencent Group”	Tencent Holdings and its subsidiaries
“Tencent Holdings”	Tencent Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 700) and the controlling shareholder of Tencent Computer

DEFINITIONS

“Tencent Representative Companies” Tencent Group, but excluding (i) China Literature Limited, its subsidiaries; (ii) Tencent Music Entertainment Group and its subsidiaries, and (iii) Huya Inc. and its subsidiaries

“%” per cent.

* *In this circular, the English translation of certain Chinese names, entities and addresses is included for information purpose only and should not be regarded as official English translation of such Chinese names, entities and addresses.*

LETTER FROM THE BOARD



儒意控股
RUYI HOLDINGS

China Ruyi Holdings Limited

中國儒意控股有限公司

(a company incorporated in Bermuda with limited liability)

(Stock Code: 136)

Executive Directors:

Mr. Ke Liming (*Chairman*)

Mr. Zhang Qiang

Non-executive Director:

Mr. Yang Ming

Independent Non-executive Directors:

Mr. Chau Shing Yim, David

Mr. Nie Zhixin

Mr. Chen Haiquan

Professor Shi Zhuomin

Registered Office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

*Head office and principal place of
business in Hong Kong:*

Room 3701, 37/F

Lee Garden One

33 Hysan Avenue

Causeway Bay

Hong Kong

4 May 2026

To the Shareholders

Dear Sir or Madam,

**(1) CONTINUING CONNECTED TRANSACTIONS PURSUANT TO
THE 2026 GAME COOPERATION FRAMEWORK AGREEMENT AND
THE DRAMA SERIES AND MOVIES COPYRIGHTS LICENSING AND
CO-PRODUCTION OF MADE-TO-ORDER SERIES FRAMEWORK
AGREEMENT;
(2) NOTICE OF SGM; AND
(3) CLOSURE OF REGISTER OF MEMBERS**

INTRODUCTION

References are made to: (i) the announcement of the Company dated 22 February 2023 and the circular of the Company dated 12 June 2023; (ii) the announcement of the Company dated 22 November 2023 and the circular of the Company dated 4 December 2023; (iii) the announcement of the Company dated 8 November 2024 and the circular of the Company dated 29 November 2024 in

LETTER FROM THE BOARD

relation to, among others, the 2023 Game Cooperation Framework Agreement, the transactions contemplated thereunder and the revision of annual caps thereof (the “**Relevant Disclosure**”); and (iv) the Announcement.

The purpose of this circular is to provide you with, among other things, (i) further details of the Framework Agreements and the transactions contemplated thereunder; (ii) the recommendations of the Independent Board Committee; (iii) the advice of the Independent Financial Adviser; and (iv) notice of the SGM.

THE FRAMEWORK AGREEMENTS

A. The 2026 Game Cooperation Framework Agreement

- Date** : 7 April 2026
- Parties** : (1) Tencent Computer (for itself and on behalf of the Tencent Representative Companies)
- (2) the Company (for itself and on behalf of the Group and its controllable companies through contractual arrangements).
- Term** : From the date on which the conditions precedent are fulfilled to 31 December 2028
- Conditions precedent** : The 2026 Game Cooperation Framework Agreement is conditional upon the fulfilment of following conditions:
- (1) each party has obtained necessary authorizations from the relevant authorities (including its board of directors and/or shareholders’ meeting, if required) and has affixed its seal to the agreement; and
- (2) each party has complied with the relevant requirements under applicable laws, regulations and by-laws, including obtaining approval by the Company’s SGM for the 2026 Game Cooperation Framework Agreement and the transactions contemplated thereunder (including the Annual Caps), as required under the Listing Rules.

LETTER FROM THE BOARD

Principal Terms

(1) *Distribution and operation of the Cooperation Products by the Group (“**Distribution Cooperation**”)*

Both parties agreed that the Group acts as (i) exclusive distributor; or (ii) distributor on certain platforms to distribute the Cooperation Products. The Group will act as the distributor of the Cooperation Products and directly derive income from the end users of the Cooperation Products on the platform. Tencent Representative Companies shall provide to the Group technical and channel promotion services, intellectual property rights licensing and/or content update and maintenance services in respect of the Cooperation Products. Depending on the needs of Cooperation Products, the Group shall pay to the Tencent Representative Companies (i) intellectual property license fees (if applicable); (ii) content update and maintenance fees of the Cooperation Products (if applicable); (iii) technical service and channel promotion service fees (if applicable) and/or (iv) other fees negotiated by the parties, including discretionary bonus determined with reference to the revenue generated from the Cooperation Products and fees for such other distribution and operation services incidental to the Distribution Cooperation.

Such discretionary bonus may be payable where a Cooperation Product achieves specific revenue targets for a certain period after arm’s length negotiations between the parties, as specified in the separate implementation agreement, which would be determined on a case-by-case basis considering various commercial factors (including the nature, popularity, quality, commercial potential and prospects of the Cooperation Products). Any such discretionary bonus fees payable has been fully taken into account in the proposed Annual Caps for the 2026 Game Cooperation Framework Agreement.

(2) *Joint distribution and operation of games by Tencent Representative Companies and the Group (“**Joint Operation Cooperation**”)*

Tencent Representative Companies and the Group agreed to be jointly responsible for distributing and operating the Cooperation Products, and the parties shall be responsible for managing the settlement of fees on different platforms based on actual demand as agreed between the parties. Tencent Representative Companies and the Group shall directly derive income from the end users of the Cooperation Products on the platforms which they are responsible for and then pay each other (as the case may be) relevant fees.

(3) *Marketing services provided by the Group (“**Marketing Services**”)*

The Group agreed to provide marketing and advertising services to Tencent Representative Companies. Through the linkage between films and games, the Group will leverage on its strengths in the film and television field to formulate specific marketing plans for the promotion of the Cooperation Products, including but not limited to designing and

LETTER FROM THE BOARD

executing game marketing plans, promotion planning and video content production. Tencent Representative Companies shall pay the Group relevant marketing services fees or service bonus (where applicable).

(4) *Acting as the Exclusive Agent by Tencent Representative Companies (“Exclusive Agency”)*

The Group agreed to appoint the Tencent Representative Companies as the exclusive agent to provide distribution, operation and promotion services for the Cooperation Products, and agreed to authorize the Tencent Representative Companies to distribute such products on platforms operated by Tencent and other third parties. Tencent Representative Companies shall receive revenue directly from the end-users of the games on the platforms, and pay the Group a share of the revenue generated from the distribution and operation of the Cooperation Products across different platforms, as well as revenue derived from paid promotion services.

Pricing Principles

(1) *Distribution Cooperation*

In respect of the aforementioned Distribution Cooperation, the Group shall pay Tencent Representative Companies relevant fees as agreed between the parties based on the particular Cooperation Product. The mode of settlement includes revenue-sharing, fixed amount or a mix of revenue-sharing and fixed amount. The definitive mode of settlement will be determined on a case-by-case basis after arm’s length negotiations between the parties with reference to the prevailing market terms and commercial factors in respect of the relevant Cooperation Products as mentioned below. The revenue-sharing will be calculated based on (i) the gross billing derived from the distribution and operation of Cooperation Products on different platforms; and (ii) comparable pricing terms in the market, and shall be specifically determined by the scope of channels that the Group is actually responsible for the distribution and operation of specific Cooperation Products. In respect of fixed amount settlement mode, taking into account commercial factors such as the nature, popularity, quality and commercial potential of the Cooperation Products and duration of the engagement, Tencent Representative Companies may also charge the Group a fixed amount of license fees as agreed between the parties. Considering the prevailing market condition and the nature of the Cooperation Products, the Company believes that the parties will primarily adopt the revenue-sharing arrangement in determining the fees for the Distribution Cooperation, and it is unlikely for the fixed amount settlement mode to be adopted.

As regards the determination of the portion of income and/or fixed fees (as the case may be) payable by the Group to Tencent Representative Companies, the Company shall also consider various commercial factors including (i) the gross billing derived from the relevant Cooperation Products; and (ii) the quality, commercial potential and prospects of the Cooperation Products. It is contemplated that the fees payable by the Group to Tencent Representative Companies will be not exceeding 45% of the net income derived from the Cooperation Products in respect of the Distribution Cooperation arrangement. In the event that

LETTER FROM THE BOARD

the fixed amount settlement mode is adopted, such fixed license fees shall be determined after arm's length negotiations between the parties with reference to the prevailing market price of similar cooperation in the industry for similar games. To ensure that the fees to be paid by our Group represent the prevailing market price and are on normal commercial terms that are comparable to those with independent third parties and no less favorable to the Group, before the fixed distribution fees are determined by the parties, a dedicated team of the Group (led by the Chief Financial Officer and the Chief Technology Officer of the Group) will review and make reference to the prevailing market benchmark pricing terms for comparable game products of at least three independent third parties. As part of the Group's internal control measures, the Group will also conduct ongoing review of the pricing terms agreed with Tencent Representative Companies. For details, please refer to the section headed "Internal Control Policies".

The Group and Tencent Representative Companies will enter into separate implementation agreements which will set out the precise scope of services, service fees, mode of settlement and other details of the Distribution Cooperation.

(2) Joint Operation Cooperation

In respect of the aforementioned Joint Operation Cooperation, the relevant fees shall be calculated based on the income derived from the operation of the Cooperation Products on the platforms for which each party is responsible, with reference to the scope of the channels that the parties are actually responsible for the distribution and operation of the specific Cooperation Product.

In respect of fixed amount settlement mode, taking into account commercial factors such as the nature, popularity, quality and commercial potential of the Cooperation Products and duration of the engagement, Tencent Representative Companies may charge the Group a fixed amount of license fees as agreed between the parties. In the event that the fixed amount settlement mode is adopted, such fixed license fees shall be determined after arm's length negotiations between the parties with reference to the prevailing market price of similar cooperation in the industry for similar games. To ensure that the fees to be paid by our Group represent the prevailing market price and are on normal commercial terms that are comparable to those with independent third parties and no less favorable to the Group, before the fixed distribution fees are determined by the parties, a dedicated team of the Group (led by the Chief Financial Officer and the Chief Technology Officer of the Group) will review and make reference to the prevailing market benchmark pricing terms for comparable game products of at least three independent third parties. As part of the Group's internal control measures, the Group will also conduct ongoing review of the pricing terms agreed with Tencent Representative Companies. For details, please refer to the section headed "Internal Control Policies".

The Group and Tencent Representative Companies will enter into separate implementation agreements which will set out the precise scope of services, service fees, mode of settlement and other details of the Joint Operation Cooperation.

LETTER FROM THE BOARD

(3) *Marketing Services*

In respect of the aforementioned Marketing Services, Tencent Representative Companies shall pay to the Group marketing service fees or service bonus (where applicable) based on the income derived from the operation of the Cooperation Products.

The fees payable by Tencent Representative Companies to the Group and the mode of settlement in respect of the Marketing Services will be determined on a case-by-case basis after arm's length negotiations between the parties taking into account various factors such as (i) the revenue and income derived from the relevant Cooperation Products; (ii) the Group's resources contribution, costs and expenses incurred in providing such marketing services; (iii) the quality, commercial potential and prospects of the Cooperation Products; (iv) prevailing market terms; and (v) commercial factors in respect of the relevant Cooperation Products. The amount of fees payable by Tencent Representative Companies to the Group in respect of the Marketing Services will be calculated based on the revenue derived from the operation of such Cooperation Products.

The Group and Tencent Representative Companies will enter into separate implementation agreements which will set out the precise scope of services, service fees, mode of settlement and other details of the Marketing Services.

(4) *Exclusive Agency*

In respect of the aforementioned exclusive agency, Tencent Representative Companies shall receive revenue directly from the end-users of the games on the platforms. Tencent Representative Companies shall pay the Group a share of the revenue generated from the distribution and operation of the Cooperation Products across different platforms, as well as revenue derived from paid promotion service, in accordance with the revenue sharing ratios as stipulated in the separate implementation agreements. In determining the revenue and/or revenue sharing (as the case may be) payable by Tencent Representative Companies to the Group, the various commercial factors to be considered by the Company are substantially the same as the pricing principles of the Distribution Cooperation as mentioned above. It is contemplated that the fees payable by Tencent Representative Companies to the Group will generally be not less than 20% of the net income derived from the Cooperation Products in respect of the Exclusive Agency arrangement.

The Group and Tencent Representative Companies will enter into separate implementation agreements, which will set out the specific revenue sharing ratios and settlement modes in respect of the Exclusive Agency.

LETTER FROM THE BOARD

Pricing Policy

The revenue sharing and/or service fees payable and receivable (as the case may be) by the Group to/from Tencent Representative Companies shall be determined after arm's length negotiations between the parties with reference to (i) the prevailing market price and (ii) taking into account various commercial factors, such as the nature, popularity, quality and commercial potential, in respect of the relevant games. The Group will only enter into the implementation agreements of specific Cooperation Products with Tencent Representative Companies when the agreement is in the best interests of the Company and the Shareholders as a whole. In any event, all of the above fees payable and receivable (as the case may be) by the Group to/from Tencent Representative Companies shall be not more favourable to Tencent Representative Companies nor less favourable to the Group than those paid or charged by any independent third party under the same or similar conditions.

The Group will review such fees from time to time by comparing them against the fees payable to, and receivable by, the Group from any independent third party for comparable cooperation. Particularly, to the extent there are comparable services and/or cooperation, the Group will on a quarterly basis review the prevailing market benchmark pricing terms of at least three independent third parties for the provision of similar types of services under the same or similar conditions. A dedicated team led by the Chief Financial Officer and the Chief Technology Officer of the Group will conduct comparison analysis on the fees payable to, and receivable by, the Group from Tencent Representative Companies against the pricing terms offered by other independent third parties. For details, please refer to the section headed "Internal Control Policies".

B. The Drama Series and Movies Copyrights Licensing and Co-Production of Made-to-Order Series Framework Agreement

Date : 7 April 2026

Parties : (1) Tencent Computer (for itself and on behalf of the Tencent Representative Companies)
(2) the Company (for itself and on behalf of the Group and its controllable companies through contractual arrangements).

Term : From the date on which the conditions precedent are fulfilled until 31 December 2028.

If the Company fails to obtain Independent Shareholders' approval by 30 June 2026, Tencent Computer shall have the right to unilaterally terminate the Drama Series and Movies Copyrights Licensing and Co-Production of Made-to-Order Series Framework Agreement.

LETTER FROM THE BOARD

Conditions precedent : The Drama Series and Movies Copyrights Licensing and Co-Production of Made-to-Order Series Framework Agreement is conditional upon the fulfilment of following conditions:

- (1) each party has obtained necessary authorizations from the relevant authorities (including its board of directors and/or shareholders' meeting, if required) and affixed its seal to the agreement; and
- (2) each party has complied with the relevant requirements under the relevant laws, regulations and by-laws, including obtaining approval by the Company's SGM for the Drama Series and Movies Copyrights Licensing and Co-Production of Made-to-Order Series Framework Agreement and the transactions contemplated thereunder (including the Annual Caps), as required under the Listing Rules.

Principal Terms

Pursuant to the Drama Series and Movies Copyrights Licensing and Co-Production of Made-to-Order Series Framework Agreement, the Group shall license the online broadcasting rights and distribution rights of its original drama series and movies to, and carry out co-production of made-to-order dramas with, the Tencent Representative Companies, and the Tencent Representative Companies shall pay licensing fees and fixed production fee and/or incentive-based revenue sharing to the Group. Separate implementation agreements will be entered into between the parties to set out the detailed terms, including in relation to drama series and movies copyrights licensing, details of the drama series and movies, term of license, scope of license and exclusivity, broadcasting schedule, licensing fee and milestone payment schedules, and in relation to co-production of made-to-order series, co-production model, details of the dramas, broadcasting schedule, service fees, licensing fees (if applicable), milestone payment schedules and allocation of intellectual property, based on the principles and within the parameters provided under the Drama Series and Movies Copyrights Licensing and Co-Production of Made-to-Order Series Framework Agreement.

Pricing Policy

The licensing fees that the Group charges the Tencent Representative Companies, in relation to drama series and movies copyrights licensing, shall be determined by considering the specific project and the model of cooperation and through one of the following models: (a) fixed licensing fee model; or (b) the hybrid of fixed licensing fee and revenue/profit sharing model. Regardless of the pricing model, the licensing fees that the Group charges the Tencent Representative Companies shall also be determined after arm's-length negotiation between the parties with reference to the prevailing market price and various commercial factors, including but not limited to the overall market conditions and trends, the total investment amount, the

LETTER FROM THE BOARD

scope of license and exclusivity, the broadcasting schedules, the theme, the expected popularity and target audience base of the drama series and movies, as well as our target profit margin.

The co-production service fees that the Group charges the Tencent Representative Companies, in relation to co-production of made-to-order series, shall be determined by considering the specific project and the model of co-production and through one of the following models: (a) fixed production fee model; or (b) the revenue/profit sharing model. Regardless of the pricing model, the service fees that the Group charges the Tencent Representative Companies shall also be determined after arm's-length negotiation between the parties with reference to the prevailing market price and various commercial factors, including but not limited to the commercial value of the intellectual properties of the made-to-order series, the theme, the production complexity, the expected popularity, the broadcasting model, the broadcasting schedule, the total investment, the licensing scope and the exclusivity terms, the target audience, as well as the target profit margin.

