大麦娱乐™

Damai Entertainment Holdings Limited

大麥娛樂控股有限公司

(formerly known as Alibaba Pictures Group Limited 阿里巴巴影業集團有限公司)

Incorporated in Bermuda with limited liability

Stock Code: 1060

2025/26

Environmental, Social and Governance Report



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ABOUT THIS REPORT

BRIEF INTRODUCTION TO THE REPORT

This is the 2025/26 Environmental, Social and Governance (ESG) Report released by Damai Entertainment Holdings Limited ("Damai Entertainment" or the "Company"). It aims to showcase the ESG strategies, management and practices of Damai Entertainment and its principal subsidiaries as listed in its annual report.

REFERENCE

For the convenience of expression, the terms "Damai Entertainment", "the Company" and "we" in the Report refer to Damai Entertainment Holdings Limited, whose shares are listed and traded on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (stock code: 1060). The "Group" refers to the Company and its subsidiaries collectively. "Alibaba Group" refers to Alibaba Group Holding Limited and its subsidiaries collectively.

REPORTING SCOPE

The information and data disclosed in this report cover Damai Entertainment and its principal subsidiaries as of March 31, 2026 as listed in its annual report. The reporting period spans from April 1, 2025 to March 31, 2026 (the "Reporting Period").

BASIS OF PREPARATION

This report has been prepared in accordance with the relevant provisions of the Environmental, Social and Governance Reporting Code (the "ESG Reporting Code") set out in Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the Guidance on Implementing Climate Information disclosure under ESG Framework (the "Guidance on Implementing").

SOURCES OF INFORMATION

All information and data referred to in this report are sourced from the Company's official documents, statistical reports and financial reports, which have been collected, summarized and reviewed by relevant departments. Unless otherwise specified, the reporting currency herein is Renminbi (RMB).

REPORTING PRINCIPLES

- Principle of Materiality: The report discloses a matrix of material issues and elaborates on the process and final results of determining material issues, together with a list of key stakeholders and corresponding communication measures. For details, please refer to the sections headed "Stakeholder Engagement" and "Determination of Material Issues" in this report.

- Principle of Quantitative: The environmental data disclosed in this report are presented with reference standards, calculation methods and parameters, which followed the ESG Reporting Code and the Guidance on Implementing.

- Principle of Balance: This report discloses positive and negative information objectively to ensure balanced content.

- Principle of Consistency: The information disclosed in this report covers Damai Entertainment Holdings Limited and its subsidiaries, and is consistent with the scope of the annual report. Methodologies adopted for the preparation of this report are consistent with the previous financial year. If there are any changes in the scope of disclosure and calculation methodologies that may affect the comparison with previous reports, explanations will be provided to the corresponding data.

REPORT VERSION AND AVAILABILITY

The report is released online. You can access and download this report from the following websites:

- Official website of Damai Entertainment: https://www.damaiholdings.com
- Website of the Stock Exchange of Hong Kong Limited: https://www.hkexnews.hk

ABOUT DAMAI ENTERTAINMENT

Damai Entertainment is a technology-driven reality entertainment company. Its business covers a full ecosystem spanning content production, promotion and distribution, IP commercialization, licensing and commercial operations, cinema and entertainment event ticketing management, and internet data services. Guided by the mission to "create high-quality, real-life entertainment that brings joy to everyone", the Company centers on the dual key strategies of "entertainment" and "AI". While delivering premium film and live-performance works to the market, Damai Entertainment leverages its technological strengths to create innovative scenarios for the culture and entertainment industry, building extraordinary reality entertainment experiences for users, including innovative projects such as live, interactive, and immersive experiences. Its newly upgraded Damai app, empowered by an excellent ticketing experience and an efficient content retrieval and distribution mechanism, comprehensively reaches and deeply connects the broadest base of real-life entertainment consumers. Since 2014, the Company has produced and presented a diverse range of entertainment content for billions of people, including 300+ films, 2.67 million + performances, and 500+ hours of drama series.

LIVE ENTERTAINMENT CONTENT AND TECHNOLOGY BUSINESS

Damai Entertainment has established a fully integrated industrial ecosystem that synergizes ticketing services, live entertainment, and international operations. Leveraging its industry-leading entertainment ticketing platform, robust technological infrastructure, professional full-chain supporting services of the ticketing ecosystem, and extensive industry experience, the Company continues to enhance its competitive advantages in the ticketing services market. At the same time, through the matrix-style layout of its six key performance content brands and the successful execution of flagship projects, the Company has achieved remarkable results in the field of live entertainment content production and investment. During the Reporting Period, as international business expanded comprehensively and a cross-border service network was established, we further broke down geographical boundaries and built a one-stop performance service ecosystem covering both domestic and overseas markets. Driven by technology empowerment and content innovation as its engines, the Company continues to lead the high-quality development of the live entertainment industry.

Live Entertainment Ticketing Business

Damai Entertainment's leading all-category one-stop entertainment ticketing platform, the Damai App, has surpassed 170 million cumulative registered users. The system can support up to 6 million concurrent users snapping up tickets simultaneously. Its business spans a wide range of sectors, including movies, music performances, theatrical productions, sports events, exhibitions and leisure, as well as scenic area tours. In the ticketing services market, Damai has extensive experience in ticketing services, having provided ticketing services for concerts by numerous prominent top-tier artists. It has also served as the official ticketing services provider for the Olympic Games, the Asian Games, and the National Games. Through continuous iteration and upgrading of its product ecosystem, the Company has fully integrated its movie and live performance ticketing platforms, further expanding into diversified entertainment consumption scenarios. This has strengthened users' brand perception of "Buy Tickets on Damai" and reinforced the Company's position as a leading comprehensive ticketing service platform in the industry.

The Company continues to deepen its investment in core technology research and development. By integrating computing power and upgrading cloud resources, it has significantly enhanced data processing efficiency and optimized ticketing system functionalities. In high-concurrency scenarios, the system stably supports massive concurrent ticket purchases, ensuring a highly efficient and smooth transaction process. With superior user experience, the Company continues to solidify its leading position in the ticketing services sector.

Live Entertainment Content

Live entertainment content serves as a key pillar of the Group's "Live Entertainment Content and Technology Business". The business has built a portfolio of six key performance content brands, namely Xiami Music Entertainment, Mailive, Theatre Rocks! (當然有戲), Unlimited Art (藝展鴻圖), Ku Xiao Mai (酷小麥), and Hao Xi Lian Tai (好戲連台). These brands comprehensively cover core categories including large-scale concerts, music festivals, stand-up comedy (talk shows), and theatrical dramas. During the Reporting Period, the Company successfully hosted multiple major concerts, such as Jackson Yee's 2025 "Que Xue" World Tour (易烊千璽 2025"礬邕"巡迴演唱會) and Karen Mok's "The Big Big Show" Tour (莫文蔚"大秀一場"巡迴演唱會). Additionally, the Company independently created the 4th Aranya•Xiami Music & Arts Festival, deeply integrating live music with theater, exhibitions, trendy art, and vacation lifestyles, setting a new benchmark for immersive entertainment experiences.

International Business

Damai Entertainment is actively expanding its international business, offering global users a one-stop ticketing and event service platform to enhance the cross-border live entertainment experience. The Company has launched the "MAISEAT" global performance service platform, which provides comprehensive ticketing and on-site services for popular events including concerts, sports events, music festivals, and theatrical productions across domestic and overseas markets. The platform features multi-language interfaces, diversified payment options, and multi-currency settlement capabilities. Going forward, the Company plans to incorporate more event categories and value-added services, with the goal of becoming the preferred platform for global audiences seeking cross-border live entertainment experiences. In addition, the Company is vigorously expanding its industrial services by undertaking overseas performance project implementation and providing full-chain, professional service assurance for both domestic and international performing arts teams looking to expand abroad. During the Reporting Period, the Group has served as ticketing agent for popular overseas performances, including overseas concerts by artists such as G.E.M. (鄧紫棋), Jason Zhang (張杰), David Tao (陶喆) and Mayday (五月天).

IP MERCHANDIZING

Damai Entertainment has deeply cultivated its IP merchandizing business, possessing a unique vertically integrated industrial chain covering both upstream and downstream segments. This represents one of the Company's key strategic initiatives to expand its entertainment industry footprint. During the Reporting Period, the Company further focused on building an IP merchandizing business ecosystem centered around Alifish, including upstream copyright acquisition and downstream sub-licensing business; development of physical store and licensing them to operators for IP retail brand operations; and joint operation of Tmall's pop toy category alongside the development of self-operated e-commerce flagship stores for proprietary IP retail brands.

As a leading IP licensing management and commercialization platform in China, Alifish has established deep partnerships with hundreds of high-quality copyright holders domestically and internationally, as well as thousands of brand channel partners. On the upstream side, the platform has secured licensing rights for globally renowned IPs such as the Sanrio family, Chiikawa, Universal Studios, and Crayon Shin-chan. Through localized, refined operations and integrated online-offline marketing strategies, Alifish effectively extends the long-term vitality of these IPs. On the downstream side, leveraging its full-chain service model, Alifish provides brand partners with one-stop licensing solutions covering IP selection, material gallery development, review and approval supervision, integrated marketing, and promotional campaigns. During the Reporting Period, the platform successfully collaborated with numerous well-known brands including THE BEAST, L'Oréal Paris, Chow Tai Fook, MINISO, Pop Mart, Kayou, and Yadea on various cross-over co-branded projects. In addition, the Company actively expanded its "online + offline" retail matrix. During the Reporting Period, it worked with copyright holders and pop toy brands to launch multiple themed pop-up stores and official flagship stores, including the first Chiikawa offline flagship store in mainland China and the TOPPS Tmall flagship store, significantly enriching the consumer experience.

FILM CONTENT AND TECHNOLOGY BUSINESS

The film content and technology business serves as a cornerstone of Damai Entertainment's steady development. In the face of cyclical adjustments and upgrades in content supply within the industry, the Company has implemented a full-cycle film and television talent cultivation program to continuously strengthen its capabilities in high-quality content creation and industrialized production. By deeply integrating Lighthouse AI with large AI models, the Company has comprehensively optimized production processes and achieved cost reduction and efficiency gains. At the same time, it continues to expand entertainment consumption scenarios, accumulating momentum for the steady recovery of the film market and the long-term prosperity of the industry ecosystem.

Film Ticketing Business

The film ticketing business (covering Tao Piao Piao and the Yunzhi ticketing platform) continues to provide efficient and convenient online ticketing and ticket issuance services for cinemas and audiences. As a popular consumer-facing ticketing platform, Tao Piao Piao has collaborated with Damai to create the industry's first cross-category "Tao Mai VIP" membership system that integrates "movie + live performance" consumption scenarios. Through exclusive benefits such as "buy one get one free", priority access to live performance tickets, celebrity meet-and-greets, and electronic commemorative tickets, the system has significantly enhanced user stickiness and consumption experience, earning strong market acclaim. Meanwhile, the B-end ticket issuance system Yunzhi, with its outstanding technical capabilities, continues to rank first nationwide in both the number of ticket-issuing cinemas and total tickets issued. It is also actively expanding overseas, having reached cooperation agreements with cinemas in Hong Kong and multiple Southeast Asian regions, building a comprehensive film ticketing service network covering both domestic and international markets.

Film Investment, Production and Promotion

The film investment, production and promotion business serves as a core strategic pillar of the Group's offline entertainment content segment. In recent years, the Company has deepened its dual-drive model of co-productions and self-productions. It actively introduces cutting-edge visual effects technologies such as virtual filming to empower industrialized film and television production processes. At the same time, it has timely adjusted its market strategy to focus on small-budget, low-risk, high-quality films. Through precise investment and scientific risk control mechanisms, the Company effectively mitigates market volatility risks and strengthens its business foundation and stable returns. During the Reporting Period, the Company released major film projects including The Shadow's Edge (捕風追影), Scare Out (驚蟄無聲), Blades of the Guardians (鏢人: 風起大漠), Pegasus 3 (飛馳人生 3), and Boonie Bears: The Hidden Protector (熊出沒•年年有熊).

To enhance its film content development and production capabilities, the Company launched the Haina International Young Director Development Program, establishing a full-cycle growth pathway spanning "learning – practice – creation – implementation". Renowned directors Zhang Yimou and Huang Jianxin, along with Mr. Jiang Zhiqiang, were specially invited to participate. Through diverse training models such as masterclasses, short film screenings, roundtable discussions, and hands-on experience on top-tier production crew, the program comprehensively empowers young directors. It has also established the "Haina Program Scholarship" (海納計劃獎學金) and has already attracted 75 Chinese young directors with overseas backgrounds to join. During the Reporting Period, the Company hosted the "Haina Roundtable Dialogue", centered on the "Haina International Young Director Development Program" and the "Spring Seed Screenwriter Program (春苗編劇計劃)". It established the Haina Spring Seed Creation Base (海納春苗創作基地), creating a one-stop film and television service space integrating pre-production, filming, and post-production.

Technology Business

In the technology sector, we leverage AI and digital technologies to provide audience with the best possible service experience. During the Reporting Period, the Qwen APP was officially integrated into Damai's AI ticketing system. Its "buy movie tickets in one sentence" feature serves as a "personal ticketing assistant", delivering a complete ticketing service to users spanning film recommendations, intelligent seat selection, and payment through to ticket issuance. In addition, the intelligent promotion and distribution data product for the entertainment industry, "Lighthouse AI" (燈塔AI), has fully incorporated Qwen large model. It can accurately analyze and efficiently respond to complex business queries such as film release status and schedule trend analysis. Leveraging deep learning and algorithmic frameworks of large models, the product provides industry practitioners with timely and refined full-network public opinion insights and high-reference-value box office trend predictions, offering scientific and precise decision-making support for film promotion strategies, cinema scheduling optimization, and market trend analysis.

We are committed to expanding the application boundaries of AI in creative expression, and joining our audience in witnessing and participating in the continuous evolution of AI in terms of narrative possibilities and artistic appeal. The music video "NPC" by our digital human "Li Li" adopts a narrative-driven approach to achieve efficient information delivery. We integrate the progression of character relationships, the extension of timelines, and the evolution of emotional layers, while incorporating multi-line narrative structures, to create a novel audiovisual experience for young audiences. At the same time, we actively challenge the industry's established stereotypes regarding the inherent style of AI-generated content, choosing contemporary and realistic scenes as the narrative bedrock to significantly improve the viewing experience limitations typically associated with AI-generated content, and have successfully brought commercial cases to fruition.

DRAMA SERIES PRODUCTION BUSINESS

In the drama series production business, Damai Entertainment operates through a studio-based model, continuously increasing investment in high-quality flagship content. The Company is committed to creating premium productions that combine emotional resonance with strong market appeal, and has earned high recognition from both audiences and the industry. During the Reporting Period, several highly acclaimed drama series produced by the Group, such as "In the Name of Justice (以法之名)", "Wild Ambition Bloom (灼灼韶華)", and "Unveil: Jadewind (唐宮奇案之青霧風鳴)" were successfully broadcast. At the same time, multiple key titles, including "Prosecutor (追訴)", "Transfer Gold Hairpin (嫁金釵)" and "Doctor's Honor (醫生榮譽)", have completed filming and entered the awaiting-release stage. Currently, the drama studio has over 20 key projects in reserve, laying a solid foundation for sustained content output and steady business growth.