However, given that each of the drama series and movies has its unique features and the above factors are not generic in nature, which highlights the versatility and distinctiveness of each drama series, there is no quantitative formula for determining the purchase prices of the copyrights of the drama series or the movies, which will be subject to arm's-length negotiations between the relevant parties. In general: (i) if the drama series and movies are expected to enjoy relatively high popularity (including the popularity of the main personnel such as the directors, scriptwriters, main actors and actresses, etc.) with a wide target audience base, such drama series and movies will be priced relatively high; (ii) if the total investment amount of the drama series and movies is relatively high, such drama series and movies will be priced relatively high; and (iii) the licensing fees of the first-run broadcasting rights are generally higher than those of the re-run broadcasting rights, which is mainly because that the first-run broadcasting usually attracts greater audience attention and discussion as compared to re-run broadcasting. For drama series, the licensing fees are determined by multiplying the price per episode and the number of episodes, while the copyright licensing fees per episode of the drama series are eventually comprised of production costs plus the expected profit of the Group. If our drama series reach a certain level of viewership rate or contribute to generate new membership or renewed membership subscriptions that exceed specified number within a certain period after the broadcasting, the licensing fee and/or the production service fee may be increased. For movies, the licensing fees are determined on the basis of the basic licensing fee plus a tiered royalty calculated based on the movie's box office, of which the basic licensing fees are determined by both parties via negotiation with reference to the expected box office performance.

In order to ensure that the prices and terms of the transactions are fair and reasonable and are no less favorable to the Group than those offered by independent third parties, the Group will, at the early stage of the planned licensing or producing the drama series and/or movies, communicate with the major video platforms in mainland China (mainly including Tencent Video, iQIYI, Youku, and Mango TV) about the status of the project, and approach at

LETTER FROM THE BOARD

least two independent third-party video platform companies to gain their purchasing or cooperation intentions for the project; after the project script development and the main personnel (including directors, scriptwriters, main actors and actresses, etc.) are further clarified, further communications will be conducted between the Group and the interested video platform company(ies) to determine the purchase intention and contract price; and the details such as the video platform(s) and the licensing fees and/or the service fees will be eventually finalized and confirmed on the commencement of filming of the drama series. When selecting the video platform(s) to cooperate with, the Group will consider the features of the drama series and movies, including their themes (such as modern romance, heroism, costume and day-to-day life, etc.) and their main personnel (including the directors, scriptwriters, main actors and actresses, etc.), and take into consideration the broadcasting results of this product on various video platforms based on the features of each video platform (such as the major audience base of the video platforms), and then choose business partner(s) from a pool of video platform companies to achieve maximum benefits for the Group.

TRANSACTION AMOUNTS AND ANNUAL CAPS

A. Historical Transaction Amounts

The 2026 Game Cooperation Framework Agreement

The historical annual caps and transaction amounts in respect of the transactions under the 2023 Game Cooperation Framework Agreement for the three years ended 31 December 2025 are as follows:

	For the year ended		
	31 December		
	2023	2024	2025
	(RMB million)	(RMB million)	(RMB million)
<i>Total amount payable by</i>			
<i>the Group to Tencent</i>			
<i>Representative Companies⁽¹⁾</i>			
<i>Annual caps</i>	1,000	1,000	1,000
<i>Transaction amount</i>	23	178	185
<i>Total amount receivable by</i>			
<i>the Group from Tencent</i>			
<i>Representative Companies⁽²⁾</i>			
<i>Annual caps</i>	1,200	1,300	1,300
<i>Transaction amount</i>	1,139	1,282	991

Notes:

- (1) The total amount payable by the Group to Tencent Representative Companies is (a) the relevant fees payable to Tencent Representative Companies by the Group, as the authorized distributor of Tencent Representative Companies, for distributing Cooperation Products on different platforms, after deriving income from the end users of the Cooperation Products; and (b) relevant fees payable to the Tencent

LETTER FROM THE BOARD

Representative Companies by the Group after the Group derives revenue from the end users of the Cooperation Products, which are jointly operated and distributed by the parties, on the platforms the Group is responsible for. For details of the relevant cooperation, please refer to the Relevant Disclosure.

- (2) The total amount receivable by the Group from Tencent Representative Companies is (a) the relevant fees payable by Tencent Representative Companies to the Group after Tencent Representative Companies derive income from the end users of the Cooperation Products, which are jointly operated and distributed by the parties, on the platform they are responsible for; and (b) marketing service fees. For details of the relevant cooperation and provision of services, please refer to the Relevant Disclosure.

No historical transactions were conducted in relation to game cooperation between the Group and Tencent Representative Companies from 1 January 2026 and the Latest Practicable Date.

The Board notes that the utilisation rates of the historical annual caps for amounts payable by the Group to the Tencent Representative Companies under the 2023 Game Cooperation Framework Agreement for the three years ended 31 December 2025 were relatively low, primarily due to changes in market conditions and the Group's business strategies, which resulted in certain planned Cooperation Products launch not proceeding as anticipated, as well as adjustments to the cooperation arrangements of certain launched Cooperation Products. As a result, the actual amounts payable by the Group to the Tencent Representative Companies under the 2023 Game Cooperation Framework Agreement were lower than initially expected.

The previously launched Cooperation Products have accumulated valuable experience for both the Company and the Tencent Representative Companies, enabling both parties to adopt a more prudent approach in planning future Cooperation Products. In addition, the Company has maintained ongoing communication with the Tencent Representative Companies in a collaborative manner regarding revenue projections and the revenue-sharing model of the Cooperation Products that are currently in the pipeline. Accordingly, the Company does not anticipate any significant deviation between the Game Cooperation Payable Annual Caps and expected actual transaction amounts under the 2026 Game Cooperation Framework Agreement. The management of the Company will conduct regular reviews of the revenue projections for the Cooperation Products and make timely adjustments in response to market dynamics. If the relevant annual caps need to be revised, the Company will ensure compliance with the requirements under the Listing Rules, including obtaining the approval of Independent Shareholders (if required).

The Drama Series and Movies Copyrights Licensing and Co-Production of Made-to-Order Series Framework Agreement

There were no historical transactions related to revenue generated by the Group from licensing drama series and movies to and co-producing made-to-order drama series with the Tencent Representative Companies for the three years ended 31 December 2025, nor up to the Latest Practicable Date.

LETTER FROM THE BOARD

B. Proposed Annual Caps

The proposed Annual Caps for the Framework Agreements for the three years ending 31 December 2028 are set out below:

The 2026 Game Cooperation Framework Agreement

	Proposed Annual Caps		
	for the year ending 31 December		
	2026	2027	2028
	<i>(RMB million)</i>	<i>(RMB million)</i>	<i>(RMB million)</i>
Game Cooperation Payable Annual Caps ⁽¹⁾	700	1,500	2,100
Game Cooperation Receivable Annual Caps ⁽²⁾	1,800	1,800	1,800

Notes:

- (1) Game Cooperation Payable Annual Caps represent the total amount payable by the Group to Tencent Representative Companies is (a) the relevant fees payable to Tencent Representative Companies by the Group, as the authorized distributor of Tencent Representative Companies, for distributing Cooperation Products on different platforms, after deriving income from the end users of the Cooperation Products; and (b) relevant fees payable to the Tencent Representative Companies by the Group after the Group derives revenue from the end users of the Cooperation Products, which are jointly operated and distributed by the parties, on the platforms the Group is responsible for. For details of the relevant cooperation, please refer to the section headed “Principal Terms” above.
- (2) Game Cooperation Receivable Annual Caps represent the total amount receivable by the Group from Tencent Representative Companies is (a) the relevant fees payable by Tencent Representative Companies to the Group for acting as the exclusive agent of the Group by Tencent Representative Companies or after Tencent Representative Companies derive income from the end users of the Cooperation Products, which are jointly operated and distributed by the parties, on the platform they are responsible for; and (b) marketing service fees. For details of the relevant cooperation and provision of services, please refer to the section headed “Principal Terms” above.

The Drama Series and Movies Copyrights Licensing and Co-Production of Made-to-Order Series Framework Agreement

	Proposed Annual Caps		
	for the year ending 31 December		
	2026	2027	2028
	<i>(RMB million)</i>	<i>(RMB million)</i>	<i>(RMB million)</i>
Drama Series and Movies Licensing and Co-Production of Made-to-Order Series Annual Caps	800	800	800

LETTER FROM THE BOARD

Notes:

- (1) Drama Series and Movies Licensing and Co-Production of Made-to-Order Series Annual Caps represent revenue to be generated by the Group from licensing drama series and movies to and co-producing made-to-order drama series with the Tencent Representative Companies.

BASIS FOR DETERMINING THE PROPOSED ANNUAL CAPS

The 2026 Game Cooperation Framework Agreement

The four modes of cooperation under the 2026 Game Cooperation Framework Agreement are all of the same nature, and are inter-related and complementary to each other to the same type of game cooperation business. Depending on the needs and requirements of the Group and/or Tencent Representative Companies, the parties may include one or more types of the services or cooperation in respect of the Cooperation Products. Accordingly, the Company considers that it is in the best interest of the Company and the Shareholders as a whole to set one annual cap for the total amount payable and receivable by the Group to and from Tencent Representative Companies for the transactions under the 2026 Game Cooperation Framework Agreement, rather than four individual annual caps for each mode of cooperation.

(1) *Distribution Cooperation, Joint Operation Cooperation and Exclusive Agency*

Given the revenue-sharing mechanism contemplated in the 2026 Game Cooperation Framework Agreement, the transaction amounts in relation to the Distribution Cooperation, Joint Operation Cooperation and Exclusive Agency under the 2026 Game Cooperation Framework Agreement are expected to depend on the revenue-generating capacity of each Cooperation Product, as well as the coverage and extent of the Cooperation Products (for example, the number of Cooperation Products to be rolled out each year by the Group), which in turn, are subject to the future levels of acceptance of and popularity of the Cooperation Products.

Accordingly, despite the practicable difficulties in accurately estimating the income to be generated from each Cooperation Product in the next three years, the Board has determined the Annual Caps for the three financial years ending 31 December 2028 with reference to, among others, (i) the market demand for and development trend of gaming business; (ii) the roadmap for the development of the Cooperation Products of the Group; (iii) the estimated scale and average cost, revenue and profit of the Cooperation Products that the Group intends to operate; and other relevant commercial factors, including but not limited to the development and production cycle of game works, budget control and work quality. The Directors believe that relatively new and high-quality game works have higher market value and can generally attract more gamers; and (iv) the expected revenue-generating capacity of the Cooperation Products with reference to similar products of comparable attributes.

More particularly, the Group primarily takes into consideration the expected revenue generating capacity of the Cooperation Products within the scope of the Distribution Cooperation, Joint Operation Cooperation and Exclusive Agency in determining the Game Cooperation Payable Annual Caps and the Game Cooperation Receivable Annual Caps. The Group has considered the

LETTER FROM THE BOARD

revenue projection of the Cooperation Products that are currently in the pipeline. Currently, the Group has 12 Cooperation Products in the pipeline, and strives to act as the exclusive distributor of such Cooperation Products, which are expected to be launched successively from 2026 to 2027. With reference to criteria including: (i) the game genre; (ii) settings of plot contents and characters; and (iii) game rating, the Board has selected a number of comparable mobile games with similar attributes to the Cooperation Products in order to assess the revenue-generating capacity and profitability of the Cooperation Products. Taking into account the above factors, the Board then estimated the Game Cooperation Payable Annual Caps and the Game Cooperation Receivable Annual Caps based on the projected annualised net income to be generated from the Cooperation Products in the pipeline and those already launched, and multiplied by the relevant percentage of gross billing, with a buffer of approximately 6% to 12% for the Game Cooperation Payable Annual Caps and approximately 6% to 10% for the Game Cooperation Receivable Annual Caps to cater for (i) the possibility that the performance of the Cooperation Products within the scope of Distribution Cooperation, Joint Operation Cooperation and Exclusive Agency may be better than that currently expected; and (ii) the Group may further distribute and operate potential additional new game products to be launched by Tencent Representative Companies.

(2) *Marketing Services*

It is expected that the transaction amount of the Marketing Services under the 2026 Game Cooperation Framework Agreement will depend on the revenue-generating capability of the relevant Cooperation Products. Therefore, with respect to the Marketing Services under the 2026 Game Cooperation Framework Agreement, in addition to the above factors, the Board had also taken into consideration, among other things: (i) the number, size, type, revenue-generating capability of Cooperation Products which are expected to be delivered by the Company in the coming years; and (ii) the marketing services and the scope thereof which are expected to be required by Tencent Representative Companies.

In assessing the Annual Caps for the total amount receivable by the Group from Tencent Representative Companies, the Group has made reference to the operating data of other mobile games that are similar or comparable to the Cooperation Products under the scope of the Marketing Services in projecting the income generated from the operation of Marketing Services. These comparable games under the scope of the Marketing Services were selected with reference to criteria including: (i) the game genre; (ii) settings of plot contents and characters; and (iii) game rating.

Taking into account the above factors, the Board estimated the income to be generated from each Cooperation Product under Marketing Services based on the average income generated from one or two comparable games under the scope of the Marketing Services. The Game Cooperation Receivable Annual Caps are then estimated based on the projected annualised income to be generated from Cooperation Products under the Marketing Services for each of the three years ending 31 December 2026, 2027 and 2028 that are currently in the pipeline and multiplied by the relevant marketing fee rate, being not more than 5%, with a buffer of approximately 6% to 10% to cater for (i) the possibility that the performance of the Cooperation Products within the scope of

LETTER FROM THE BOARD

Marketing Services may be better than that currently expected; and (ii) the Group may further provide Marketing Services to potential additional new game products to be launched by Tencent Representative Companies.

In addition, the Board has taken into account the historical transaction amounts for the Game Cooperation Payable Annual Caps and the Game Cooperation Receivable Annual Caps for the three years ended 31 December 2025. In particular, when determining the Game Cooperation Receivable Annual Caps, the Board notes that the highest utilisation rate of the historical annual caps exceeded 98%, and has projected the proposed Annual Caps on that basis.

The Board has also taken into account the Group's business plan, including the anticipated cooperation with Tencent Representative Companies in respect of the 12 Cooperation Products currently in the pipeline. Having regard to the historical performance of Cooperation Products that have already been launched, prevailing game market conditions and expected growth trends, the Board considers that the proposed Annual Caps are fair and reasonable.

The Drama Series and Movies Copyrights Licensing and Co-Production of Made-to-Order Series Framework Agreement

The Drama Series and Movies Licensing and Co-Production of Made-to-Order Series Annual Caps had been determined with reference to the following factors:

- (i) the estimated number of our original drama series and movies for which licensing contracts are expected to be entered into with Tencent Representative Companies for the respective years (it is planned to license three drama series and one film annually between 2026 and 2028), and the estimated licensing fees charged per drama series and movies, which is estimated with reference to the expected number of episodes, rating of the drama series and movies and the expected average market price range for each episode; and
- (ii) the estimated number of the made-to-order drama series to be co-produced by the Group and the Tencent Representative Companies for which implementation contracts are expected to be entered into with Tencent Representative Companies for the respective years (it is planned to co-produce one drama series annually between 2026 and 2028), and the estimated service fees charged per co-producing drama series, which is estimated with reference to the expected number of episodes, rating of the made-to-order drama series and the expected average market price range for each episode.

LETTER FROM THE BOARD

REASONS FOR AND BENEFITS OF ENTERING INTO THE FRAMEWORK AGREEMENTS

A. The 2026 Game Cooperation Framework Agreement

In view of Tencent Group's extensive experience in the realm of game products operation and it being one of the integrated internet service providers in the PRC, the Group plans to continue to enhance its cooperation in the game business with Tencent Holdings.

On the basis of the orderly development of the game cooperation business between the parties in 2023 pursuant to the 2023 Game Cooperation Framework Agreement, the 2026 Game Cooperation Framework Agreement was entered into for the purpose of further broadening the scope of game cooperation and enriching the cooperation model in the game field between the parties. This will also help the Group continue to broaden the scope of entertainment business of the Company, and enhance the monetization of the proprietary intellectual properties of the Company through the linkage between films and games, and in the long run, help to strengthen the Group's talent pool and consolidate its technological capability, which will in turn allow the Company to leap into a new stage of development.

B. The Drama Series and Movies Copyrights Licensing and Co-Production of Made-to-Order Series

Tencent Video, the online video platform operated by the Tencent Representative Companies, is a market-leading online entertainment service provider in China and its platform features popular original content, as well as a comprehensive selection of professionally produced and partner-generated content. By entering into the Drama Series and Movies Copyrights Licensing and Co-Production of Made-to-Order Series Framework Agreement, the Group can enhance its distribution network and deepen the business relationship with the Tencent Representative Companies, which has been a major player in content distribution market with sizeable procurement budgets for drama series and movies. Besides, licensing the copyrights of the drama series and movies produced by the Group and co-producing make-to-order drama series with the Tencent Representative Companies could be mutually beneficial to both parties by satisfying Tencent Video's demand for high-quality content as well as enabling the Group to generate revenue.