ESG STATEMENT OF THE BOARD

Damai Entertainment places high importance on Environmental, Social and Governance (ESG) issues, fully integrating ESG principles into its business operations and long-term strategy. The Company has established a standardized and systematic ESG governance framework, continuously enhancing governance effectiveness, building long-term communication mechanisms, and prudently assessing potential risks and opportunities in the ESG domain. This ensures the legitimate rights and interests of all stakeholders, including investors, customers, employees, and supply chain partners, are effectively safeguarded.

The board (the "Board") of directors (the "Directors") of the Company serves as the highest decision-making body for the Company's ESG matters. It is responsible for regularly reviewing the Group's ESG strategic planning, development objectives, and major ESG risks, while exercising full-process supervision and control over the implementation of key ESG initiatives and projects. From strategic planning to execution, the Board ensures all measures align with the Company's ESG development vision through a robust oversight mechanism. Damai Entertainment's carbon reduction goals are still in progress. At the same time, based on its own business plan and benchmarking against leading industry practices, the Company develops annual ESG development plans and action programs focused on core issues. These targets and implementation plan are carefully reviewed and approved by the Board. Through the ESG Working Group, a full-cycle execution supervision and evaluation mechanism has been established. By implementing task breakdown, process tracking, and results review across the entire chain, the Company ensures the efficient implementation of ESG initiatives, continuously improving the Group's overall ESG management standards. For details, please refer to the subsection "1.1 ESG Governance".

The Company highly values the expectations of all stakeholders and uses them as a key guide for its ESG work. It maintains open, transparent, timely, and smooth two-way communication through diverse channels, regularly collecting and deeply analyzing stakeholder concerns. The Company identifies and prioritizes core ESG material issues through scientific assessment. The results, after review and approval by the Board, are presented in the subsections "Stakeholder Engagement" and "Determination of Material Issues". During the Reporting Period, the Board focused on key topics including corporate governance, business ethics and anti-corruption, compliance operations and risk management, content review and advertising compliance, data security and privacy protection, digital technology development and AI applications, employee training and development, product quality and innovation, as well as delivery of high-quality works promoting positive value with high viewership and commercial success. The Board coordinated the implementation of various initiatives and reviewed and approved the 2026/27 annual ESG work plan, providing a clear direction and pathway for the Company's future compliant and steady development.

This report discloses the Company's ESG practices and performance for the period from April 1, 2025 to March 31, 2026, and was formally reviewed and approved by the Board on May 27, 2026.

STAKEHOLDER ENGAGEMENT

Damai Entertainment consistently places great importance on stakeholder feedback, viewing the concerns and input of all parties as vital references for driving the Company's steady development. Relying on diverse communication channels such as shareholder meetings, regular consultation processes and standardised information disclosure, the Company continuously refines its systematic and dynamic communication mechanisms. By strengthening two-way dialogue and providing timely feedback, it continually builds consensus on development and collaborates with all stakeholders to explore pathways towards sustainable development.

Table: Stakeholder Engagement of Damai Entertainment

Stakeholders	Requirements and Expectations	Communication and Response
Government/Regulatory Authorities	Compliance with laws and regulations Operating and paying taxes in compliance with laws and regulations Business ethics	Compliant operations Visits and exchanges Cooperating with inspections Regular reporting
Investors	Financial performance Business development Disclosure content Effective communication	Disclosure of financial and operational information Shareholder meetings information Publication on the official website Investor relationship communication channels
Customers	High-quality products and services Effectively meeting customer needs Smooth feedback channels	Promotion of products and services Client visits and engagement Regular communication
Employees	Safeguarding employee rights Career development prospects Occupational health and safety Remuneration and benefits Work-life balance	Internal communication channels Employee training and development Remuneration and benefits Employee feedback Satisfaction surveys
Audience and Users	Data security and privacy protection User experience Product quality	Privacy policy and terms of service User feedback Social media interaction
Suppliers and Business Partners	Open and fair cooperation Honest and reliable performance Win-win cooperation	Communication regarding tendering and procurement Signing of cooperation agreements Industry communication and exchange
Community	Participation in community development Support for charitable causes Resource and environmental management	Media relationship Volunteering activities Community engagement

DETERMINATION OF MATERIAL ISSUES

Damai Entertainment responds effectively to the core concerns of its stakeholders, deeply integrating their diverse demands into the decision-making framework for material ESG issues. During the Reporting Period, the Company adhered to the process of "identification – prioritization – validation" to dynamically optimise our ESG materiality framework and further specify the reporting boundary.

Step 1: Identification

Drawing on experience from materiality assessments in previous financial years, and taking into account the evolution of our core business, industry trends, media sentiment monitoring, and the identification and benchmarking of differences with international reporting standards during the Reporting Period, we conducted a comprehensive review and update of our ESG issues. Through multi-dimensional cross-validation, we initially established a list of material issues to ensure the forward-looking nature and comprehensiveness of the assessment.

Step 2: Prioritization

By precisely capturing the key concerns and demands of various stakeholders, referencing the Company's strategic development direction, and integrating the likelihood of occurrence, severity of impact, and the Company's capacity to respond, we prioritize and dynamically adjust the issues on the preliminary list, and prepare a materiality matrix.

Step 3: Validation

The materiality matrix was rigorously reviewed and finalized to clearly define the disclosure boundaries for this year's ESG report. This ensures that the disclosed content closely aligns with the Company's strategic priorities and actual operations, while effectively addressing stakeholders' expectations and concerns. The materiality matrix identified by the Company during the Reporting Period is as follows:

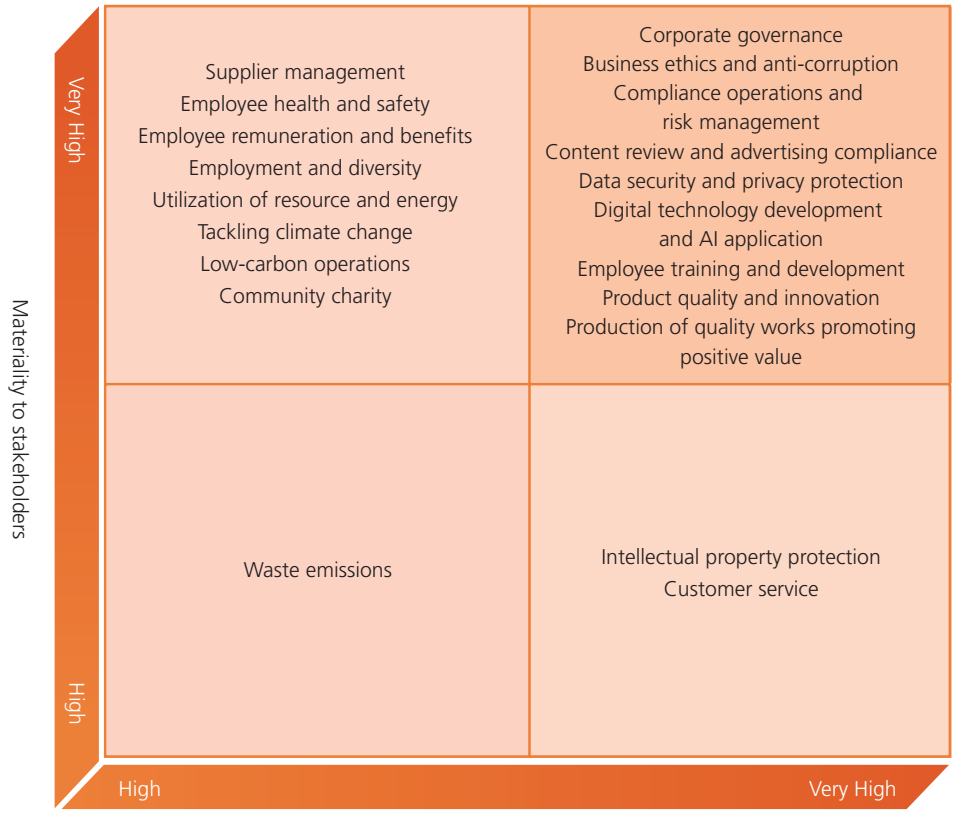


Chart: Damai Entertainment's matrix of material issues

1 RESPONSIBLE GOVERNANCE

Damai Entertainment is committed to a sustainability-driven approach, embedding ESG principles across all aspects of its daily operations and strategic decision-making. The Company has established a robust ESG governance system, continuously strengthened risk prevention and control, strictly adhered to principles of integrity and business ethics, fortified its data security defenses, and rigorously protected customer privacy. Through responsible practices, we safeguard the Company's steady and high-quality development.

1.1 ESG GOVERNANCE

Damai Entertainment strictly adheres to regulatory requirements, effectively enhances ESG governance effectiveness, and has established a top-down ESG governance system with clear hierarchies and well-defined responsibilities. The Company continuously optimizes its ESG governance framework, clearly defines the primary functions of the ESG decision-making, management, and execution layers, and comprehensively advances ESG management toward institutionalization, standardization, and professionalization.

As the highest decision-making and leadership body for the Company's ESG governance, the Board comprehensively coordinates and oversees all ESG-related matters. It is responsible for reviewing and approving the Company's ESG strategy, policies, objectives, and core systems; identifying, assessing, and managing material ESG risks and opportunities; approving major ESG-related matters and information disclosure reports; and regularly monitoring and evaluating progress toward ESG targets. At the management level, the Company has established an ESG Execution Team, comprising core senior executives such as the business president, chief financial officer ("CFO") and general counsel ("GC"). Under the supervision and guidance of the Board, the ESG Execution Team is responsible for driving ESG initiatives, identifying material ESG risks and opportunities, developing targeted response mechanisms, and regularly reporting progress and implementation results to the Board. At the execution level, the Company has formed an ESG Working Group consisting of relevant departments, with the Internal Audit and Internal Control Department serving as the coordinating body. Business and functional departments work collaboratively to implement specific ESG tasks. Each execution unit regularly reports its progress and performance results to the ESG Executive team, ensuring that ESG management requirements are effectively cascaded to the frontline operations. In addition, the Company has established a linkage mechanism between ESG performance and executive compensation appraisals, comprehensively evaluating management's performance across environmental, social, and governance dimensions and incorporating key ESG indicators into the executive performance appraisal system to drive the sustained implementation of the Company's sustainable development strategy.

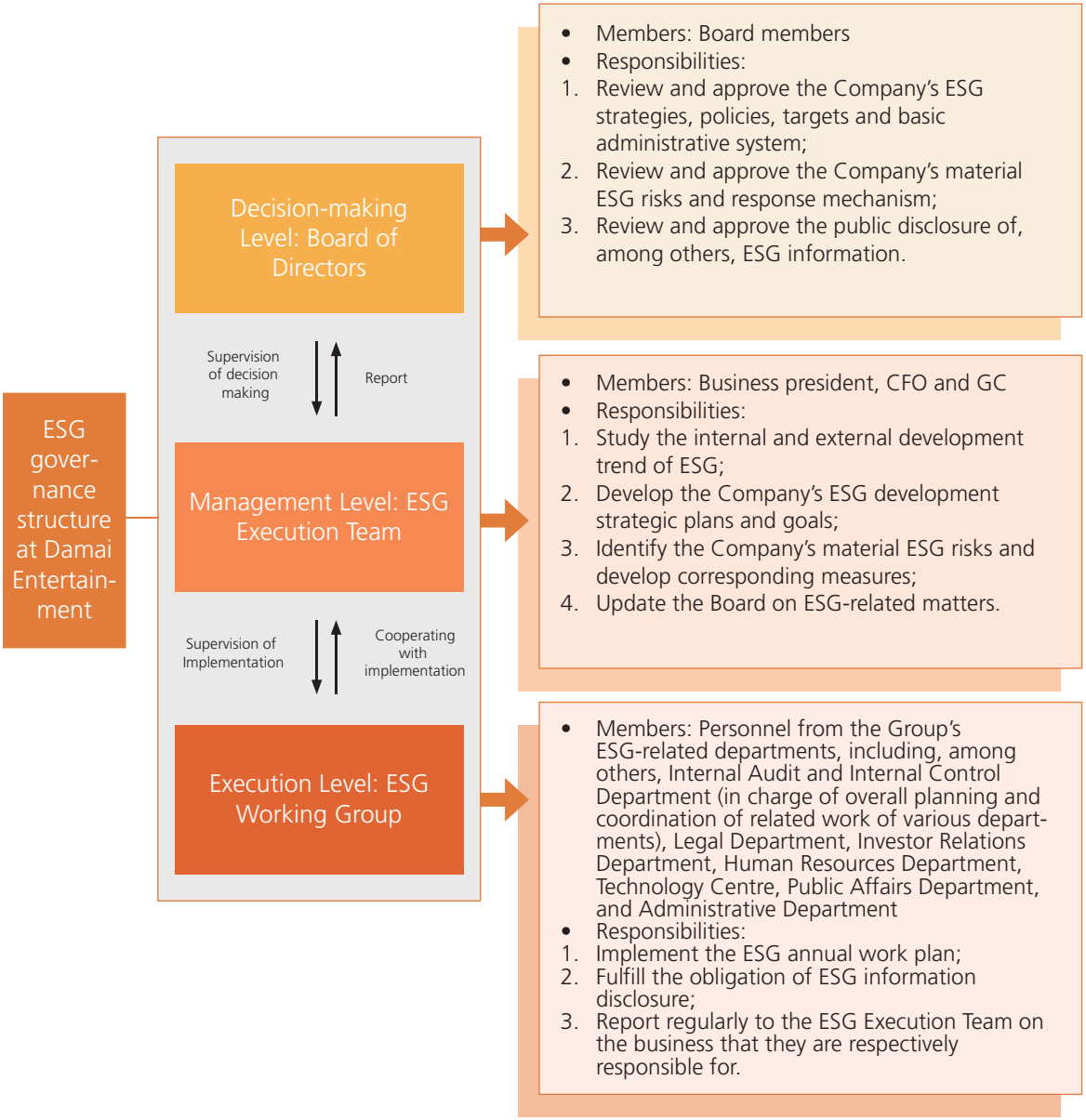


Chart: ESG governance structure at Damai Entertainment

Damai Entertainment continues to deepen the development of its environmental, social, and governance systems, deeply integrating the concept of sustainable development into the full process of corporate strategy and operational management. The Company has achieved remarkable results in ESG governance and responsible practices, earning widespread recognition from international authoritative institutions and all sectors of society. In March 2026, the Company's ESG rating was officially upgraded to AAA, marking four consecutive years of rating improvement and securing the highest rating in the global media and entertainment industry. During the Reporting Period, Damai Entertainment topped the overall list of the "First Media Industry Sustainability Index Top 20 Listed Companies (第一屆傳媒業可持續發展指數 TOP 20 上市公司)" and received multiple prestigious awards, including the "2025 Jinge Award – Social Responsibility Award of the Year (2025 金格獎•年度社會責任獎)" and the "2025 For Good Award – Top 15 in ESG Sustainable Development (2025 向光獎 ESG 可持續發展 TOP 15)". These accolades fully demonstrate the Company's strong commitment to achieving synergistic development of commercial and social value.