INTERNAL CONTROL PROCEDURES

In order to ensure that the Company complies with the pricing policies, the monitoring of the aggregate accumulated transaction amount and, if applicable, the approval of the proposed Annual Caps under the Framework Agreements, the Company has adopted a series of internal control policies in its daily operations. These internal control policies are implemented and monitored by

LETTER FROM THE BOARD

the Company's internal audit and internal control department, independent non-executive Directors and external auditors:

- (1) the Company's internal control department conducts regular monitoring of connected transactions, the results of which together with the external auditor's report are then submitted to the audit committee and independent non-executive Directors for review. The Company's internal audit and internal control department supervises connected transactions and ensures that these transactions are carried out in the following ways: (a) in accordance with the pricing policy of the Framework Agreements; (b) in the ordinary and usual course of business of the Group; (c) on normal commercial terms or better; and (d) in accordance with the Framework Agreements, and that the terms are fair and reasonable and are in the interests of the Company and its Shareholders as a whole;
- (2) the independent non-executive Directors have reviewed and will continue to review the continuing connected transactions and confirm in the annual report whether: these transactions are entered into on normal commercial terms or better; in accordance with the Framework Agreements, and that the terms are fair and reasonable and are in the interests of the Company and its Shareholders as a whole;
- (3) the Company's external auditors will also conduct annual reviews of the pricing principles, total amount of accumulated transactions and, if applicable, proposed Annual Caps of the Framework Agreements and make corresponding confirmations in the Company's annual report; and
- (4) the Group will monitor the amount incurred for the transactions contemplated under the Framework Agreements on a regular basis to ensure that the annual caps thereunder will not be exceeded. In particular, the Group will prepare a continuing connected transaction report on a quarterly basis on continuing connected transactions which will be submitted internally to such dedicated team within the Group for consideration. The contents of the report will include (i) the fees payable/receivable by the Group to/from Tencent Representative Companies within the relevant reporting period; and (ii) the status of compliance with the annual caps and utilization of the annual caps. If the transaction amount of any continuing connected transaction under the Framework Agreements that is or will be incurred in the financial year is expected to reach or exceed the relevant annual cap, the internal audit and internal control department of the Group shall report to the management of the Company and consider the measures to be taken to ensure that the requirements under the Listing Rules are complied with, including obtaining the approval of Independent Shareholders (if required).

The Board believes that the above internal control procedures can ensure that the transactions under the Framework Agreements will be implemented on normal commercial terms or better and will not harm the interests of the Company and its Shareholders.

LETTER FROM THE BOARD

INFORMATION ON THE PARTIES

The Company

The Company is listed on the Stock Exchange (stock code: 136). The Company is an investment holding company. The Group is principally engaged in content production, online streaming and advertising services, online gaming services and manufacturing and sales of accessories.

The Tencent Group

The Tencent Group is principally engaged in value-added services, online advertising, fintech and business services.

Tencent Computer

Tencent Computer is a company established under the laws of the PRC and a subsidiary of Tencent Holdings. It is principally engaged in the development and provision of integrated internet services in the PRC. Tencent Group is principally engaged in value-added services, online advertising, fintech and business services.

LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, Tencent Holdings is a Shareholder indirectly holding approximately 15.37% of the shares of the Company. As Tencent Computer is a wholly-owned subsidiary of Tencent Holdings, Tencent Computer constitutes an associate of Tencent Holdings, thus constitutes a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the Framework Agreements and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of each of the transactions contemplated under the Framework Agreements calculated pursuant to Rule 14.07 of the Listing Rules exceeds 5%, each of the transaction(s) contemplated under the Framework Agreements shall be subject to the annual review, reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Directors (including the independent non-executive Directors whose opinion is set forth in the "Letter from the Independent Board Committee" in this circular after considering the advice of the Independent Financial Adviser) believe that, the terms of the Framework Agreements are fair and reasonable, in the interests of the Shareholders as a whole, and on normal commercial terms and beneficial to the business development of the Group. In addition, the terms of the Framework Agreements are no less favourable than those offered to or by independent third parties.

LETTER FROM THE BOARD

To the best of the knowledge and belief of the Directors, none of the Directors has any interest in the resolution(s) of the Board to consider and approve the transactions contemplated under the Framework Agreements or is otherwise required to abstain from voting on the relevant resolution(s) of the Board.

SGM

The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Framework Agreements and the transactions contemplated thereunder (including the Annual Caps). A notice convening the SGM to be held at 11:00 a.m. on Tuesday, 19 May 2026 at Room 3701, 37/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong is set out on pages SGM-1 to SGM-3 of this circular.

As at the Latest Practicable Date, Water Lily Investment Limited and Tencent Mobility Limited (all being wholly owned subsidiaries of Tencent Holdings) held, in aggregate, 2,582,401,232 Shares, which represent approximately 15.37% of the issued Shares. Therefore, Water Lily Investment Limited and Tencent Mobility Limited will abstain from voting at the SGM.

To the best of the Directors' knowledge, information and belief, other than Water Lily Investment Limited and Tencent Mobility Limited, no Shareholder is required to abstain from voting at the SGM.

A form of proxy for use at the SGM is enclosed. Whether or not you are able to attend the SGM or any adjournment thereof (as the case may be), you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and deposit it at the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as practicable and in any event not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof (as the case may be) if you so wish.

RECOMMENDATIONS

Your attention is drawn to (i) the letter of advice from the Independent Board Committee to the Independent Shareholders on the Framework Agreements and the transactions contemplated thereunder (including the Annual Caps); and (ii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders on the Framework Agreements and the transactions contemplated thereunder (including the Annual Caps).

The Board (including the members of the Independent Board Committee whose opinion is set forth in the "Letter from the Independent Board Committee" in this circular after considering the advice of the Independent Financial Adviser), is of the view that the Framework Agreements and the transactions contemplated thereunder (including the Annual Caps) are fair and reasonable, and

LETTER FROM THE BOARD

on normal commercial terms, in the ordinary and usual course of business of the Group, and are in the interests of the Company and the Shareholders as a whole. The Board recommends that the Independent Shareholders to vote in favor of the ordinary resolutions relating thereto at the SGM.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the SGM, the register of members of the Company will be closed from Saturday, 16 May 2026 to Tuesday, 19 May 2026 (both days inclusive), during which period no transfer of Shares will be registered. In order for a Shareholder of the Company to be eligible to attend and vote at the SGM, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Friday, 15 May 2026. The record date for determining the eligibility of the Shareholders to attend and vote at the SGM will be Tuesday, 19 May 2026.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendix to this circular.

FORWARD-LOOKING STATEMENTS

There can be no assurance that any forward-looking statements regarding the business development of the Group set out in this circular and any of the matters set out herein are attainable, will actually occur or will be realized or are complete or accurate. Shareholders and/or potential investors of the Company are advised to exercise caution when dealing in the securities of the Company and not to place any excessive reliance on the information disclosed herein. Any Shareholder or potential investor who is in doubt is advised to seek advice from professional advisors.

Yours faithfully,
By order of the Board
China Ruyi Holdings Limited
Ke Liming
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the text of a letter from the Independent Board Committee setting out its recommendation to the Independent Shareholders in relation to the Continuing Connected Transactions in Relation to the 2026 Game Cooperation Framework Agreement and the Drama Series and Movies Copyrights Licensing and Co-Production of Made-to-order Series Framework Agreement for inclusion in this circular.



儒意控股
RUYI HOLDINGS

China Ruyi Holdings Limited

中國儒意控股有限公司

(a company incorporated in Bermuda with limited liability)

(Stock Code: 136)

4 May 2026

To the Independent Shareholders

**CONTINUING CONNECTED TRANSACTIONS PURSUANT TO
THE 2026 GAME COOPERATION FRAMEWORK AGREEMENT AND
THE DRAMA SERIES AND MOVIES COPYRIGHTS
LICENSING AND CO-PRODUCTION OF MADE-TO-ORDER SERIES
FRAMEWORK AGREEMENT**

Dear Sir or Madam,

We refer to the circular issued by the Company to its Shareholders dated 4 May 2026 (the “**Circular**”) of which this letter forms part. Terms defined in the Circular shall have the same meanings in this letter unless the context otherwise requires.

We have been appointed by the Board to form an independent board committee to consider and advise you as to whether the Framework Agreements and the transactions contemplated thereunder (including the Annual Caps) are fair and reasonable, and 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, and to recommend as to whether the Independent Shareholders should approve the entering into of the Framework Agreements and the transactions contemplated thereunder (including the Annual Caps). Maxa Capital Limited has been appointed to act as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

We wish to draw your attention to the letter from the Board, as set out on pages 6 to 25 of the Circular and a letter of advice from Maxa Capital Limited, as set out on pages 28 to 67 of the Circular, both of which provide details for the Framework Agreements and the transactions contemplated thereunder (including the Annual Caps).

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having considered the terms of the Framework Agreements and the transactions contemplated thereunder (including the Annual Caps), the advice and recommendation from Maxa Capital Limited and the relevant information contained in the letter from the Board, we are of the opinion that (i) the Framework Agreements and the transactions contemplated thereunder (including the Annual Caps) are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) the entering into of the Framework Agreements is in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend you to vote in favor of the resolutions to be proposed at the SGM to approve the entering into of Framework Agreements and the transactions contemplated thereunder (including the Annual Caps).

Yours faithfully,

For and on behalf of

the Independent Board Committee

Mr. Chau Shing Yim,

David

Independent

non-executive Director

Mr. Nie Zhixin

Independent

non-executive Director

Mr. Chen Haiquan

Independent

non-executive Director

Professor Shi

Zhuomin

Independent

non-executive Director

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of the letter from Maxa Capital Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, setting out its advice in respect of the terms of the 2026 Game Cooperation Framework Agreement and the Drama Series and Movies Copyrights Licensing and Co-Production of Made-to-Order Series Framework Agreement, the transactions contemplated thereunder and the Annual Caps, which has been prepared for the purpose of inclusion in this circular.



Unit 2602, 26/F, Golden Centre
188 Des Voeux Road Central
Sheung Wan
Hong Kong

4 May 2026

To the Independent Board Committee and the Independent Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS PURSUANT TO THE 2026 GAME COOPERATION FRAMEWORK AGREEMENT AND THE DRAMA SERIES AND MOVIES COPYRIGHTS LICENSING AND CO-PRODUCTION OF MADE-TO-ORDER SERIES FRAMEWORK AGREEMENT

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the 2026 Game Cooperation Framework Agreement and the Drama Series and Movies Copyrights Licensing and Co-Production of Made-to-Order Series Framework Agreement, the transactions contemplated thereunder and the Annual Caps, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular of the Company dated 4 May 2026 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

References are made to: (i) the announcement of the Company dated 22 February 2023 and the circular of the Company dated 12 June 2023; (ii) the announcement of the Company dated 22 November 2023 and the circular of the Company dated 4 December 2023; (iii) the announcement of the Company dated 8 November 2024 and the circular of the Company dated 29 November 2024 in relation to, among others, the 2023 Game Cooperation Framework Agreement, the transactions contemplated thereunder and the revision of annual caps thereof; and (iv) the Announcement.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

On 7 April 2026, (i) Tencent Computer and the Company entered into the 2026 Game Cooperation Framework Agreement for a term from the date on which the conditions precedent are fulfilled to 31 December 2028, pursuant to which the Group and Tencent Representative Companies shall cooperate in the field of gaming; and (ii) Tencent Computer and the Company entered into the Drama Series and Movies Copyrights Licensing and Co-Production of Made-to-Order Series Framework Agreement for a term from the date on which the conditions precedent are fulfilled to 31 December 2028, pursuant to which the Group shall license the online broadcasting rights and distribution rights of its original drama series and movies to, and carry out co-production of made-to-order dramas with, Tencent Representative Companies.

LISTING RULES IMPLICATION

As at the Latest Practicable Date, Tencent Holdings is a Shareholder indirectly holding approximately 15.37% of the shares of the Company. As Tencent Computer is a wholly-owned subsidiary of Tencent Holdings, Tencent Computer constitutes an associate of Tencent Holdings, thus constitutes a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the Framework Agreements and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of each of the transactions contemplated under the Framework Agreements calculated pursuant to Rule 14.07 of the Listing Rules exceeds 5%, each of the transaction(s) contemplated under the Framework Agreements shall be subject to the annual review, reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Company will convene the SGM for the purpose of seeking approval from the Independent Shareholders on, among other things, the Framework Agreements and the transactions contemplated thereunder (including the Annual Caps). As at the Latest Practicable Date, Water Lily Investment Limited and Tencent Mobility Limited (all being wholly owned subsidiaries of Tencent Holdings) held, in aggregate, 2,582,401,232 Shares which represent approximately 15.37% of the issued Shares, will abstain from voting at the SGM.

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising Mr. Chau Shing Yim, David, Mr. Nie Zhixin, Mr. Chen Haiquan and Professor Shi Zhuomin, being all the independent non-executive Directors, has been formed to advise the Independent Shareholders as to whether the terms of the Framework Agreements and the transactions contemplated thereunder (including the Annual Caps) are fair and reasonable, and 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, and to advise the Independent Shareholders on how to vote in respect of the relevant resolution(s) to be proposed at the SGM to approve the entering into of the Framework Agreements and the transactions contemplated thereunder (including the Annual Caps). We, Maxa Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

OUR INDEPENDENCE

As at the Latest Practicable Date, we did not have any relationship with or interest in the Company, its subsidiaries and any other parties that could reasonably be regarded as relevant to our independence in accordance with Rule 13.84 of the Listing Rules and accordingly, were qualified to give independent advice to the Independent Board Committee and the Independent Shareholders in respect of the Framework Agreements and the transactions contemplated thereunder (including the Annual Caps). In the past two years, we were appointed by the Company as the independent financial adviser in respect of (i) the acquisition of 30% equity interest in Beijing Yonghang Technology Company Limited* (北京永航科技有限公司) and the issue of consideration shares under the specific mandate; and (ii) the revision of annual cap in respect of the total amount receivable by Beijing Jingxiu from Tencent Representative Companies for the two years ended 31 December 2025, details of which were set out in the circulars of the Company dated 7 March 2025, 29 November 2024, respectively. The aforesaid previous appointments were limited to providing one-off independent advisory service, for which we received normal professional fees. Accordingly, we do not consider previous appointments give rise to any conflict for us in acting as the Independent Financial Adviser in respect of the Framework Agreements and the transactions contemplated thereunder (including the Annual Caps). Apart from the normal advisory fee payable to us in connection with this appointment, no arrangement exists whereby we shall receive any other fees or benefits from the Company.

BASIS OF OUR OPINION

In formulating our opinion and recommendation, we have reviewed, among other things: (i) the Framework Agreements; (ii) the annual reports of the Company for the three years ended 31 December 2023 (the “**2023 AR**”), 31 December 2024 (“**2024 AR**”) and 31 December 2025 (the “**2025 AR**”); and (iii) the basis and assumption adopted in determining the Annual Caps. We consider that we have reviewed sufficient and relevant information and documents, and have taken reasonable steps as required under Rule 13.80 of the Listing Rules to reach an informed view and to provide a reasonable basis for our recommendation. We have relied on the statements, information, opinions and representations contained in the Circular and the information and representations provided to us by the Directors and the management of the Group (the “**Management**”). We have reviewed, *inter alia*, the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors and the Management. We have assumed that (i) all statements, information and representations provided by the Directors and the Management; and (ii) the information referred to in the Circular, for which they are solely responsible, were true and accurate at the time when they were provided and continued to be so as at the Latest Practicable Date and the Shareholders will be notified of any material changes to such information and representations before the SGM. We have also assumed that all statements of belief, opinion, intention and expectation made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the representations and opinions expressed by

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

the Company, its advisers and/or the Directors. We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent verification of the information included in the Circular and provided to us by the Directors and the Management nor have we conducted any form of in-depth investigation into the business and affairs or the future prospects of the Group.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and have confirmed, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in the Circular misleading.

Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company. Where information in this letter has been extracted from published or otherwise publicly available sources, the sole responsibility of us is to ensure that such information has been correctly and fairly extracted, reproduced or presented from the relevant stated sources and not be used out of context.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Framework Agreements and the transactions contemplated thereunder (including the Annual Caps), we have taken into consideration the following principal factors and reasons:

1. Background information of the Group

The Company is an investment holding company. The Group is principally engaged in content production, online streaming and advertising services, online gaming services and manufacturing and sales of accessories.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Set out below is a summary of the consolidated financial information of the Group for the three years ended 31 December 2023 (“FY2023”), 31 December 2024 (“FY2024”), and 31 December 2025 (“FY2025”) as extracted from the 2023 AR, 2024 AR and 2025 AR:

	For the year ended 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(audited)	(audited)	(audited)
Revenue	3,627,247	3,670,760	3,342,975
— Content production business	2,227,108	127,043	678,406
— Online streaming and online gaming businesses	1,377,163	3,507,387	2,641,712
— Other businesses	30,976	36,330	39,657
— Inter-segment elimination	(8,000)	—	(16,800)
Gross profit	1,160,983	1,910,415	1,183,741
Profit/(Loss) for the year	682,540	(206,576)	1,786,023

FY2024 vs FY2023

As illustrated in the table above, the Group’s revenue amounted to approximately RMB3,670.8 million for FY2024, representing an increase of approximately 1.2% as compared to approximately RMB3,627.2 million for FY2023. The slight increase in the Group’s revenue was mainly because the increase in revenue derived from online streaming and online gaming businesses was almost offset by the decrease in revenue derived from content production businesses for FY2024. Notably, the Group’s online gaming business experienced explosive growth in FY2024, achieving revenue of approximately RMB1.992 billion, representing a year-on-year increase of approximately 346.6%. This growth rate significantly outpaced the industry average. During FY2024, several products launched by the Company demonstrated strong market competitiveness. The upgraded classic IP product namely “Ragnarok ORIGIN” (《仙境傳說：愛如初見》) has quickly topped the free list upon its launch in March 2024 and has long remained among the top of the bestseller list, showing strong user stickiness and market competitiveness. Its first-month revenue exceeded RMB100 million. The officially licensed mobile game namely “Civilization Mobile” (《世界啟元》) in cooperation with the genuine Civilization IP, which was launched on 16 July 2024, ranked first on the iOS free list on the first day of its public beta test and remained among the top ten within the following week. In addition, in the sports game segment, “Haikyuu Flyhigh” (《排球少年：新的征程》) also performed outstandingly. This story-based card game that restores real volleyball scenes has topped the App Store free list and the iOS sports bestseller list on the first day of its public beta test.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Group recorded net loss of approximately RMB206.6 million for FY2024, as compared to the net profit of approximately RMB682.5 million for FY2023. The net loss of the Group for FY2024 was mainly due to the Group recorded loss of approximately RMB1,121.4 million arising from the fair value change of the warrants issued by the Company for the acquisition of Virtual Cinema Entertainment Limited (“**Virtual Cinema**”) at the beginning of 2021, which were fully exercised in the FY2024.

FY2025 vs FY2024

The total revenue of the Group was approximately RMB3,343.0 million for FY2025, representing a decrease of approximately 8.9% as compared to approximately RMB3,670.8 million for FY2024. Such decrease in revenue was primarily attributable to revenue derived from the online streaming and online gaming businesses decreased from approximately RMB3,507.4 million for FY2024 to approximately RMB2,641.7 million for FY2025, and was partially offset by the increase in revenue derived from the content production business from approximately RMB127.0 million for FY2024 to approximately RMB678.4 million for FY2025. In the online gaming business, the Group has established a mature sustained operation system covering the entire product lifecycle. Through continuous version updates, refined user operations, and content innovation, it has driven core products to consistently rank at the forefront of the industry. Among them, the benchmark SLG product “Red Alert Online” (《紅警OL》), leveraging the influence of its classic IP and a deep operational strategy, has long remained in the top tier of the domestic iOS game bestseller list. Products such as “Ragnarok Origin” (《仙境傳說：愛如初見》) and “Civilization: Eras & Allies” (《世界啟元》) have also maintained stable user bases and revenue contributions. In film investment, production and distribution business, multiple films co-produced by the Group delivered outstanding performances during FY2025. The suspense crime film “Octopus with Broken Arms” (《誤殺3》) and the romantic comedy “Honey Money Phony” (《騙騙喜歡你》) ranked first and third in the New Year’s Day box office, respectively. During the Spring Festival period, the coproduced national-level suspense comedy “Detective Chinatown 1900” (《唐探1900》) ranked second in the Spring Festival box office with over RMB3.6 billion, and was awarded “2025 Weibo Night • Film of the Year” (“2025 微博之夜 • 微博年度電影”); the family animation “Boonie Bears: Future Reborn” (《熊出沒 • 重啟未來》) also achieved remarkable box office results. In the drama production business, the Group continues to increase its investment in top-tier premium content, deepen collaborations with mainstream domestic streaming platforms, and actively expand overseas markets, continuously enhancing the international reach and brand influence of Chinese dramas. During FY2025, the martial arts romance drama “Shadow Love” (《與晉長安》), starred by Song Yi and Cheng Lei, was shortlisted for the Golden Angel Award at the 21st China-American Television Festival.

The Group recorded net profit of approximately RMB1,786.0 million for FY2025, as compared to the net loss of approximately RMB206.6 million for FY2024. The turnaround from loss to profit of the Group for FY2025 as compared to FY2024 was mainly due to (i) the Group recorded loss of approximately RMB1,121.4 million arising from the fair value changes of the warrants issued for the acquisition of Virtual Cinema for FY2024. Such warrants were

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

fully exercised in December 2024 and therefore no fair value changes of warrants was recognised for FY2025; and (ii) the Group recognised gain of approximately RMB1,169.3 million arising from fair value changes in financial assets at fair value through profit or loss (“**FVPL**”) for FY2025 whereas loss of approximately RMB156.9 million was recognised for FY2024. The financial assets at FVPL held by the Group mainly comprised of its investments in unlisted funds and unlisted companies.

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(audited)	(audited)	(audited)
Non-current assets	9,987,299	10,648,396	12,809,166
Current assets	<u>6,693,859</u>	<u>11,022,317</u>	<u>17,451,155</u>
Total assets	<u>16,681,158</u>	<u>21,670,713</u>	<u>30,260,321</u>
Non-current liabilities	2,224,204	976,154	2,392,587
Current liabilities	<u>3,420,970</u>	<u>4,361,952</u>	<u>4,022,011</u>
Total liabilities	<u>5,645,174</u>	<u>5,338,106</u>	<u>6,414,598</u>
Net current assets	3,272,889	6,660,365	13,429,144
Net assets	11,035,984	16,332,607	23,845,723

Total assets

The Group had total assets of approximately RMB21,670.7 million as at 31 December 2024, which mainly comprised of (i) goodwill of approximately RMB4,443.7 million; (ii) financial assets at FVPL of approximately RMB3,988.7 million; (iii) film and television programmes rights of approximately RMB3,748.4 million; and (iv) cash and cash equivalents of approximately RMB3,493.6 million. The increase in the total assets by approximately RMB4,989.6 million to approximately RMB21,670.7 million as at 31 December 2024 as compared to 31 December 2023 was mainly attributable to (i) increase in cash and cash equivalents by approximately RMB2,923.7 million, mainly due to the receipt of equity financing funds upon completion of the share subscription, proceeds from the exercise of warrants, and growth in operating performance; (ii) increase in film and television programmes rights by approximately RMB1,018.1 million, mainly due to the increase in the additions of licensed film and television programmes rights and the decrease in the amortisation charge following the first release of certain film and television programmes; (iii) increase in trade and bills receivables by approximately RMB539.8 million; and (iv) increase in financial assets at FVPL by approximately RMB474.4 million, mainly due to the increase in the investment in unlisted funds.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Group had total assets of approximately RMB30,260.3 million as at 31 December 2025, which mainly comprised of (i) financial assets at FVPL of approximately RMB7,874.2 million; (ii) cash and cash equivalents of approximately RMB6,286.1 million; and (iii) goodwill of approximately RMB4,443.7 million. The increase in the Group's total assets by approximately RMB8,589.6 million to approximately RMB30,260.3 million as at 31 December 2025 as compared to 31 December 2024 was mainly due to (i) increase in financial assets at FVPL by approximately RMB3,885.5 million, mainly due to the increase in the investment in unlisted funds; (ii) increase in cash and cash equivalents by approximately RMB2,792.4 million, mainly due to the receipt of proceeds from the issuance of shares and convertible bonds during FY2025 and growth in operating performance; and (iii) increase in the investments accounted for using the equity method by approximately RMB1,678.3 million, mainly because the Group completed its acquisition of 30% equity interest of Beijing Yonghang Technology Co., Ltd. in April 2025 and acquisition of 30% equity interest of KuaiQian Financial Services (Shanghai) Co., Ltd. in July 2025.

Total liabilities

The Group had total liabilities of approximately RMB5,338.1 million as at 31 December 2024, which mainly comprised of (i) borrowings of approximately RMB1,700.9 million; (ii) trade and other payables of approximately RMB1,668.8 million; (iii) film and television programmes investment funds from investors of approximately RMB743.4 million; and (iv) current income tax liabilities of approximately RMB682.1 million. The decrease in the total liabilities by approximately RMB307.1 million to approximately RMB5,338.1 million as at 31 December 2024 as compared to 31 December 2023 was mainly due to (i) decrease in contingent consideration payable by approximately RMB1,322.8 million as the warrants issued for the acquisition of Virtual Cinema were fully exercised in December 2024 and therefore the contingent consideration payable was reduced to nil as at 31 December 2024; and partially offset by (ii) increase in trade and other payables of approximately RMB831.9 million, mainly due to the increase in trade payables and advance receipt of film and television programmes issuance and production.

The Group had total liabilities of approximately RMB6,414.6 million as at 31 December 2025, which mainly comprised of (i) convertible bonds of approximately RMB1,922.5 million; (ii) other payables and accruals of approximately RMB1,460.5 million; and (iii) film and television programmes investment funds from investors of approximately RMB673.1 million. The increase in the total liabilities by approximately RMB1,076.5 million to approximately RMB6,414.6 million as at 31 December 2025 as compared to 31 December 2024 was mainly due to (i) increase in convertible bonds by approximately RMB1,922.5 million as the Company completed the issuance of convertible bonds in an aggregate principal amount of HK\$2,341 million on 22 April 2025; and partially offset by (ii) decrease in borrowings by approximately RMB967.9 million.

2. Background information of Tencent Computer and Tencent Group

Tencent Computer is a company established under the laws of the PRC and a subsidiary of Tencent Holdings. It is principally engaged in the development and provision of integrated internet services in the PRC. Tencent Group is principally engaged in value-added services, online advertising, fintech and business services.

3. Reasons for and benefits of the transactions contemplated under the Framework Agreements

3.1 The 2026 Game Cooperation Framework Agreement

As stated in the Letter from the Board, in view of Tencent Group's extensive experience in the realm of game products operation and it being one of the integrated internet service providers in the PRC, the Group plans to continue to enhance its cooperation in the game business with Tencent Holdings.

On the basis of the orderly development of the game cooperation business between the parties in 2023 pursuant to the 2023 Game Cooperation Framework Agreement, the 2026 Game Cooperation Framework Agreement will be entered into for the purpose of further broadening the scope of game cooperation and enriching the cooperation model in the game field between the parties. This will also help the Group continue to broaden the scope of entertainment business of the Company, and enhance the monetization of the proprietary intellectual properties of the Company through the linkage between films and games, and in the long run, help to strengthen the Group's talent pool and consolidate its technological capability, which will in turn allow the Company to leap into a new stage of development.

As disclosed in the 2025 AR, the gaming business of the Group continues to achieve growth in both business scale and operational efficiency. As advised by the Management, given that the classic Cooperation Products have maintained stable popularity and the newly launched Cooperation Products have rapidly captured market share with differentiated positioning, the Group is able to generate substantial revenue under the gaming cooperation with Tencent Representative Companies. Based on our research, we note from an article titled "the official release of 2025 China Game Industry Report" (《2025年中國遊戲產業報告》正式發佈)¹ released by The Game Working

¹ <https://www.cadpa.org.cn/3277/202512/41770.html>

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Committee of the China Audio — Video and Digital Publishing Association (中國音像與數字出版協會遊戲出版工作委員會)², the actual sales revenue of the PRC game market was approximately RMB350.8 billion in 2025, representing a year-on-year increase of approximately 7.68%. In addition, the scale of game users in China was approximately 683 million in 2025, representing a year-on-year growth of approximately 1.53%. Given that both the aforementioned actual sales revenue and scale of game users recorded historical highs, it is considered that the PRC game market is on a trajectory of steady growth, accompanied by robust demand for gaming products. Besides, as evidenced by an article titled “iResearch Viewpoint — China’s Online Game Market Size and Development Trend” (《艾瑞觀點—中國網絡遊戲市場規模及發展趨勢》)³ released by iResearch⁴ in 2024, we note that the PRC game market size is expected to grow at a compound annual growth rate of approximately 3.6% from 2024 to 2026 due to breakthroughs in technologies such as cloud gaming, augmented reality and virtual reality.

Having taken into account (i) the historical amount of service fees received by Beijing Jingxiu under the transactions contemplated under the 2023 Game Cooperation Framework Agreement; (ii) the experience accumulated throughout the cooperation with Tencent Group in game development and operation; and (iii) the industry landscape of the PRC game market, we consider that the entering into the 2026 Game Cooperation Framework Agreement will further strengthen the strategic partnership between the parties, drive innovation in game development, and capitalize on emerging market opportunities to achieve sustainable growth in the rapidly evolving gaming industry.

3.2 The Drama Series and Movies Copyrights Licensing and Co-Production of Made-to-Order Series Framework Agreement

As stated in the Letter from the Board, Tencent Video, the online video platform operated by Tencent Representative Companies, is a market-leading online entertainment service provider in China and its platform features popular original content, as well as a comprehensive selection of professionally produced and partner-generated content. By entering into the Drama Series and Movies Copyrights Licensing and Co-Production of Made-to-Order Series Framework Agreement, the Group can enhance its distribution network and deepen the business relationship with Tencent Representative Companies, which has been a major player in content distribution market with sizeable procurement budgets for drama series and movies. Besides, licensing the copyrights of the drama

² As disclosed on the official website of China Audio-Video and Digital Publishing Association (“CADPA”), CADPA (i) is a non-profit social organization with independent legal personality approved and registered by the General Administration of Press and Publication and the Ministry of Civil Affairs of the PRC; and (ii) has more than 1400 members, who engaged in a broad variety of industries including audiovisual, music and digital publishing content creation, product production and content dissemination. As advised by the Management, CADPA is independent to the Company and its connected person.

³ <https://news.iresearch.cn/content/202406/500400.shtml>

⁴ iResearch is an independent market intelligence provider that provides market research, information and advice to companies in various industries.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

series and movies produced by the Group and co-producing made-to-order drama series with Tencent Representative Companies could be mutually beneficial to both parties by satisfying Tencent Video's demand for high-quality content as well as enabling the Group to generate revenue.

Based on our research, according to an article titled "2025 China Online Drama Industry Chain Map, Market Status, Key Enterprises and Future Trend Research and Judgment" (《2025年中國網路劇行業產業鏈圖譜、市場現狀、重點企業及未來趨勢研判》)⁵ published by Intelligence Research Group (北京智研科信諮詢有限公司)⁶, the PRC online drama market was expected to reach approximately RMB17.89 billion by 2028, representing a compound annual growth rate of approximately 3.65% compared with approximately RMB15.5 billion in 2024, driven by technological advancements and diversified content. Furthermore, as evidenced by the report titled "Global Entertainment and Media Industry Outlook (2025–2029)" (《全球娛樂及媒體行業展望(2025–2029)》)⁷ published by PricewaterhouseCoopers⁸, the PRC film market is also projected to grow at a compound annual growth rate of approximately 5.25% from 2024 to 2029, primarily due to the normalized supply of high-quality content.

Having taken into account (i) the industry landscape of both the PRC online drama market and the PRC film market; and (ii) the fact that Tencent Video, the online streaming platform of Tencent Holdings, had approximately 114 million⁹ video subscribers as reported in the interim report of Tencent Holdings for the six months ended 30 June 2025, we consider that the entering into the Drama Series and Movies Copyrights Licensing and Co-Production of Made-to-Order Series Framework Agreement will enable the Group to broaden its distribution channel for drama series and movies, expand its cooperation with Tencent Representative Companies and enhance revenue generation in its content production business segment.

In view of the above, we concur with the Directors' view that the entering into of the Framework Agreements is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

⁵ <https://www.chyxx.com/industry/1216528.html>

⁶ Intelligence Research Group is a leading industry information provider in the PRC established in 2008.

⁷ <https://www.pwccn.com/zh/tmt/entertainment-and-media-outlook-2025-2029.pdf>

⁸ PricewaterhouseCoopers is a British multinational professional services firm that is one of the "Big Four" accounting firms, offering audit, assurance, tax, and consulting services.

⁹ The average number of paying users for the second quarter of 2025.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

4. The Framework Agreements

4.1 *The 2026 Game Cooperation Framework Agreement*

- Date : 7 April 2026
- Parties : (1) Tencent Computer (for itself and on behalf of the Tencent Representative Companies); and
- (2) The Company (for itself and on behalf of the Group and its controllable companies through contractual arrangements).
- Term : From the date on which the conditions precedent are fulfilled to 31 December 2028
- Conditions precedent : The 2026 Game Cooperation Framework Agreement is conditional upon the fulfilment of following conditions:
- (1) each party has obtained necessary authorizations from the relevant authorities (including its board of directors and/or shareholders' meeting, if required) and has affixed its seal to the agreement; and
- (2) each party has complied with the relevant requirements under applicable laws, regulations and by-laws, including obtaining approval by the Company's General Meeting for the 2026 Game Cooperation Framework Agreement and the transactions contemplated thereunder (including the Annual Caps), as required under the Listing Rules.