1.2 RISK CONTROL

Damai Entertainment continues to strengthen its full-process risk management and control system, enhancing the effectiveness of risk identification, assessment, and mitigation. The Company deeply integrates internal control standards with audit and supervision mechanisms, promotes the implementation of primary responsibility for risk management, and regularly conducts compliance training on an ongoing basis.

Damai Entertainment continues to deepen the development of its comprehensive risk management system. The Company strictly adheres to key regulations including the *Alibaba Group Comprehensive Risk Management Framework*, the *Alibaba Group Major Risk Management Guidelines*, and the *Alibaba Group Sensitive Counterparty Risk Management System*, thereby continuously strengthening the foundation for its sound operations and sustainable development. In alignment with its overall business objectives, the Company has established a risk management and internal control system featuring clear responsibilities and multi-tier coordination, with well-defined functions for the governance, management, and operational levels. The Board rigorously fulfills its supreme oversight and decision-making responsibilities, ensuring the robust and effective operation of the Company's overall risk management and internal control systems, and conducts regular reviews and supervision of system implementation. The Audit Committee leads the deep integration of the risk management system with business operations, routinely performing risk identification, quantitative assessment, dynamic monitoring, and response actions. Each business unit diligently fulfills its frontline risk control responsibilities, embedding risk management mechanisms deeply into all stages of the value chain to ensure that prevention and control measures run through the entire operational process and key control points. The Company integrates fundamental risk management processes into every aspect of management and the full business cycle, providing reasonable assurance for achieving its overall risk management objectives.

Damai Entertainment continues to optimize its "three lines of defense" risk control framework, deeply embedding comprehensive risk management requirements across the entire process of strategic decision-making and business operations. The Company has designated the chief executive officer (CEO) as the ultimate person responsible for compliance and risk management, who reports risk management matters to the Board, and has appointed a Head of Comprehensive Risk Management to oversee compliance and risk management activities. The Company has clearly defined the responsibility boundaries for each line of defense, strengthened independent supervision and collaborative checks and balances, and systematically enhanced the effectiveness of risk identification, assessment, and mitigation.

Table: Damai Entertainment's "Three Lines of Defense" Risk Control Framework

First line of defense	Second line of defense	Third line of defense
Operational teams of business units	Risk management functions (a virtual organization consisting of Financial Centre, Legal and Compliance Department, Security Department and Internal Audit and Control Department - Internal Control Team)	Internal Audit and Control Department – Internal Audit Team and Integrity Department
• As the direct bearers of risks and frontline managers, they are fully responsible for executing risk management within their respective business areas; • By implementing routine risk identification and information reporting mechanisms, they ensure that risk control requirements are precisely embedded into daily operations, thereby strengthening the first line of defense at the frontline.	• Through cross-departmental coordination mechanisms, these departments oversee and coordinate the Company's overall risk management efforts, take the lead in formulating the enterprise-wide risk management strategy, and implement the collection, identification, assessment, response, and monitoring of risk information; • Leveraging the professional strengths of each department, they lead various types of risk management work.	• Comprising the Internal Audit and Control Department – Internal Audit Team and the Integrity Department, these units operate independently from the Company's business operations and perform internal oversight responsibilities; • The Internal Audit and Control Department - Internal Audit Team is responsible for conducting independent supervision and internal audits, evaluating the effectiveness of the risk management system and internal controls, and regularly submitting audit plans and oversight reports to the Audit Committee; • The Integrity Department independently carries out compliance reviews and anti-fraud investigations, comprehensively supervises the legality and compliance of internal and external duties and commercial activities, and firmly safeguards the bottom line of the Company's integrity in operations.

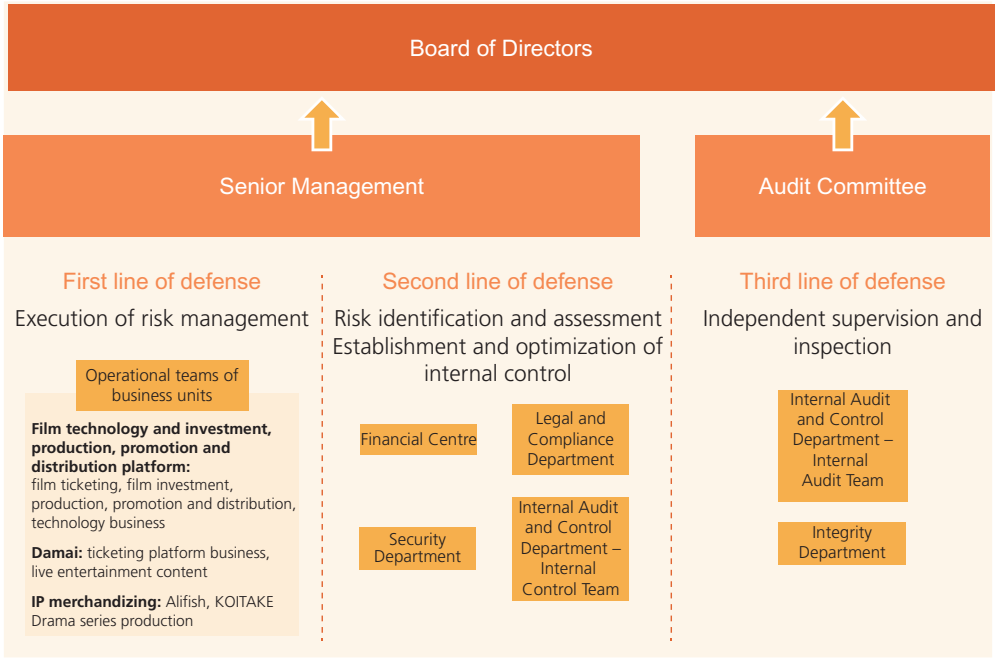


Chart: Damai Entertainment's Comprehensive Risk Management System

Damai Entertainment has established a regular policy assessment mechanism to dynamically define the scope of application, responsible entities, and implementation status of each policy, ensuring the efficient operation of the governance system. The Company strictly complies with the *Alibaba Group Internal Control Management System*, the *Alibaba Group CFO Line Internal Control Work Evaluation System*, and the *Damai Entertainment Asset Loss Incident Management System*, and revised the *Damai Entertainment Internal Audit Management System* during the Reporting Period to further standardise internal control processes and comprehensively strengthen governance standards and systemic risk prevention capabilities. We place great emphasis on business ethics and compliance risk reviews, routinely conducting both internal and external targeted audits and compliance inspections to accurately identify and promptly rectify potential risks, thereby effectively safeguarding the legality and compliance of our business operations. During the Reporting Period, no material management deficiencies were identified, and appropriate measures have been taken in response to the risks that were detected.

The Company continues to strengthen its risk culture by providing regular risk management training to all employees, reinforcing compliance awareness and embedding risk management requirements deeply into daily operations. The training curriculum focuses on core business areas including asset management, expense management, procurement compliance, travel regulations, and the FCPA[1]. Through a diversified, blended online and offline capability-building mechanism, we systematically enhance employees' ability to identify, assess, and respond to risks. During the Reporting Period, we held a total of six risk and internal control training sessions, reaching 712 participants and totaling 734.5 hours of training.