PRINCIPAL TERMS

(1) *Distribution and operation of the Cooperation Products by the Group ("Distribution Cooperation")*

Both parties agreed that the Group acts as (i) exclusive distributor; or (ii) distributor on certain platforms to distribute the Cooperation Products. The Group will act as the distributor of the Cooperation Products and directly derive income from the end users of the Cooperation Products on the platform. Tencent Representative Companies shall provide to the Group technical and channel promotion services, intellectual property rights licensing and/or content update and maintenance services in respect of the Cooperation Products.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Depending on the needs of Cooperation Products, the Group shall pay to Tencent Representative Companies (i) intellectual property license fees (if applicable); (ii) content update and maintenance fees of cooperation products (if applicable); (iii) technical service and channel promotion service fees (if applicable); and/or (iv) other fees negotiated by the parties, including discretionary bonus determined with reference to the revenue generated from the Cooperation Products and fees for such other distribution and operation services incidental to the Distribution Cooperation.

Such discretionary bonus may be payable where a Cooperation Product achieves specific revenue targets for a certain period after arm's length negotiations between the parties, as specified in the separate implementation agreement, which would be determined on a case-by-case basis considering various commercial factors (including the nature, popularity, quality, commercial potential and prospects of the Cooperation Products). Any such discretionary bonus fees payable has been fully taken into account in the proposed Annual Caps for the 2026 Game Cooperation Framework Agreement.

(2) *Joint distribution and operation of games by Tencent Representative Companies and the Group (“Joint Operation Cooperation”)*

Tencent Representative Companies and the Group agreed to be jointly responsible for distributing and operating the Cooperation Products, and the parties shall be responsible for managing the settlement of fees on different platforms based on actual demand as agreed between the parties. Tencent Representative Companies and the Group shall directly derive income from the end users of the Cooperation Products on the platforms which they are responsible for and then pay each other (as the case may be) relevant fees.

(3) *Marketing services provided by the Group (“Marketing Services”)*

The Group agreed to provide marketing and advertising services to Tencent Representative Companies. Through the linkage between films and games, the Group will leverage on its strengths in the film and television field to formulate specific marketing plans for the promotion of the Cooperation Products, including but not limited to designing and executing game marketing plans, promotion planning and video content production. Tencent Representative Companies shall pay the Group relevant marketing services fees or service bonus (where applicable).

(4) *Acting as the Exclusive Agent by Tencent Representative Companies (“Exclusive Agency”)*

The Group agreed to appoint Tencent Representative Companies as the exclusive agent to provide distribution, operation and promotion services for the Cooperation Products, and agree to authorize Tencent Representative Companies to distribute such products on platforms operated by Tencent and other third parties. Tencent Representative Companies shall receive revenue directly from the end-users of the games

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

on the platforms, and pay the Group a share of the revenue generated from the distribution and operation of the Cooperation Products across different platforms, as well as revenue derived from paid promotion service.

PRICING PRINCIPLES

(1) *Distribution Cooperation*

In respect of the aforementioned Distribution Cooperation, the Group shall pay Tencent Representative Companies relevant fees as agreed between the parties based on the particular Cooperation Product. The mode of settlement includes revenue-sharing, fixed amount or a mix of revenue-sharing and fixed amount. The definitive mode of settlement will be determined on a case-by-case basis after arm's length negotiations between the parties with reference to the prevailing market terms and commercial factors in respect of the relevant Cooperation Products as mentioned below. The revenue-sharing settlement mode will be calculated based on (i) the gross billing derived from the distribution and operation of Cooperation Products on different platforms; and (ii) comparable pricing terms in the market, and shall be specifically determined by the scope of channels that the Group is actually responsible for the distribution and operation of specific Cooperation Products. In respect of fixed amount settlement mode, taking into account commercial factors such as the nature, popularity, quality and commercial potential of the Cooperation Products and duration of the engagement, Tencent Representative Companies may also charge the Group a fixed amount of license fees as agreed between the parties. Considering the prevailing market condition and the nature of the Cooperation Products, the Company believes that the Parties will primarily adopt the revenue-sharing arrangement in determining the fees for the Distribution Cooperation, and it is unlikely for the fixed amount settlement mode to be adopted.

As regards the determination of the portion of income and/or fixed fees (as the case may be) payable by the Group to Tencent Representative Companies, the Company shall also consider various commercial factors including (i) the gross billing derived from the relevant Cooperation Products; and (ii) the quality, commercial potential and prospects of the Cooperation Products. It is contemplated that the fees payable by the Group to Tencent Representative Companies will be not exceeding 45% of the net income derived from the Cooperation Products in respect of the Distribution Cooperation arrangement. In the event that the fixed amount settlement mode is adopted, such fixed license fees shall be determined after arm's length negotiations between the parties with reference to the prevailing market price of similar cooperation in the industry for similar games. To ensure that the fees to be paid by the Group represent the prevailing market price and are on normal commercial terms that are comparable to those with independent third parties and no less favorable to the Group, before the fixed distribution fees are determined by the parties, a dedicated team of the Group (led by the Chief Financial Officer and the Chief Technology Officer of the Group) will review and make reference to the prevailing market benchmark pricing terms for comparable game products of at least three

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

independent third parties. As part of the Group's internal control measures, the Group will also conduct ongoing review of the pricing terms agreed with Tencent Representative Companies. For details, please refer to the section headed "6. Internal Control Policies" of this letter.

The Group and Tencent Representative Companies will enter into separate implementation agreements which will set out the precise scope of services, service fees, mode of settlement and other details of the Distribution Cooperation.

(2) *Joint Operation Cooperation*

In respect of the aforementioned Joint Operation Cooperation, the relevant fees shall be calculated based on the income derived from the operation of the Cooperation Products on the platforms for which each party is responsible, with reference to the scope of the channels that the parties are actually responsible for the distribution and operation of the specific Cooperation Product.

In respect of fixed amount settlement mode, taking into account commercial factors such as the nature, popularity, quality and commercial potential of the Cooperation Products and duration of the engagement, Tencent Representative Companies may charge the Group a fixed amount of license fees as agreed between the parties. In the event that the fixed amount settlement mode is adopted, such fixed license fees shall be determined after arm's length negotiations between the parties with reference to the prevailing market price of similar cooperation in the industry for similar games. To ensure that the fees to be paid by the Group represent the prevailing market price and are on normal commercial terms that are comparable to those with independent third parties and no less favorable to the Group, before the fixed distribution fees are determined by the parties, a dedicated team of the Group (led by the Chief Financial Officer and the Chief Technology Officer of the Group) will review and make reference to the prevailing market benchmark pricing terms for comparable game products of at least three independent third parties. As part of the Group's internal control measures, the Group will also conduct ongoing review of the pricing terms agreed with Tencent Representative Companies. For details, please refer to the section headed "6. Internal Control Policies" of this letter.

The Group and Tencent Representative Companies will enter into separate implementation agreements which will set out the precise scope of services, service fees, mode of settlement and other details of the Joint Operation Cooperation.

(3) *Marketing Services*

In respect of the aforementioned Marketing Services, Tencent Representative Companies shall pay to the Group marketing service fees or service bonus (where applicable) based on the income derived from the operation of the Cooperation Products.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The fees payable by Tencent Representative Companies to the Group and the mode of settlement in respect of the Marketing Services will be determined on a case-by-case basis after arm's length negotiations between the parties taking into account various factors such as (i) the revenue and income derived from the relevant Cooperation Products; (ii) the Group's resources contribution, costs and expenses incurred in providing such marketing services; (iii) the quality, commercial potential and prospects of the Cooperation Products; (iv) prevailing market terms; and (v) commercial factors in respect of the relevant Cooperation Products. The amount of fees payable by Tencent Representative Companies to the Group in respect of the Marketing Services will be calculated based on the revenue derived from the operation of such Cooperation Products.

The Group and Tencent Representative Companies will enter into separate implementation agreements which will set out the precise scope of services, service fees, mode of settlement and other details of the Marketing Services.

(4) *Exclusive Agency*

In respect of the aforementioned exclusive agency, Tencent Representative Companies shall receive revenue directly from the end-users of the games on the platforms. Tencent Representative Companies shall pay the Group a share of the revenue generated from the distribution and operation of the Cooperation Products across different platforms, as well as revenue derived from paid promotion service, in accordance with the revenue sharing ratios as stipulated in the separate implementation agreements. In determining the revenue and/or revenue sharing (as the case may be) payable by Tencent Representative Companies to the Group, the various commercial factors to be considered by the Company are substantially the same as the pricing principles of the Distribution Cooperation as mentioned above. It is contemplated that the fees payable by Tencent Representative Companies to the Group will generally be not less than 20% of the net income derived from the Cooperation Products in respect of the Exclusive Agency arrangement.

The Group and Tencent Representative Companies will enter into separate implementation agreements, which will set out the specific revenue sharing ratios and settlement modes in respect of the Exclusive Agency.

PRICING POLICY

The revenue sharing and/or service fees payable and receivable (as the case may be) by the Group to/from Tencent Representative Companies shall be determined after arm's length negotiations between the parties with reference to (i) the prevailing market price; and (ii) taking into account various commercial factors, such as the nature, popularity, quality and commercial potential, in respect of the relevant games. The Group will only enter into the implementation agreements of specific Cooperation Products with Tencent Representative Companies when the agreement is in the best interests of the Company

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

and the Shareholders as a whole. In any event, all of the above fees payable and receivable (as the case may be) by the Group to/from Tencent Representative Companies shall be not more favorable to Tencent Representative Companies nor less favorable to the Group than those paid or charged by any independent third party under the same or similar conditions.

The Group will review such fees from time to time by comparing them against the fees payable to, and receivable by, the Group from any independent third party for comparable cooperation. Particularly, to the extent there are comparable services and/or cooperation, the Group will on a quarterly basis review the prevailing market benchmark pricing terms of at least three independent third parties for the provision of similar types of services under the same or similar conditions. A dedicated team led by the Chief Financial Officer and the Chief Technology Officer of the Group will conduct comparison analysis on the fees payable to, and receivable by, the Group from Tencent Representative Companies against the pricing terms offered by other independent third parties. For details, please refer to the section headed “6. Internal Control Policies” of this letter.

As advised by the Management, during the three years ended 31 December 2025 (the “**Review Period**”), the Group has acted as the distributor for seven Cooperation Products, of which five were distributed and operated under the Distribution Cooperation and two under the Joint Operation Cooperation; whereas Tencent Representative Companies acted as the distributor for one Cooperation Product that was distributed and operated under the Exclusive Agency. For due diligence purposes, we have randomly selected and obtained three, one and one implementation agreements executed under the Distribution Cooperation, the Joint Operation Cooperation and the Exclusive Agency (collectively known as “**Cooperation Agreements**”), respectively. As the Cooperation Agreements cover more than half of the Cooperation Products that were distributed and operated under all cooperation models during the Review Period, we consider the selected sample to be sufficient and representative. Based on our review of the Cooperation Agreements, we note that the revenue-sharing model is commonly adopted in all the Cooperation Agreements selected.

In order to assess the fairness and reasonableness of the pricing terms of both the Distribution Cooperation and the Joint Operation Cooperation, in particular the revenue-sharing model which is commonly adopted in the Cooperation Agreements, we have randomly obtained and reviewed four implementation agreements entered into by the Group with independent third parties in respect of similar cooperation during the Review Period (the “**Reviewed Agreements**”). Given that the Reviewed Agreements cover the same Cooperation Products under the Cooperation Agreements for both the Distribution Cooperation and the Joint Operation Cooperation models, we consider them to be fair and representative. Based on our review and comparison of the pricing terms of the Cooperation Agreements against the Reviewed Agreements, we note that (i) the fee rates charged by Tencent Representative Companies under the Cooperation Agreements are

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

generally lower than the fee rates payable by the Group to independent third parties, mainly prominent mobile phone platforms acting as sales channels of the Cooperation Products under the Reviewed Agreements (the “**Comparable Payable Pricing Terms**”); and (ii) the fee rates receivable by the Group from Tencent Representative Companies under the Cooperation Agreements are generally higher than the fee rates receivable by the Group from the independent third parties, before deducting the fees payable to the game developer, under the Reviewed Agreements (the “**Comparable Receivable Pricing Terms**”). In light of the above, we concur with the Management’s view that the fee rates to be charged by or received from Tencent Representative Companies for both the Distribution Cooperation and the Joint Operation Cooperation are no less favorable than the pricing terms with independent third parties.

Regarding the Exclusive Agency, we have requested implementation agreements entered by the Group with independent third parties in respect of similar cooperation. However, as advised by the Management, the Group did not enter into any such implementation agreements with independent third parties (other than those with Tencent Representative Companies), and accordingly no comparable third-party contracts containing relevant pricing terms were available for our review. Alternatively, we have reviewed the initial public offering (“**IPO**”) prospectuses released by companies which are principally engaged in developing or publishing online or mobile games in the PRC and listed on the Main Board of the Stock Exchange (the “**Comparable Companies**”) in the past 12 months immediately before the date of the 2026 Game Cooperation Framework Agreement, and we did not identify any comparable company which fits the aforesaid selection criteria. Given that there is no game developer and/or publisher which published an IPO prospectus on the Stock Exchange in the past 12 months immediately before the date of the 2026 Game Cooperation Framework Agreement, we have therefore decided to extend our review period up to seven years in order to generate a meaningful sample size for comparison purposes. Based on our research on the Stock Exchange website, we have identified an exhaustive list of six Comparable Companies which fit the aforesaid selection criteria. Having taken into account that (i) all the Comparable Companies are listed on the Main Board of the Stock Exchange and are principally engaged in developing and/or publishing games, which accounted for more than 60% of the total revenue; (ii) our analysis is primarily focused on the comparison of the pricing terms of the fee payable to game developer; and (iii) the seven years period for the

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

selection of the Comparable Companies has resulted in generation of a reasonable sample size, we consider that the Comparable Companies are exhaustive, sufficient, fair and representative samples for our assessment of the pricing terms of the Cooperation Agreements. The following table sets forth the summary of pricing terms in respect of the fee charged by the game developer as disclosed in the IPO prospectus of the Comparable Companies (the “**Comparable Pricing Terms**”):

Company name	Stock code	Date of the IPO prospectus	Percentage of revenue generated from the development, licensing, publishing and operation of games to total revenue (<i>Note 1</i>)	Pricing terms in respect of fee charged by game developer
Tanwan Inc.	9890.HK	28 September 2023	97.4%	6%–40% of gross billings
Gala Technology Holding Limited	2458.HK	16 January 2023	100%	No relevant disclosure
Qingci Games Inc.	6633.HK	6 December 2021	97.9%	45%–50% of gross billings
Archosaur Games Inc.	9990.HK	30 June 2020	99.9%	20%–35% of gross billings
Netease, Inc.	9999.HK	11 June 2020	79.4%	No relevant disclosure
XD Inc.	2400.HK	29 November 2019	65.9%	5%–61% of gross billings

Source: the Stock Exchange website

- 1) The percentage of revenue generated from the development, licensing, publishing and operation of games to total revenue of the Comparable Companies is calculated based on the financial figures extracted from the latest annual results announcement or annual report of the Comparable Companies published on the Stock Exchange website.

As illustrated from the table above, we note that four out of the six Comparable Companies have disclosed the fee rates charged by game developers with Comparable Pricing Terms ranging from approximately 5% to 61% of the gross billings generated from the games. Based on our review of the Cooperation Agreements, we note that the range of fee rates payable by Tencent Representative Companies for acting as the distributor under the Exclusive Agency (the “**Exclusive Agency Fee Range**”) falls within the range of the Comparable Pricing Terms. In particular, we note that (i) apart from XD Inc., the high end of the Exclusive Agency Fee Range is higher than the high end of the fee rates charged by the game developer as disclosed in the IPO prospectus of the other three Comparable Companies; and (ii) the low end of the Exclusive Agency Fee Range is higher than the low end of the fee rates charged by the game developer as

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

disclosed in the IPO prospectus of Tanwan Inc., Archosaur Games Inc. and XD Inc.. In light of the above, we concur with the Management's view that the fee rates receivable from Tencent Representative Companies under the Exclusive Agency are no less favorable than the pricing terms with independent third parties under similar arrangement.

Regarding the Marketing Services, as advised by the Management, the Group has entered into marketing and promotion agreements with Tencent Representative Companies in respect of the provision of marketing services for 13 Cooperation Products during the Review Period. For due diligence purposes, we have randomly selected and obtained six implementation agreements (the "**Marketing Services Agreements**") executed during the Review Period. As the Marketing Services Agreements accounted for more than one-third of all the Cooperation Products which the Group has been providing the Marketing Services during the Review Period, we consider the selected sample to be sufficient and representative. Based on our review of the Marketing Services Agreements, we note that the amount of marketing service fee chargeable by the Group to Tencent Representative Companies is calculated based on the revenue derived from such Cooperation Products.

In order to assess the fairness and reasonableness of the pricing terms of Marketing Services Agreements, we have conducted research in relation to the prevailing pricing terms in respect of the fee rates charged by gaming marketing services providers on a revenue-sharing basis but we are unable to identify any comparable pricing term through public information. As advised by the Management, the Group did not enter into any service contracts with independent third parties for the provision of similar marketing services. Therefore, there are no contracts containing relevant pricing terms for comparable purposes. As an alternative for assessing the fairness and reasonableness of the pricing terms of Marketing Services, we have evaluated whether the Group is able to achieve reasonable profitability from the provision of Marketing Services to Tencent Representative Companies. We have obtained and reviewed the cost structure prepared by the Group in respect of the provision of Marketing Services during the Review Period. We note that the costs of providing such marketing services for the Cooperation Products consist primarily of the labour costs of the Group's internal staff. For comparison purposes, we have conducted independent research on Wind database to analyse the gross profit margins of online marketing or advertising companies. We have identified, on a best effort basis, an exhaustive list of twelve comparable companies (the "**Marketing Services Comparable Companies**") from Wind database based on the following selection criteria: (i) listed on the Main Board of the Stock Exchange; (ii) with over 70% of the total revenue derived from the provision of online marketing or advertising services; and (iii) recorded gross profit for the most recent financial year. Set

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

out below is the summary of the gross profit margins of the Marketing Services Comparable Companies:

Company Name	Stock Code	Gross Profit Margin ¹
New Media Lab Limited	1284.HK	74.0%
Powerwin Tech Group Limited	2405.HK	61.7%
AI X Tech Inc.	1490.HK	60.7%
Most Kwai Chung Limited	1716.HK	46.3%
Allegro Culture Limited	0550.HK	39.6%
Mobvista Inc.	1860.HK	21.2%
Adtiger Corporations Limited	1163.HK	15.3%
Wanka Online Inc.	1762.HK	10.0% ²
Rego Interactive Co., Ltd	2422.HK	8.9% ²
Lesi Group Limited	2540.HK	5.4% ²
Bright Future Technology Holdings Limited	1351.HK	3.5% ²
Uju Holding Limited	1948.HK	3.0% ²
	Median	18.2%
	Average	29.1%
	Minimum	3.0%
	Maximum	74.0%

Source: Wind

Note:

- 1) Gross profit margin of the Marketing Services Comparable Companies for the latest financial year is extracted from Wind database.
- 2) Identified as outliers due to exceptionally low gross margins.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As illustrated from the table above, the gross profit margins of the Marketing Services Comparable Companies ranged from approximately 3.0% to approximately 74.0%, with a median and average of approximately 18.2% and 29.1%, respectively. We note that the gross profit margins of the Marketing Services Comparable Companies range widely from approximately 3.0% to approximately 74.0%, which we believe could primarily due to differences in business models, service nature, customer composition, scale of operations and cost structures among the Marketing Services Comparable Companies. After due consideration, and with a view to reducing the impact of deviations among the selected comparables, we identified the Marketing Services Comparable Companies with gross profit margins of 10% or below as tail-end observations, as their gross profit margins were materially lower than those of the remaining Marketing Services Comparable Companies and would disproportionately depress the overall benchmarking results. Accordingly, we excluded such tail-end observations for the purpose of conducting a further cross-check on a more normalised basis. As a result of the above, the sample size of the Marketing Services Comparable Companies would reduce to seven comparables, which we consider would still be sufficient for comparison purposes. With the exclusion of the outliers, the revised gross profit margin of the Marketing Services Comparable Companies ranged from approximately 15.3% to 74.0% and the revised median and average gross profit margin increased to approximately 46.3% and 45.5%, respectively. Based on our review and comparison, we note that the gross profit margins from the provision of Marketing Services during the Review Period fall within the revised range of the gross profit margins of the Marketing Services Comparable Companies and are above both the revised median and the average gross profit margin of the Marketing Services Comparable Companies.

Given that the Group primarily leverages on its internal resources, such as Pumpkin Films online streaming platform and manpower from its content production business, for the provision of marketing services, the Management considers that the Group is able to deliver the marketing services in a cost-efficient and controllable manner, which in turn will be able to generate a reasonable profit from the Marketing Services. Therefore, having taken into account the gross profit margin comparable analysis of the Marketing Services Comparable Companies as discussed above and the commercial rationale of utilising the internal resources of the Group to maximise its returns from the provision of the Marketing Services, we consider that the corresponding pricing term of the Marketing Services is justifiable.

In view of the above, we consider the terms of the 2026 Game Cooperation Framework Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

4.2 *The Drama Series and Movies Copyrights Licensing and Co-Production of Made-to-Order Series Framework Agreement*

- Date : 7 April 2026
- Parties : (1) Tencent Computer (for itself and on behalf of the Tencent Representative Companies); and
- (2) The Company (for itself and on behalf of the Group).
- Term : From the date on which the conditions precedent are fulfilled until 31 December 2028.

If the Company fails to obtain Independent Shareholders' approval by 30 June 2026, Tencent Computer shall have the right to unilaterally terminate the Drama Series and Movies Copyrights Licensing and Co-Production of Made-to-Order Series Framework Agreement.

- Conditions precedent : The Drama Series and Movies Copyrights Licensing and Co-Production of Made-to-Order Series Framework Agreement is conditional upon the fulfilment of following conditions:

- (1) each party has obtained necessary authorizations from the relevant authorities (including its board of directors and/or shareholders' meeting, if required) and affixed its seal to the agreement; and
- (2) each party has complied with the relevant requirements under the relevant laws, regulations and by-laws, including obtaining approval by the Company's General Meeting for the Drama Series and Movies Copyrights Licensing and Co-Production of Made-to-Order Series Framework Agreement and the transactions contemplated thereunder (including the Annual Caps), as required under the Listing Rules.

PRICING TERMS

Pursuant to the Drama Series and Movies Copyrights Licensing and Co-Production of Made-to-Order Series Framework Agreement, the Group shall license the online broadcasting rights and distribution rights of its original drama series and movies to, and

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

carry out co-production of made-to-order dramas with, the Tencent Representative Companies, and Tencent Representative Companies shall pay licensing fees and fixed production fee and/or incentive-based revenue sharing to the Group. Separate implementation agreements will be entered into between the parties to set out the detailed terms, including in relation to drama series and movies copyrights licensing, details of the drama series and movies, term of license, scope of license and exclusivity, broadcasting schedule, licensing fee and milestone payment schedules, and in relation to co-production of made-to-order series, co-production model, details of the dramas, broadcasting schedule, service fees, licensing fees (if applicable), milestone payment schedules and allocation of intellectual property, based on the principles and within the parameters provided under the Drama Series and Movies Copyrights Licensing and Co-Production of Made-to-Order Series Framework Agreement.

PRICING POLICY

The licensing fees that the Group charges Tencent Representative Companies, in relation to drama series and movies copyrights licensing, shall be determined by considering the specific project and the model of cooperation and through one of the following models: (a) fixed licensing fee model; or (b) the hybrid of fixed licensing fee and revenue/profit sharing model. Regardless of the pricing model, the licensing fees that the Group charges Tencent Representative Companies shall also be determined after arm's-length negotiation between the parties with reference to the prevailing market price and various commercial factors, including but not limited to the overall market conditions and trends, the total investment amount, the scope of license and exclusivity, the broadcasting schedules, the theme, the expected popularity and target audience base of the drama series and movies, as well as the target profit margin.

The co-production service fees that the Group charges Tencent Representative Companies, in relation to co-production of made-to-order series, shall be determined by considering the specific project and the model of co-production and through one of the following models: (a) fixed production fee model; or (b) the revenue/profit sharing model. Regardless of the pricing model, the service fees that the Group charges Tencent Representative Companies shall also be determined after arm's-length negotiation between the parties with reference to the prevailing market price and various commercial factors, including but not limited to the commercial value of the intellectual properties of the made-to-order series, the theme, the production complexity, the expected popularity, the broadcasting model, the broadcasting schedule, the total investment, the licensing scope and the exclusivity terms, the target audience, as well as the target profit margin.

However, given that each of the drama series and movies has its unique features and the above factors are not generic in nature, which highlights the versatility and distinctiveness of each drama series, there is no quantitative formula for determining the purchase prices of the copyrights of the drama series or the movies, which will be subject to arm's-length negotiations between the relevant parties. In general: (i) if the

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

drama series and movies are expected to enjoy relatively high popularity (including the popularity of the main personnel such as the directors, scriptwriters, main actors and actresses, etc.) with a wide target audience base, such drama series and movies will be priced relatively high; (ii) if the total investment amount of the drama series and movies is relatively high, such drama series and movies will be priced relatively high; and (iii) the licensing fees of the first-run broadcasting rights are generally higher than those of the re-run broadcasting rights, which is mainly because that the first-run broadcasting usually attracts greater audience attention and discussion as compared to re-run broadcasting. For drama series, the licensing fees are determined by multiplying the price per episode and the number of episodes, while the copyright licensing fees per episode of the drama series are eventually comprised of production costs plus the expected profit of the Group. If the Group's drama series reach a certain level of viewership rate or contribute to generate new membership or renewed membership subscriptions that exceed specified number within a certain period after the broadcasting, the licensing fee and/or the production service fee may be increased. For movies, the licensing fees are determined on the basis of the basic licensing fee plus a tiered royalty calculated based on the movie's box office, of which the basic licensing fees are determined by both parties via negotiation with reference to the expected box office performance.

In order to ensure that the prices and terms of the transactions are fair and reasonable and are no less favorable to the Group than those offered by independent third parties, the Group will, at the early stage of the planned licensing or producing the drama series and/or movies, communicate with the major video platforms in mainland China (mainly including Tencent Video, iQIYI, Youku, and Mango TV) about the status of the project, and approach at least two independent third-party video platform companies to gain their purchasing or cooperation intentions for the project; after the project script development and the main personnel (including directors, scriptwriters, main actors and actresses, etc.) are further clarified, further communications will be conducted between the Group and the interested video platform company(ies) to determine the purchase intention and contract price; and the details such as the video platform(s) and the licensing fees and/or the service fees will be eventually finalized and confirmed on the commencement of filming of the drama series. When selecting the video platform(s) to cooperate with, the Group will consider the features of the drama series and movies, including their themes (such as modern romance, heroism, costume and day-to-day life, etc.) and their main personnel (including the directors, scriptwriters, main actors and actresses, etc.), and take into consideration the broadcasting results of this product on various video platforms based on the features of each video platform (such as the major audience base of the video platforms), and then choose business partner(s) from a pool of video platform companies to achieve maximum benefits for the Group.

Based on our discussions with Management, we understand that each drama series or movie project is unique and no two are identical, therefore there is no quantitative formula for determining the purchase prices of the copyrights of the drama series or the

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

movies, and such price could by nature only be subject to arm's-length negotiations between the relevant parties. Nonetheless, as advised by the Management, the Group will implement the following measures to ensure that the pricing offered to Tencent Representative Companies is no more favorable than that offered to the Group's other independent customers for comparable drama series and movie projects: specifically, the Group benchmarks proposed terms against indicative offers or historical transaction data from at least two other independent video platforms for similar content (taking into account genre, scale, talent involvement, and production quality), and internal approval for any transaction with Tencent Representative Companies requires validation by the Group's finance and legal teams that the commercial terms meet the Group's arm's-length pricing policy.

In order to assess the fairness and reasonableness of the pricing terms of the Drama Series and Movies Copyrights Licensing and Co-Production of Made-to-Order Series Framework Agreement, we have reviewed seven implementation agreements (the "**Sample Agreements**") entered into between the Group and independent third parties during the Review Period in relation to the distribution of the Group's drama series and movies. Among these, six Sample Agreements relate to drama series and account for the majority of the ten comparable agreements entered into by the Group with independent third parties during the Review Period, covering each year of the Review Period. One Sample Agreement relates to a movie, which was the only movie authorised by the Group to independent third parties for distribution during the Review Period. In light of the above, we consider the selected sample to be sufficient and representative for the purpose of our analysis. These agreements were selected on a random basis and covered the licensing of online broadcasting rights and distribution rights for the Group's original drama series and movies, as well as the co-production of made-to-order dramas. Based on our review of the Sample Agreements, we note that:

- (1) the Sample Agreements, which are used for the licensing of the Group's drama series and the co-production of made-to-order dramas, generally adopt a combination of fixed licensing/production fees and revenue/profit-sharing mechanisms, whereby (i) the fixed licensing or production fee is determined by multiplying the agreed price per episode by the total number of episodes; (ii) the Group is entitled to additional fees upon achieving specified milestones, such as generating a pre-determined number of new membership subscriptions within a specified period; and (iii) the Group shares additional revenue, including advertising revenue derived from brand sponsorship and product placement in the drama series as well as any subsidies or awards received in respect of the drama series;
- (2) the licensing fees for the movies are determined based on the box office performance of the movies, which is a combination of basic licensing fees plus a tiered royalty calculated based on the movie's box office; and

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (3) the principal pricing models as prescribed under the Drama Series and Movies Copyrights Licensing and Co-Production of Made-to-Order Series Framework Agreement are generally in line with those as stipulated in the Sample Agreements.

We understand that the detailed terms of the underlying transactions will only be agreed upon the entering into of the implementation agreements. However, as confirmed by the Company, the pricing policy under such implementation agreements shall be consistent with the historical and the prevailing commercial practices in relation to the relevant cooperation between the Group and the independent third parties. In addition, the Group will strictly follow the internal measures for assessing the fairness and reasonableness of the pricing terms as mentioned above, including the comparison of pricing terms with at least two independent third-party video platform companies and obtain necessary approval from the relevant departments, prior to the entering of the respective implementation agreements.

In view of the above, we consider the terms of the Drama Series and Movies Copyrights Licensing and Co-Production of Made-to-Order Series Framework Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

5. Annual Caps

5.1 *The Annual Caps*

The following table sets forth (i) the existing annual caps and historical amounts for each of the three years ended 31 December 2025; and (ii) the proposed Annual Caps for each of the three years ending 31 December 2028:

<i>RMB million</i>	Existing Annual Caps for the years ended 31 December			Proposed Annual Caps for the years ending 31 December		
	2023	2024	2025	2026	2027	2028
The 2026 Game Cooperation Framework Agreement						
<i>Game Cooperation Payable Annual Caps¹</i>						
Annual caps	1,000	1,000	1,000	700	1,500	2,100
Historical amount	23	178	185			

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

<i>RMB million</i>	Existing Annual Caps for the years ended 31 December			Proposed Annual Caps for the years ending 31 December		
	2023	2024	2025	2026	2027	2028
	<i>Game Cooperation Receivable Annual Caps²</i>					
Annual caps	1,200	1,300	1,300	1,800	1,800	1,800
Historical amount	1,139	1,282	991			

The Drama Series and Movies Copyrights Licensing and Co-Production of Made-to-Order Series Framework Agreement

Drama Series and Movies Licensing and Co-Production of Made-to-Order Series Annual Caps³

Annual caps	N/A	N/A	N/A	800	800	800
Historical amount	N/A	N/A	N/A			

Notes:

- (1) Game Cooperation Payable Annual Caps represent the total amount payable by the Group to Tencent Representative Companies is (a) the relevant fees payable to Tencent Representative Companies by the Group, as the authorized distributor of Tencent Representative Companies, for distributing Cooperation Products on different platforms, after deriving income from the end users of the Cooperation Products; and (b) relevant fees payable to Tencent Representative Companies by the Group after the Group derives revenue from the end users of the Cooperation Products, which are jointly operated and distributed by the parties, on the platforms the Group is responsible for. For details of the relevant cooperation, please refer to the section headed “4.1 The 2026 Game Cooperation Framework Agreement” above.
- (2) Game Cooperation Receivable Annual Caps represent the total amount receivable by the Group from Tencent Representative Companies is (a) the relevant fees payable by Tencent Representative Companies to the Group for acting as the exclusive agent of the Group by Tencent Representative Companies or after Tencent Representative Companies derive income from the end users of the Cooperation Products, which are jointly operated and distributed by the parties, on the platform they are responsible for; and (b) marketing service fees. For details of the relevant cooperation and provision of services, please refer to the section headed “4.1 The 2026 Game Cooperation Framework Agreement” above.
- (3) Drama Series and Movies Licensing and Co-Production of Made-to-Order Series Annual Caps represent revenue to be generated by the Group from licensing drama series and movies to and co-producing made-to-order drama series with Tencent Representative Companies.

The Board notes that the utilisation rates of the historical annual caps for amounts payable by the Group to the Tencent Representative Companies under the 2023 Game Cooperation Framework Agreement for the three years ended 31 December 2025 were

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

relatively low, primarily due to changes in market conditions and the Group's business strategies, which resulted in certain planned Cooperation Products launch not proceeding as anticipated, as well as adjustments to the cooperation arrangements of certain launched Cooperation Products. As a result, the actual amounts payable by the Group to the Tencent Representative Companies under the 2023 Game Cooperation Framework Agreement were lower than initially expected.

The previously launched Cooperation Products have accumulated valuable experience for both the Company and the Tencent Representative Companies, enabling both parties to adopt a more prudent approach in planning future Cooperation Products. In addition, the Company has maintained ongoing communication with the Tencent Representative Companies in a collaborative manner regarding revenue projections and the revenue-sharing model of the Cooperation Products that are currently in the pipeline. Accordingly, the Company does not anticipate any significant deviation between the Game Cooperation Payable Annual Caps and expected actual transaction amounts under the 2026 Game Cooperation Framework Agreement. The management of the Company will conduct regular reviews of the revenue projections for the Cooperation Products and make timely adjustments in response to market dynamics. If the relevant annual caps need to be revised, the Company will ensure compliance with the requirements under the Listing Rules, including obtaining the approval of Independent Shareholders (if required).