1 U.S. Foreign Corrupt Practices Act, FCPA.

1.3 INTEGRITY BUILDING

Damai Entertainment regards business integrity as the cornerstone of sustainable corporate development and strictly complies with the *Anti-Monopoly Law of the People's Republic of China,* the *Anti-unfair Competition Law of the People's Republic of China,* the *Interim Provisions on Banning Commercial Bribery,* the *Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong)*, and other applicable laws and regulations. To further advance the systematic development of our business ethics framework, we continuously refine our internal management policies, including the *Principles of Business Conduct of Damai Entertainment*, the *Employee Discipline System of Damai Entertainment*, *the Rules for Managing Interest Conflicts of Damai Entertainment, the Gift Handling Regulations of Damai Entertainment,* and the *Guidelines for Employees Attending Third-Party External Events*, thereby clearly defining the Company's standards of business conduct. At the same time, we have established the *Anti-Bribery and Anti-Corruption Policy of Damai Entertainment*, which applies to all employees and suppliers, and we maintain a zero-tolerance stance towards commercial bribery, extortion, fraud, money laundering and similar misconduct. During the Reporting Period, no relevant laws or regulations relating to bribery, extortion, fraud, and money laundering, compliance with which would have a significant impact on the Group.

Business Ethics Governance

The Company continues to deepen its business ethics governance system, establishing an anti-corruption governance structure comprising the Board, the Damai Entertainment Disciplinary Committee, and the Integrity and Compliance Department. The Damai Entertainment Disciplinary Committee, composed of the Chief People Officer (CPO), the Head of Legal, and the Head of Integrity at Hujing Digital Media & Entertainment, is responsible for guiding and supervising the overall implementation of business ethics management. The Integrity and Compliance Department, as a dedicated function, is responsible for corruption prevention and oversight, and reports quarterly to the Board and the CPO on matters including corruption incidents, and the governance and prevention of major risks.

To ensure the effective implementation of business ethics standards, the Company has established a regular, targeted anti-corruption audit mechanism based on the *Damai Entertainment Code of Business Conduct* and related management systems. We conduct regular self-audits across all business lines of Damai Entertainment on a semi-annual basis, using a combination of online document reviews and offline business interviews to focus primarily on areas of fraud and embezzlement risk. For risk points identified during audits, we assign risk levels based on the extent of business impact and frequency of occurrence, and coordinate with multiple departments, including business units, legal affairs, finance, and internal control, to convene risk review meetings. We then formulate remediation plans, clearly designating the responsible parties and rectification deadlines. Upon completion, we conduct timely acceptance checks and carry out regular follow-up inspections to ensure closed-loop management.

During the Reporting Period, the Company's Integrity and Compliance Department conducted a targeted audit to detect business ethics and fraud risks in the film promotion and distribution business. Diving deep into core business scenarios and covering five major regions nationwide, the audit identified three high-risk issues and sanctioned and dismissed seven individuals for internal irregularities, effectively regulating the conduct of both business personnel and managers and ensuring business and operational compliance. As of the end of the Reporting Period, the risk rectification completion rate had reached 100%.

Integrity Culture Development

Damai Entertainment continues to deepen its commitment to building a culture of integrity. Through a combination of online and offline methods, we conduct comprehensive business ethics training and awareness campaigns to strengthen the business ethics and anti-corruption awareness of all employees and partners. The Company conducts annual business ethics training, including anti-corruption training, for all employees (including part-time staff), directors and partners (including contractors), achieving 100% coverage. Furthermore, we require all employees to sign an *Undertaking on Honesty and Integrity* upon joining the Company, organise mandatory certification examinations on the Code of Business Conduct for all staff, and conduct regular corporate integrity and compliance surveys to ensure that all employees and partners understand and adhere to the Code of Business Conduct and integrity and compliance management requirements.

Table: Business Ethics Training and Awareness

Online Training and Awareness	• Distributed 24 integrity awareness posters to all employees (including part-time staff) via the Integrity Assistant chatbot (廉正小蜜機器人); • During holidays, integrity posters are sent via email to all suppliers; • Launched the "Interact to Win Prizes 互動得好禮" campaign to promote the launch of the 2026 Code of Business Conduct certification initiative, attracting 136 participants and effectively raising employee awareness of and interest in compliance certification.
Offline Training and Awareness	• Conducted 18 on-site training sessions covering new employees, all Damai Entertainment performance staff, the entire Alifish team, and the entire team of pop toy segment, with a total of 2,936 participants; • Organised four in-person integrity events, including two Integrity Culture Interaction Days, one Compliance Day event, and one immersive integrity warning and education session; • Distributed 150 copies of the *Integrity and Compliance Policy Handbook* on Compliance Day to help employees gain a deeper understanding of policy requirements and reinforce the foundations of integrity and compliance; • Convened a supplier training conference to thoroughly communicate the role and core objectives of the integrity function.



Picture: Integrity Culture Interaction Day

The Company continues to build a transparent and open supply chain, strengthening integrity awareness and training for suppliers during the procurement process. We strictly prohibit the disclosure of confidential information such as procurement strategies and tender documents, and maintain a "zero-tolerance" attitude towards improper business dealings between employees and suppliers. We advocate for joint efforts from all parties to foster a clean and integrity-based business ecosystem, requiring all suppliers to sign the "Undertaking on Honesty and Integrity", and resolutely oppose any violations of business ethics, including corruption, bribery, unfair competition, and other such misconduct.

Leveraging our unique ecosystem resources and capitalising on the current trend for short dramas, we have produced an integrity-themed series of short dramas. Through a three-part structure of "scenario re-enactment + policy analysis + correct guidance", these dramas clearly define behavioural boundaries and compliant operational pathways. During the Reporting Period, we successfully filmed eight high-quality short dramas on integrity, covering seven core conflict-of-interest scenarios, including acceptance of gifts, cooperation with relatives and friends, related-party investments, loans, employment, relationships with colleagues, and third-party activities. This series premiered on Compliance Day, achieving 100% reach among all staff, with multiple business lines spontaneously organising discussions, fostering a good culture of integrity.



Picture: Poster of the short drama, 多麼痛的禮物

Whistleblower Protection

Damai Entertainment continues to refine its whistleblowing mechanism by providing diverse and accessible reporting channels, including an official whistle-blowing website, various business websites, dedicated email addresses, a telephone hotline, offline mailbox, and internal forums. Through internal and external training, targeted awareness campaigns, communication with partners, and the signing of the *Undertaking on Honesty and Integrity*, the Company ensures that all employees are fully aware of these reporting channels.

To safeguard the legitimate rights and interests of whistleblowers, we comply with all applicable laws and regulations by incorporating explicit "whistleblower protection" provisions in our policies, such as the *Principles of Business Conduct*. We strictly maintain the confidentiality of whistleblowers' identities and information, and prohibit any form of retaliation. During the Reporting Period, we established a whistleblower protection and reward policy, under which verified reports falling within the scope of the policy will be eligible for corresponding cash or in-kind rewards. This encourages employees, business partners, and the public to actively participate in oversight.

When allegations of misconduct are received, Damai Entertainment's Integrity and Compliance Department collaborates with relevant departments to conduct an independent investigation. Once a violation is confirmed, we will issue a disciplinary decision within five working days in accordance with our policies, along with an internal notice for awareness purposes. Disciplinary actions are determined based on the severity of the offense and may include termination, demerit, warning, and reprimand. Notably, most violations will also impact the individual's compensation and career advancement. During the Reporting Period, we received a total of six internal and external reports, verified five cases of misconduct, and took disciplinary action against 12 individuals, ten of whom were dismissed for internal irregularities. During the Reporting Period, neither the Company nor its employees have been involved in any legal cases relating to corruption or unfair competition.