5.2 The Game Cooperation Payable Annual Caps and the Game Cooperation Receivable Annual Caps

5.2.1 Basis of determining the Game Cooperation Payable Annual Caps and the Game Cooperation Receivable Annual Caps

The four modes of cooperation under the 2026 Game Cooperation Framework Agreement are all of the same nature, and are inter-related and complementary to each other to the same type of game cooperation business. Depending on the needs and requirements of the Group and/or Tencent Representative Companies, the parties may include one or more types of the services or cooperation in respect of the Cooperation Products. Accordingly, the Company considers that it is in the best interest of the Company and the Shareholders as a whole to set one annual cap for the total amount payable and receivable by the Group to and from Tencent Representative Companies for the transactions under the 2026 Game Cooperation Framework Agreement, rather than four individual annual caps for each mode of cooperation.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(1) *Distribution Cooperation, Joint Operation Cooperation and Exclusive Agency*

Given the revenue-sharing mechanism contemplated in the 2026 Game Cooperation Framework Agreement, the transaction amounts in relation to the Distribution Cooperation, Joint Operation Cooperation and Exclusive Agency under the 2026 Game Cooperation Framework Agreement are expected to depend on the revenue-generating capacity of each Cooperation Product, as well as the coverage and extent of the Cooperation Products (for example, the number of Cooperation Products to be rolled out each year by the Group), which in turn, are subject to the future levels of acceptance of and popularity of the Cooperation Products.

Accordingly, despite the practicable difficulties in accurately estimating the income to be generated from each Cooperation Product in the next three years, the Board has determined the Annual Caps for the three financial years ending 31 December 2028 with reference to, among others, (i) the market demand for and development trend of gaming business; (ii) the roadmap for the development of the Cooperation Products of the Group; (iii) the estimated scale and average cost, revenue and profit of the Cooperation Products that the Group intends to operate; and other relevant commercial factors, including but not limited to the development and production cycle of game works, budget control and work quality. The Directors believe that relatively new and high-quality game works have higher market value and can generally attract more gamers; and (iv) the expected revenue-generating capacity of the Cooperation Products with reference to similar products of comparable attributes.

More particularly, the Group primarily takes into consideration the expected revenue generating capacity of the Cooperation Products within the scope of the Distribution Cooperation, Joint Operation Cooperation and Exclusive Agency in determining the Game Cooperation Payable Annual Caps and the Game Cooperation Receivable Annual Caps. The Group has considered the revenue projection of the Cooperation Products that are currently in the pipeline. Currently, the Group has 12 Cooperation Products in the pipeline, and strives to act as the exclusive distributor of such Cooperation Products, which are expected to be launched successively from 2026 to 2027. With reference to criteria including: (i) the game genre; (ii) settings of plot contents and characters; and (iii) game rating, the Board has selected a number of comparable mobile games with similar attributes to the Cooperation Products (the “**Cooperation Comparable Games**”) in order to assess the revenue-generating capacity and profitability of the Cooperation Products.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Taking into account the above factors, the Board then estimated the Game Cooperation Payable Annual Caps and the Game Cooperation Receivable Annual Caps based on the projected annualised net income to be generated from the Cooperation Products in the pipeline and those already launched, and multiplied by the relevant percentage of gross billing, with a buffer of approximately 6% to 12% for the Game Cooperation Payable Annual Caps and approximately 6% to 10% for the Game Cooperation Receivable Annual Caps to cater for (i) the possibility that the performance of the Cooperation Products within the scope of Distribution Cooperation, Joint Operation Cooperation and Exclusive Agency may be better than that currently expected; and (ii) the Group may further distribute and operate potential additional new game products to be launched by Tencent Representative Companies.

(2) Marketing Services

It is expected that the transaction amount of the Marketing Services under the 2026 Game Cooperation Framework Agreement will depend on the revenue-generating capability of the relevant Cooperation Products. Therefore, with respect to the Marketing Services under the 2026 Game Cooperation Framework Agreement, in addition to the above factors, the Board had also taken into consideration, among other things: (i) the number, size, type, revenue-generating capability of Cooperation Products which are expected to be delivered by the Company in the coming years; and (ii) the marketing services and the scope thereof which are expected to be required by Tencent Representative Companies.

In assessing the Annual Caps for the total amount receivable by the Group from Tencent Representative Companies, the Group has made reference to the operating data of other mobile games that are similar or comparable to the Cooperation Products under the scope of the Marketing Services (the “**Marketing Services Comparable Games**”) in projecting the income generated from the operation of Marketing Services. These comparable games under the scope of the Marketing Services were selected with reference to criteria including: (i) the game genre; (ii) settings of plot contents and characters; and (iii) game rating.

Taking into account the above factors, the Board estimated the income to be generated from each Cooperation Product under Marketing Services based on the average income generated from one or two comparable games under the scope of the Marketing Services. The Game Cooperation Receivable Annual Caps are then estimated based on the projected annualised income to be generated from each of the three years ending 31 December 2026, 2027 and 2028 for the Cooperation Products under the Marketing Services that are

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

currently in the pipeline and multiplied by the relevant marketing fee rate with a buffer of approximately 6% to 10% to cater for (i) the possibility that the performance of the Cooperation Products within the scope of Marketing Services may be better than that currently expected; and (ii) the Group may further provide Marketing Services to potential additional new game products to be launched by Tencent Representative Companies.

In addition, the Board has taken into account the historical transaction amounts for the Game Cooperation Receivable Annual Caps for the three years ended 31 December 2025. In particular, when determining the Game Cooperation Receivable Annual Caps, the Board notes that the highest utilisation rate of the historical annual caps exceeded 98%, and has projected the proposed Annual Caps on that basis.

The Board has also taken into account the Group's business plan, including the anticipated cooperation with Tencent Representative Companies in respect of the 12 Cooperation Products currently in the pipeline. Having regard to the historical performance of Cooperation Products that have already been launched, prevailing game market conditions and expected growth trends, the Board considers that the proposed Annual Caps are fair and reasonable.

5.2.2 Assessment of the Game Cooperation Payable Annual Caps

In order to assess the fairness and reasonableness of the Game Cooperation Payable Annual Caps, we have obtained and reviewed the underlying calculation in respect of the total amount payable by the Group to Tencent Representative Companies for the three years ending 31 December 2028, and discussed with the Management on the bases and assumptions adopted in the calculation. Based on our review of the aforementioned underlying calculation, we note that the Game Cooperation Payable Annual Caps were mainly determined based on (i) the projected annualised fee payable to Tencent Representative Companies (the "**Projected Annualised Fee Payable**") for the Cooperation Products under the Distribution Cooperation (the "**Distribution Cooperation Products**"); and (ii) the number of Distribution Cooperation Products in the pipeline, of which five were launched during the Review Period and 12 are expected to be launched during 2026 and 2027.

In determining the Projected Annualised Fee Payable, the Management has made reference to (i) the operating data of Cooperation Comparable Games in projecting the income expected to be generated from the Distribution Cooperation Products to be launched; and (ii) the historical data of the Distribution Cooperation Products that have already been launched in projecting their estimated future income. In selecting the Cooperation Comparable Games, the Management has taken into account of, among others, the following criteria: (i) the game genre; (ii) settings of plot contents and characters; and (iii) game rating, of the Cooperation

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Comparable Games, which are similar to the Distribution Cooperation Products. We have independently reviewed the Cooperation Comparable Games against such criteria and note that the Cooperation Comparable Games are similar and comparable to each Distribution Cooperation Product respectively. Therefore, we concur with the Management that the Cooperation Comparable Games are representative samples and comparable to the Distribution Cooperation Products. Based on our review of the abovementioned underlying calculation, we note that the projected income for each upcoming Distribution Cooperation Product is calculated with reference to the income generated by the Cooperation Comparable Games, whereas the projected income for each existing Distribution Cooperation Product is calculated with reference to its historical performance. In respect of (i) the Distribution Cooperation Products to be launched, we have reviewed the basis and assumptions adopted for their respective income projections, which have been benchmarked against the operating data of the Cooperation Comparable Games; and (ii) the Distribution Cooperation Products whose future income has been projected based on historical data, we have reviewed the respective historical data for the year ended 31 December 2025. We note that nothing has come to our attention that causes us to doubt the reasonableness of the projected income therefor. Such projected income is then multiplied by the applicable revenue-sharing percentage to arrive at the Projected Annualised Fee Payable.

Taking into consideration the total amount payable by the Group to Tencent Representative Companies under the Game Cooperation Payable Annual Caps would eventually depend on (i) the future levels of acceptance of and popularity of the Distribution Cooperation Products; and (ii) the possible number of transactions to be carried out under the Distribution Cooperation, which are beyond the control of the Group, we are of the view that the above factors adopted by the Company in calculating the Game Cooperation Payable Annual Caps to be justifiable.

In view of the low utilisation rates of the historical annual caps for amounts payable by the Group to Tencent Representative Companies under the 2023 Game Cooperation Framework Agreement for the three years ended 31 December 2025 (the “**Historical Game Cooperation Payable Annual Caps**”), we understand from the Management that such historical low utilisation rate was primarily attributable to the fact that the relevant game cooperation was still at an early stage when the Historical Game Cooperation Payable Annual Caps were determined, such that the relevant forecasts were prepared mainly based on preliminary discussions with Tencent Representative Companies and the then proposed development roadmap of the planned Cooperation Products. As a result, certain planned Cooperation Products were not launched, or were launched on a timetable different from those originally envisaged, and the actual amounts payable by the Group were therefore lower than initially expected. We further understand from the Management that, in determining the proposed Game Cooperation Payable Annual Caps, it did not place

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

undue reliance on the historical utilisation rates, but instead focused primarily on the factors set out above, in particular the number of Distribution Cooperation Products currently in the pipeline and the expected launch timings of such products.

In light of the above and having further considered that (i) the number of Distribution Cooperation Products in the pipeline as well as the expected launch timings of the potential Distribution Cooperation Products; and (ii) the Group has appropriate internal control policies in place (please refer to the section headed “6. Internal Control Policies” below for reference) to safeguard the interests of the Shareholders, we are of the view that the Game Cooperation Payable Annual Caps are fair and reasonable.

5.2.3 Assessment of the Game Cooperation Receivable Annual Caps

In order to assess the fairness and reasonableness of the Game Cooperation Receivable Annual Caps, we have obtained and reviewed the underlying calculation in respect of the total amount receivable by the Group from Tencent Representative Companies under the Marketing Services, the Joint Operation Cooperation and the Exclusive Agency for the three years ending 31 December 2028, and discussed with the Management on the bases and assumptions adopted in the calculation. Based on our review of the aforementioned underlying calculation, we note that the Game Cooperation Receivable Annual Caps were mainly determined based on (i) the projected annualised fee receivable from Tencent Representative Companies (the “**Projected Annualised Fee Receivable**”) for the Cooperation Products under the Marketing Services (the “**Marketing Cooperation Products**”), the Joint Operation Cooperation (the “**Joint Operation Cooperation Products**”) and the Exclusive Agency (the “**Exclusive Agency Product**”); (ii) the number of Marketing Cooperation Products in the pipeline, of which 13 were launched or operated during the Review Period and five are expected to be launched during 2026, 2027 and 2028; and (iii) the number of Joint Operation Cooperation Products and Exclusive Agency Product in the pipeline, of which two and one were launched or in operation during the Review Period, respectively.

In determining the Projected Annualised Fee Receivable, the Management has made reference to (i) the historical marketing service fees and the total service bonus generated from each of the Marketing Cooperation Products, and the historical data of the Joint Operation Cooperation Products and the Exclusive Agency Product that have already been launched or in operation, in projecting their estimated future income; and (ii) the operating data of the Marketing Services Comparable Games in projecting the income expected to be generated from the Marketing Cooperation Products to be launched (the “**Potential Marketing Cooperation Products**”). It is noted that, for each Potential Marketing Cooperation Product, the Management selected two to three Marketing Services Comparable Games by reference to, among others, the following criteria: (i) the

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

game genre; (ii) settings of plot contents and characters; and (iii) game rating. We have independently reviewed the selection basis of such Marketing Services Comparable Games and note that they are similar and comparable to the respective Potential Marketing Cooperation Product. Having considered that the number of Marketing Services Comparable Games selected for each Potential Marketing Cooperation Product, the comparability of the selected games and the relevance of their operating data to the respective Potential Marketing Cooperation Product, we are of the view that the operating data derived from the Marketing Services Comparable Games is fair and representative for the purpose of assessing the reasonableness of the projected income of the Potential Marketing Cooperation Products. Based on our review of the abovementioned underlying calculation, we note that the projected income for each upcoming Marketing Cooperation Product is calculated with reference to the income generated by the Marketing Services Comparable Games, whereas the projected income for each existing Marketing Cooperation Product, Joint Operation Cooperation Product and Exclusive Agency Product is calculated with reference to its historical performance. In respect of (i) the Marketing Cooperation Products to be launched, we have reviewed the basis and assumptions adopted for their respective income projections, which have been benchmarked against the operating data of the Marketing Services Comparable Games; and (ii) the Marketing Cooperation Products, the Joint Operation Cooperation Products and the Exclusive Agency Product whose future income has been projected based on historical data, we have reviewed the respective historical data for the year ended 31 December 2025. We note that nothing has come to our attention that causes us to doubt the reasonableness of the projected income therefor. Such projected income is then multiplied by the applicable revenue-sharing percentage to arrive at the Projected Annualised Fee Receivable.

Taking into consideration the total amount receivable by the Group from Tencent Representative Companies under the Game Cooperation Receivable Annual Caps would eventually depend on (i) the future levels of acceptance of and popularity of the Marketing Cooperation Products, the Joint Operation Cooperation Products and the Exclusive Agency Product; and (ii) the possible number of transactions to be carried out under the Marketing Services, the Joint Operation Cooperation and the Exclusive Agency, which are beyond the control of the Group, we are of the view that the above factors adopted by the Company in calculating the Game Cooperation Receivable Annual Caps to be justifiable.

Having considered that (i) the utilisation rate of the historical transaction amounts for the Game Cooperation Receivable Annual Caps for each of the three years ended 31 December 2025 were approximately 94.9%, 98.6% and 76.2%, respectively; (ii) the number of Marketing Cooperation Products, the Joint Operation Cooperation Products and the Exclusive Agency Product in the pipeline as well as the expected launch timings of the potential Marketing Cooperation Products; and (iii) the Group has appropriate internal control policies in place

(please refer to the section headed “6. Internal Control Policies” below for reference) to safeguard the interests of the Shareholders, we are of the view that the Game Cooperation Receivable Annual Caps are fair and reasonable.

5.3 *The Drama Series and Movies Licensing and Co-Production of Made-to-Order Series Annual Caps*

5.3.1 *Basis of determining the Drama Series and Movies Licensing and Co-Production of Made-to-Order Series Annual Caps*

The Drama Series and Movies Licensing and Co-Production of Made-to-Order Series Annual Caps had been determined with reference to the following factors:

- (i) the estimated number of the Group’s original drama series and movies for which licensing contracts are expected to be entered into with Tencent Representative Companies for the respective years (it is planned to license three drama series and one film annually between 2026 and 2028), and the estimated licensing fees charged per drama series and movie, which is estimated with reference to the expected number of episodes, rating of the drama series and movies and the expected average market price range for each episode; and
- (ii) the estimated number of the made-to-order drama series to be co-produced by the Group and the Tencent Representative Companies for which implementation contracts are expected to be entered into with Tencent Representative Companies for the respective years (it is planned to co-produce one drama series annually between 2026 and 2028), and the estimated service fees charged per co-produced drama series, which is estimated with reference to the expected number of episodes, rating of the made-to-order drama series and the expected average market price range for each episode.

5.3.2 *Assessment of the Drama Series and Movies Licensing and Co-Production of Made-to-Order Series Annual Caps*

In order to assess the fairness and reasonableness of the Drama Series and Movies Licensing and Co-Production of Made-to-Order Series Annual Caps, we have obtained and reviewed the underlying calculation relating to the projection of the licensing fees and co-production service fees to be received by the Group from Tencent Representative Companies for the three years ending 31 December 2026, 2027 and 2028, and discussed with the Management on the bases and assumptions adopted in the calculation. Based on our review of the aforementioned underlying calculation, we note that the Drama Series and Movies Licensing and Co-Production of Made-to-Order Series Annual Caps were mainly determined based on (i) the estimated number of movies and drama series to be licensed by the Group to

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Tencent Representative Companies or co-produced with Tencent Representative Companies for the three years ending 31 December 2026, 2027, and 2028; (ii) the estimated number of episodes per drama series; and (iii) the estimated price per episode for drama series and per movie.