Integrity whistle-blowing channels at Damai Entertainment

Damai Entertainment's integrity whistle-blowing website: https://wenyu.jubao.alibaba.com/ Damai Entertainment's integrity whistle-blowing mailbox: wenyulianzheng@alibaba-inc.com

1.4 DATA SECURITY AND PRIVACY PROTECTION

Damai Entertainment places a strong emphasis on data security and privacy protection, embedding these principles throughout its business operations and user services. We continuously reinforce foundational capabilities in areas such as policies and regulations, technical defenses, compliance management, and employee training, while steadily enhancing security management across the entire data lifecycle. This provides robust protection for the smooth operation of our business and the security of user information.

Data Security

Damai Entertainment strictly complies with relevant laws and regulations, including the *Cybersecurity Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China*. It also conducts data security and personal information protection work in reference to the national standard, including the *Information Security Technology – Personal Information Security Specification*. On this basis, the Company fully implements the management requirements of Alibaba Group, such as the *Data Security Policy*, the *Regulation on Data Security Incident Emergency*, the *External Data Disclosure Rules*, and the *General User Data Protection Standard*, continuously strengthening the standardization and consistency of data governance. Additionally, the Company has developed internal policy documents tailored to its own business characteristics, including the *Standard Operation Procedure (SOP) on Emergency Response to Data Security Incident*, the *Management Requirements and Operating Procedures for Personal Information Security Incidents and Emergency Response, and* the *Specifications for the Collection and Use of Facial Information in Common Business Scenarios*. These documents further refine incident response mechanisms and the division of responsibilities, providing institutional safeguards for the orderly conduct of data security management.

To continuously enhance the systematic and standardized governance of data security, Damai Entertainment has established a data compliance governance mechanism under the oversight of the Board. The Company has set up a Data Compliance Committee at the Board level, which is responsible for advancing the implementation of data security strategies, regularly reviewing the execution of security management systems and the progress of risk incident handling, and reporting to the Board. This ensures the effective implementation of data security efforts at the governance level.

Chart: Damai Entertainment's organizational chart for data compliance

Decision-making Level	Management Level	Execution Level		
Board of Directors	Data Compliance Committee	Composition of the Data Compliance Committee: Chairperson: President Principal Members: Heads of the Legal Center & Compliance Governance, Security Department, Public Affairs Department, Product Operations Center, and Technology Center	Data Compliance Decision-making Subcommittee	• Formulate data security policy and overall plan • Manage the Group's data security risks from a macro perspective • Make decisions and provide guidance in the event of major data security risks • Continuously promote the cultivation of data security talent and the development of related capabilities
			Data Compliance Management Execution Subcommittee	• Develop a comprehensive data security management plan and implementation standards based on the Company's business realities • Define management boundaries around key risk areas, and continuously improve the data security governance mechanism • Embed data compliance requirements into systems, products, and operational processes, promoting deep integration with day-to-day operations • Strengthen implementation communication and process control to ensure the effective execution of all data compliance requirements
			Risk Incident Emergency Response Subcommittee	• Assess, grade, handle and review data risk security incidents

In the course of its data processing activities, the Company consistently adheres to the fundamental principles of lawfulness and legitimacy, clear purpose, minimum necessity, storage limitation, accountability, and full traceability, while continuously strengthening compliance management across all stages of data processing. All employees must comply with the data security requirements set forth in the Group's *Principles of Business Conduct* and strictly follow the relevant policies and operating procedures within their respective roles.

To comply with national laws and regulations on cybersecurity and data security, the Company has established full-process review and multi-layered protection mechanisms covering all stages of data processing, including data generation, collection, transmission, storage, use, disclosure, and destruction, ensuring that data processing remains secure and controllable. In terms of data collection and usage, the Company has launched a special initiative to address issues regarding third-party SDK permission requests and removed unnecessary storage permission requests, thereby further reducing unnecessary data collection and permission access. In terms of access control, the Company implements tiered authorization based on data sensitivity, conducts approvals and management through a unified permission management platform, applies multi-level approval for high-risk data operations, and promptly revokes relevant permissions upon job transfer, resignation, or permission expiration. Additionally, the Company has established a field-level access control mechanism that tags sensitive fields and grants permissions according to the "minimum necessity" principle, further mitigating data security risks.

To further enhance overall management standards, the Company extends its data security and privacy protection standards to all partner suppliers. We adhere to the *Supplier Management Specifications at Hujing Digital Media & Entertainment Group* and the *Daily Management Requirements and Penalty Standards for Labor Service Providers in* the *Ecosystem at Hujing Digital Media & Entertainment Group*. For software suppliers, the *Alibaba Group Software Supply Chain Security Management Specifications* set forth clear security requirements regarding supplier qualifications, personnel coordination, and technical capabilities.

Table: Key data encryption and decryption measures at Damai Entertainment

Login information is encrypted using the RSA algorithm on the front end before being transmitted to the server. On the server side, it is stored using SHA256, the domestic cryptographic algorithm SM3, and other database encryption methods
Sensitive data (such as identity document information and facial information) is encrypted and stored using encryption methods such as RSA and AES
Data is encrypted during transmission using the HTTPS protocol, with sensitive data encrypted via the RSA algorithm. The server calls the key center to decrypt the data and then re-encrypts it before output, ensuring end-to-end transmission security

During the Reporting Period, Damai Entertainment launched a special initiative focused on the protection of high-value data assets, aiming to establish a safeguard mechanism that balances data security protection with the smooth circulation of data assets.

Table: Damai Entertainment Special Campaign on High-Value Data Asset Protection

Governance Level	The Company has established an universal protection plan for office documents, piloted it within key teams, and is simultaneously advancing graded security management and targeted protection for source code
Data Rights Confirmation	Completed China's first-ever intellectual property registration for performance data and Digital Copyright Chain (DCI) registration, establishing a clear path for confirming rights over key data assets and laying the groundwork for subsequent data assetisation and commercial application
Technical Protection Level	Through technical measures such as dynamic encryption, traffic scrubbing, and digital watermarking, the Company has strengthened its end-to-end protection capabilities, from data leakage prevention to infringement tracing and evidence gathering, thereby further safeguarding the security and commercial value of performance data assets

The Company has established a comprehensive data security protection mechanism covering the entire process of "pre-process interception, in-process monitoring and post-process handling". In accordance with the *SOP on Emergency Response to Data Security Incident*, a six-tier response plan has been set up based on the severity of incidents. Each tier of the response plan clearly defines the division of responsibilities and handling procedures for key stages such as detection, reporting, analysis, resolution and post-incident review, ensuring that data security incidents are addressed in a timely, standardised and effective manner.

Table: Data security protection mechanism at Damai Entertainment

Pre-process interception	• Interception of high-risk website access • Interception of high-risk software execution • Prohibition of unauthorized use of USB devices • Access to sensitive data granted only after separate permission application • Identification and interception of interfaces containing sensitive information
In-process monitoring	• Mandatory deployment of terminal security products to ensure office terminals have data leakage detection capabilities, while monitoring and analyzing employees' external file transmission activities • Continuous scanning of security vulnerabilities in the production environment to promptly identify and remediate potential risks • Detection of offline data abuse to prevent unauthorized acquisition and use of data
Post-process handling	• Strict adherence to established incident response procedures to investigate, handle, and pursue accountability for any data security incidents that occur • Timely reporting of data security incidents and their handling outcomes through the regulatory reporting mechanism, in full compliance with relevant laws and regulations

To validate the responsiveness of its emergency system, the Company continues to conduct practical data security drills. During this financial year, the Company organized five full-process data security live drills, covering a variety of simulated risk scenarios. These drills have further enhanced the team's coordinated incident response and emergency handling capabilities. During the Reporting Period, the Company recorded no information security or data breach incidents.