As advised by the Management, the Group has cooperated with various independent online platforms in the production and distribution of movies and drama series in the past and would like to extend such cooperation to Tencent Representative Companies, given their prominent position in the online entertainment market. Based on our review of the abovementioned underlying calculation, we note that (i) for the year ending 31 December 2026, the Group expects to license three drama series and one movie, as well as to co-produce one made-to-order drama series; (ii) for the year ending 31 December 2027, the Group expects to license three drama series and one movie, as well as to co-produce one made-to-order drama series; and (iii) for the year ending 31 December 2028, the Group expects to license three drama series and one movie, as well as to co-produce one made-to-order drama series. As further advised by the Management, the per-episode licensing fee and number of episodes for drama series are determined based on a comprehensive assessment of factors such as genre, production scale, and the involvement of key creative personnel, while the licensing fee for movies is primarily determined based on projected box office performance. As part of our due diligence, we have compared the anticipated revenue from the drama series and movies to be licensed to or co-produced with the Tencent Representative Companies for the three years ending 31 December 2026, 2027, and 2028 with the licensing or production fees generated from the drama series and movies distributed under the Sample Agreements, and note that nothing has come to our attention that would cause us to doubt the reasonableness of the calculation.

Taking into consideration the total amount receivable by the Group from Tencent Representative Companies for each drama series and movie may further increase due to (i) additional fees upon achieving specified milestones; (ii) additional revenue derived from brand sponsorship and product placement in the drama series as well as any subsidies or awards received in respect of the drama series; and (iii) the box office performance of the movies, all of which are beyond the control of the Group, we are of the view that the above factors adopted by the Company in calculating the Drama Series and Movies Licensing and Co-Production of Made-to-Order Series Annual Caps to be justifiable.

In light of the above and having further considered that (i) the number of drama series and movies in the pipeline, as well as their respective expected commencement dates, support the projected licensing and co-production volumes; and (ii) the Group has appropriate internal control policies in place (please refer to the section headed “6. Internal Control Policies” below for reference) to safeguard

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

the interests of the Shareholders, we are of the view that the Drama Series and Movies Licensing and Co-Production of Made-to-Order Series Annual Caps are fair and reasonable.

6. Internal Control Policies

In order to ensure that the Company complies with the pricing policies, the monitoring of the aggregate accumulated transaction amount and, if applicable, the approval of the proposed Annual Caps under the Framework Agreements, the Company has adopted a series of internal control policies in its daily operations. These internal control policies are implemented and monitored by the Company's internal audit and internal control department, independent non-executive Directors and external auditors:

- (1) the Company's internal control department conducts regular monitoring of connected transactions, the results of which together with the external auditor's report are then submitted to the audit committee and independent non-executive Directors for review. The Company's internal audit and internal control department supervises connected transactions and ensures that these transactions are carried out in the following ways: (a) in accordance with the pricing policy of the Framework Agreements; (b) in the ordinary and usual course of business of the Group; (c) on normal commercial terms or better; and (d) in accordance with the Framework Agreements, and that the terms are fair and reasonable and are in the interests of the Company and its Shareholders as a whole;
- (2) the independent non-executive Directors have reviewed and will continue to review the continuing connected transactions and confirm in the annual report whether: these transactions are entered into on normal or better commercial terms; in accordance with the Framework Agreements, and that the terms are fair and reasonable and are in the interests of the Company and its Shareholders as a whole;
- (3) the Company's external auditors will also conduct annual reviews of the pricing principles, total amount of accumulated transactions and, if applicable, proposed Annual Caps of the Framework Agreements and make corresponding confirmations in the Company's annual report; and
- (4) the Group will monitor the amount incurred for the transactions contemplated under the Framework Agreements on a monthly basis to ensure that the annual caps thereunder will not be exceeded. In particular, the Group will prepare a continuing connected transaction report on a quarterly basis on continuing connected transactions which will be submitted internally to such dedicated team within the Group for consideration. The contents of the report will include (i) the fees payable/receivable by the Group to/from Tencent Representative Companies within the relevant reporting period; and (ii) the status of compliance with the annual caps and utilization of the annual caps. If the transaction amount of any continuing connected transaction under the Framework Agreements that is or will be incurred in the

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

financial year is expected to reach or exceed the relevant annual cap, the internal audit and internal control department of the Group shall report to the management of the Company and consider the measures to be taken to ensure that the requirements under the Listing Rules are complied with, including obtaining the approval of Independent Shareholders (if required).

For the purpose of evaluating the effectiveness of internal control policies in place to monitor the usage of the existing Annual Caps, and ensuring that the annual caps would not be exceeded, we have reviewed the 2023 AR, 2024 AR and 2025 AR and note that the Company has been in compliance with the annual caps requirement under the Listing Rules as the Company's auditors had issued unqualified letters containing the findings and conclusions in respect of the Company's continuing connected transactions and nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions (i) were not entered into, in all material respects, in accordance with the relevant agreement(s) governing the transaction; and (ii) have exceeded the maximum aggregate annual caps in respect of the disclosed continuing connected transactions.

In light of the on-going reporting requirements to the transactions contemplated under the Framework Agreements, in particular, (i) the restriction on the transaction amount under the Framework Agreements by way of the Annual Caps; and (ii) the ongoing review by the independent non-executive Directors and auditors of the Company on the terms of the Framework Agreements and the Annual Caps, and given the Company's internal safeguards in place, we are of the view that appropriate measures will be in place to monitor the transactions contemplated under the Framework Agreements.

RECOMMENDATION

Having taken into consideration the principal factors and reasons discussed above, we are of the view that (i) the terms of the Framework Agreements and the transactions contemplated thereunder (including the Annual Caps) are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) the entering into of the Framework Agreements is in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the relevant resolutions to be proposed at the SGM for approving the Framework Agreements and the transactions contemplated thereunder (including the Annual Caps).

Yours faithfully,
For and on behalf of
Maxa Capital Limited
Sammy Leung
Managing Director

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Mr. Sammy Leung is a licensed person registered with the Securities and Futures Commission of Hong Kong and a responsible officer of Maxa Capital Limited to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO and has over 14 years of experience in the corporate finance industry.

1. RESPONSIBILITY STATEMENT

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

2. DISCLOSURE OF INTERESTS

(a) Interests and short positions of the Directors and chief executives of the Company in the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) contained in the Listing Rules, were as follows:

Interest of the Company

Name of Director	Capacity in which interests are held	Interest in the Shares	Approximate percentage of total issued Shares as at the Latest Practicable Date
Mr. Ke Liming	Interest of a controlled corporation	2,120,671,294 <i>(Note 1)</i>	12.62%
	Other	506,709,956 <i>(Note 2)</i>	3.02%
Mr. Zhang Qiang	Beneficial owner	10,000,000 <i>(Note 3)</i>	0.06%
Mr. Yang Ming	Beneficial owner	1,080,000 <i>(Note 4)</i>	0.01%

Notes:

- (1) 2,627,381,250 Shares were indirectly held by Mr. Ke Liming through Pumpkin Films Limited, a company indirectly wholly-owned by Mr. Ke Liming.
- (2) Solely to facilitate on-lending to holders and/or prospective holders of the Bonds proposed to be issued by the Company to conduct hedging transactions, Pumpkin Films Limited entered into stock borrowing and lending agreements with Merrill Lynch International and Goldman Sachs International on 14 April 2025 and delivered the shares on the same date.
- (3) Mr. Zhang Qiang was interested in 10,000,000 Shares, all of which were represented by share options of the Company.
- (4) Mr. Yang Ming was directly interested in 1,080,000 shares of the Company.

Save as disclosed above, none of the Directors or chief executives of the Company had any interests or short positions in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise to be notified to the Company and the Stock Exchange pursuant to the Model Code as at the Latest Practicable Date.

(b) Interests of substantial Shareholders

So far as is known to the Directors and the chief executive of the Company, as at the Latest Practicable Date, the following persons (other than a Director or chief executive of the Company) had an interest or a short position in the Shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO:

Name of Shareholder	Capacity in which interests are held	Interest in the Shares	Approximate percentage of total issued Shares as at the Latest Practicable Date
Mr. Ke Liming	Interest of a controlled corporation	2,120,671,294 <i>(Note 1)</i>	12.62%
	Other	506,709,956 <i>(Note 2)</i>	3.02%
Pumpkin Films Limited	Interest of a controlled corporation	2,120,671,294 <i>(Note 1)</i>	12.62%
		506,709,956 <i>(Note 2)</i>	3.02%
Tencent Holdings Limited	Interest of a controlled corporation	2,582,401,232	15.37%
Water Lily Investment Limited <i>(Note 3)</i>	Beneficial owner	2,545,734,565	15.15%
Sunshine Life Insurance Corporation Limited	Beneficial owner	1,489,944,438	8.87%

Notes:

- (1) Pumpkin Films Limited is wholly-owned by Mr. Ke Liming. The 2,627,381,250 shares of the Company were indirectly held by Mr. Ke Liming, through Pumpkin Films Limited.
- (2) Solely to facilitate on-lending to holders and/or prospective holders of the Bonds proposed to be issued by the Company to conduct hedging transactions, Pumpkin Films Limited entered into stock borrowing and lending agreements with Merrill Lynch International and Goldman Sachs International on 14 April 2025 and delivered the shares on the same date

- (3) Tencent Holdings was indirectly interested in 2,582,401,232 Shares of which 2,545,734,565 Shares were directly held by Water Lily Investment Limited, an indirect wholly-owned subsidiary of Tencent Holdings and 36,666,667 Shares were directly held by Tencent Mobility Limited, a wholly-owned subsidiary of Tencent Holdings. Mr. Yang Ming, a Director of the Company, is an employee of Tencent Holdings Limited.

Save as disclosed above in the table, as at the Latest Practicable Date, so far as is known to the Directors or chief executive of the Company, no person (other than a Director or chief executive of the Company) had interests or short positions in the Shares or underlying shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors was a director or employee of a company which had an interest or short position in the Shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors or proposed Director or their respective close associates (as defined in the Listing Rules) had any interests in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with the Company or any member of the Group which does not expire or is not terminable by the Group within one year without payment of compensation, other than statutory compensation.

5. DIRECTORS' INTEREST IN ASSETS

As at the Latest Practicable Date, none of the Directors or proposed Director had any direct or indirect interest in any asset which had been, since 31 December 2025 (being the date to which the latest published audited consolidated financial statements of the Group were made up) and up to the Latest Practicable Date, acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group.

6. DIRECTORS' INTEREST IN CONTRACT

There was no contract or arrangement entered into by any member of the Group subsisting at the Latest Practicable Date in which any Director was materially interested and which was significant to the business of the Group.

7. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or claim of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

8. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2025 being the date to which the latest published audited consolidated financial statements of the Group were made up, up to and including the Latest Practicable Date.

9. QUALIFICATION AND CONSENT OF EXPERT

- (a) The following is the qualification of the expert who has given opinion or advice contained in this circular:

Name	Qualification
Maxa Capital Limited	A licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)

- (b) As at the Latest Practicable Date, Maxa Capital Limited did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.
- (c) Maxa Capital Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which they appear respectively.

- (d) As at the Latest Practicable Date, Maxa Capital Limited did not have any interest, direct or indirect, in any assets which have been, since 31 December 2025, being the date to which the latest published audited consolidated financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group, or proposed to be acquired or disposed of by or leased to any member of the Group.

10. MISCELLANEOUS

- (a) The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.
- (b) The principal place of business of the Company in Hong Kong is at Room 3701, 37/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong.
- (c) The principal share registrar and transfer office of the Company is Conyers Corporate Services (Bermuda) Limited, Clarendon House, 2 Church Street, Hamilton HM11, Bermuda.
- (d) The Hong Kong branch share registrar and transfer office of the Company is Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (e) The company secretary of the Company is Mr. Fong Kar Chun, Jimmy, who is a member of the Law Society of Hong Kong and a qualified solicitor in Hong Kong.
- (f) The English text of this circular shall prevail over the Chinese text, in case of any inconsistency.

11. DOCUMENTS ON DISPLAY

A copy of the following documents will be published on the websites of the Stock Exchange (<https://www.hkexnews.hk>) and the Company (<https://www.ryholdings.com>) for a period of 14 days from the date of this circular (both days inclusive):

- (a) the written consent of Maxa Capital Limited as referred to in the section headed “9. Qualification and Consent of Expert” in this appendix;
- (b) the 2026 Game Cooperation Framework Agreement; and
- (c) the Drama Series and Movies Copyrights Licensing and Co-Production of Made-to-Order Series Framework Agreement.



儒意控股
RUYI HOLDINGS

China Ruyi Holdings Limited

中國儒意控股有限公司

(a company incorporated in Bermuda with limited liability)

(Stock Code: 136)

NOTICE IS HEREBY GIVEN that a special general meeting (the “**SGM**”) of China Ruyi Holdings Limited (the “**Company**”) shall be held at 11:00 a.m. on Tuesday, 19 May 2026 at Room 3701, 37/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong for the purpose of considering and, if thought fit, passing the following ordinary resolutions. Words and expressions that are not expressly defined in this notice of SGM shall bear the same meaning as those defined in the circular of the Company dated 4 May 2026 (the “**Circular**”).

ORDINARY RESOLUTIONS

1. **“THAT**

- (a) the 2026 Game Cooperation Framework Agreement (as defined in the Circular) (a copy of which is tabled at the meeting and marked “A” and initialled by the chairman of the meeting for the purpose of identification) and the transactions contemplated thereunder, and the implementation thereof be and are hereby approved, confirmed and ratified;
- (b) the Game Cooperation Payable Annual Caps and the Game Cooperation Receivable Annual Caps (as defined in the Circular) for the respective financial years ending on 31 December 2026, 31 December 2027 and 31 December 2028 be and are hereby approved; and
- (c) any one Director (or one Director and the secretary of the Company or any two Directors or such other person (including a Director) or persons as the Board may appoint, in the case of execution of documents under seal) be and is/are hereby authorized for and on behalf of the Company to execute all such documents, instruments and agreements and to do all such acts or things which he/she/they consider necessary, desirable or expedient for the purpose of, or in connection with the implementation of and giving effect to the 2026 Game Cooperation Framework Agreement and the transactions contemplated thereunder including the affixing of common seal thereon.”

NOTICE OF SGM

2. “**THAT**

- (a) the Drama Series and Movies Copyrights Licensing and Co-Production of Made-to-Order Series Framework Agreement (as defined in the Circular) (a copy of which is tabled at the meeting and marked “B” and initialled by the chairman of the meeting for the purpose of identification) and the transactions contemplated thereunder, and the implementation thereof be and are hereby approved, confirmed and ratified;
- (b) the Drama Series and Movies Licensing Annual Caps (as defined in the Circular) for the respective financial years ending on 31 December 2026, 31 December 2027 and 31 December 2028 be and are hereby approved; and
- (c) any one Director (or one Director and the secretary of the Company or any two Directors or such other person (including a Director) or persons as the Board may appoint, in the case of execution of documents under seal) be and is/are hereby authorized for and on behalf of the Company to execute all such documents, instruments and agreements and to do all such acts or things which he/she/they consider necessary, desirable or expedient for the purpose of, or in connection with the implementation of and giving effect to the Drama Series and Movies Copyrights Licensing and Co-Production of Made-to-Order Series Framework Agreement and the transactions contemplated thereunder including the affixing of common seal thereon.”

Yours faithfully,
By order of the Board
China Ruyi Holdings Limited
Ke Liming
Chairman

Hong Kong, 4 May 2026

Notes:

- 1. A member entitled to attend and vote at the SGM is entitled to appoint one or, if he is the holder of two or more Shares, more than one proxy to attend and vote instead of him/her/it. A proxy need not be a member.
- 2. A form of proxy for use at the SGM is enclosed herewith. To be valid, the form of proxy together with the power of attorney or other authority (if any) under which it is signed or notarially certified copy thereof must be deposited with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and, in any event, not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof (as the case may be). Completion and deposit of the form of proxy will not preclude a Shareholder from attending and voting in person at the SGM or any adjournment thereof (as the case may be).
- 3. Completion and return of the form of proxy will not preclude a Shareholder of the Company from attending and voting in person at the SGM convened or any adjournment thereof and in such event, the authority of the proxy shall be deemed to be revoked.

NOTICE OF SGM

4. In the case of joint holders of a Share, any one of such joint holders may vote, either in person or by proxy, in respect of such Share as if he/she/it was solely entitled thereto. If more than one of such joint holders are present at the SGM, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
5. For determining the entitlement to attend and vote at the SGM, the register of members of the Company will be closed from Saturday, 16 May 2026 to Tuesday, 19 May 2026 (both days inclusive), during which period no transfer of Shares will be registered. In order for a Shareholder of the Company to be eligible to attend and vote at the SGM, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Friday, 15 May 2026. The record date for determining the eligibility of the Shareholders to attend and vote at the SGM will be Tuesday, 19 May 2026.
6. References to time and dates in this notice are to Hong Kong time and dates.

As at the date of this notice, the executive Directors of the Company are Mr. Ke Liming and Mr. Zhang Qiang; the non-executive Director of the Company is Mr. Yang Ming; and the independent non-executive Directors of the Company are Mr. Chau Shing Yim, David, Mr. Nie Zhixin, Mr. Chen Haiquan and Professor Shi Zhuomin.