Privacy Protection

Damai Entertainment strictly complies with relevant laws and regulations, including the *Personal Information Protection Law of the People's Republic of China*, the *Cybersecurity Law of the People's Republic of China*, and the *Data Security Law of the People's Republic of China*. The Company continuously improves its personal information protection management system, embeds privacy compliance requirements into all business processes, and implements privacy protection measures across multiple dimensions, including product design, technology, organizational management, and employee training. The Company's *Privacy Policy*[2] and the independent privacy policies for each business line have been publicly released through official websites, client applications, mini-programs, and other channels, ensuring that users can fully understand their privacy rights and the rules governing the processing of their personal information before using the relevant services. During the Reporting Period, the Company revised and updated the *Privacy Policy* as well as the privacy policies for its core businesses, including Damai and Tao Piao Piao. Key enhancements include supplementary explanations on information collection under the HarmonyOS[3] system, usage details regarding third-party SDK[4] and application permissions, and further optimization of the pathways for exercising personal information rights and related descriptions. These efforts have continuously improved the transparency of personal information processing and the overall level of privacy protection compliance.

2 Privacy Policy: https://www.damaiholdings.com/cn/privacy/
3 HarmonyOS: an operating system developed by Huawei
4 SDK: Software Development Kit

To comprehensively advance personal information protection and compliance governance, the Company has established and continuously implements an internal management system covering the entire data lifecycle. This includes the following documents: the *Operational Practices on Personal Information Collection,* the *Operational Practices on the Use of Personal Information,* the *Operational Practices on the Storage and Removal of Personal Information,* the *Management Requirements for and Operational Practices on Personal Information Protection Compliance Audit,* the *Operational Practices on Security Assessment of the Cross-border Transfer of Personal Information,* the *Operational Practices on Personal Information Protection Impact Assessment,* the *Operational Practices on Recording and Archiving of Personal Information Processing Activity,* the *Operational Practices on Exercising Rights in Respect of User's Personal Information,* the *Operational Practices on Complaints and Reports in Relation to User's Personal Information,* the *Management Requirements for and Operational Practices on Personal Information Security Incidents and Emergency Response,* the *Management Requirements for and Operational Practices on Transmitting Personal Information with Partners,* and the *Management Requirements of Personal Information Processing and Life Cycle.* These documents further refine the management requirements for personal information across the stages of collection, use, storage, transmission, sharing, and deletion. In line with its business scenarios and technical management needs, the Company has formulated the *Damai Entertainment Application Security Development Standards*. Tailored to the characteristics of its ticketing, e-commerce, and other business lines, these standards clearly define development security requirements such as data tampering prevention, privacy leakage identification, and interface security review. The Company has also strengthened pre-launch privacy compliance verification mechanisms, continuously enhancing its capabilities in front-end prevention and process control for personal information protection.

During the Reporting Period, there were no relevant laws and regulations relating to privacy matters in respect of the products and services provided by the Group, compliance with which would have a significant impact on the Group. The Group carries out its relevant work in accordance with the Group's compliance requirements.

Table: Privacy policy of Damai Entertainment sub-business lines

Name of product	Effective scope	Title of policy	Policy link/portal
Damai	Website, app and mini programme	Damai Basic Function Privacy Policy	https://terms.alicdn.com/legal-agreement/terms/privacy_policy_full/20240408163302242/20240408163302242.html
Tao Piao Piao	Website, app and mini programme	Tao Piao Piao Basic Function Privacy Policy	https://m.taopiaopiao.com/content/article.html?id=30390&displayType=plain&interact=no&hsb=yes
Damai Maikong	App	Damai Maikong Privacy Policy	https://market.wapa.taobao.com/app/aquaman/Aquaman-Entrance/mkprivacy.html
Beacon Professional	App	Beacon Professional Privacy Policy	https://m.taopiaopiao.com/content/article.html?id=104677&displayType=plain&interact=no&hsb=yes&hideAuthorInfo=yes
Izhongchou	Website, mini programme	Izhongchou Privacy Policy	https://izhongchou.taobao.com/novice-help/privacy-policy
Alifish IP Club	Mini programme	Alifish IP Club Mini Programme Privacy Policy	Enter mini programme – Bottom Right Corner "My" – Terms and Agreements – Privacy Policy
TixGenie	Mini programme	TixGenie Privacy Policy	Enter mini programme – Login – Privacy Policy
MAISEAT	Website, app	MaiSeat Privacy Policy	https://www.maiseat.com/en-US/userCenter/agreement/scretpage
Meow	Website, mini programme	Meow Privacy Policy	https://legal.miaoyaai.cn/legal-agreement/terms/privacy_policy_full/20251203101933378/20251203101933378.html
LUCKY LOOP	Mini programme	LUCKY LOOP Privacy Policy	https://terms.alicdn.com/legal-agreement/terms/privacy_policy_full/20260311145150110/20260311145150110.html

The Company always adheres to the lawful and compliant processing of personal information. It does not transfer users' personal information to any third parties by way of rental, sale, or any other improper means. The Company fully safeguards users' rights to access, manage, modify, and delete their personal information, while protecting their rights to be informed and to exercise autonomous control over their own data. The Company continues to strengthen client-side permission management, reducing unnecessary calls to sensitive permissions and promoting the implementation of the "minimum necessary" principle in product functions. In addition, Tao Piao Piao and Damai app have further optimized their personalized feature management interfaces. Users can now independently set personalized recommendation preferences through a quick-access entry upon first installing the App, enabling convenient management and dynamic adjustment of their privacy preferences.

To continuously implement personal information protection requirements, our major products, represented by Tao Piao Piao and Damai, have been steadily optimizing Android-side permission management, with a focus on advancing the implementation of permission minimization and information protection measures. In scenarios such as changing profile photos and uploading background images, the products have switched to calling system-level selectors for image selection, and no longer request album read permissions. In contact selection scenarios, users are supported in adding contacts via the system address book selector, without the need to additionally obtain address book read permissions. In addition, for facial information collected at performance venues, the platform has further clarified retention periods, and in principle, such data is deleted upon project completion or within 90 days.

Damai Entertainment continuously strengthens its technical protection capabilities in the processing of personal information. The Company refines security measures across key stages, including data collection, storage, transmission, and usage, to safeguard the security of user data throughout its entire lifecycle. At the client display level, the Company applies desensitization to sensitive fields by default, reducing the risk of exposing personal privacy information on interface pages. At the backend system level, the Company integrates multiple security strategies, including data encryption, access control, and risk review, in coordination with the overall information security protection system to further ensure the integrity and confidentiality of personal information.

The Company continues to embed data protection requirements throughout the entire product development process. By identifying privacy risks in core business scenarios and formulating corresponding prevention and control measures, the Company ensures that personal information protection requirements are fully integrated into all stages, from product design and feature development to user interaction and launch, thereby promoting a systematic and proactive approach to continuously enhancing user data protection standards.

Table: Key measures for integrating data protection into the product development process at Damai Entertainment

Product client design phase	• Implemented a "Dual List" function to clearly display the collection and sharing lists of personal information, further enhancing data processing transparency
Product pre-launch review phase	• Introduced a "Secure Release Mechanism" to strengthen privacy compliance review, with a blocking policy[5] established for issues such as missing privacy policies and sensitive data exposure, ensuring that risks are identified and eliminated before product launch

[5] It refers to a risk control interception process established before product launch. When the system detects potential compliance risks such as missing privacy policies or exposure of sensitive data, it automatically halts the release process until the issues are rectified and successfully pass a re-review, thereby ensuring privacy security and compliance prior to launch.

Certification for Information Security and Privacy Protection

Damai Entertainment continues to advance security assessments and compliance certifications, continuously enhancing its information security and privacy protection management capabilities to align with international standards and industry requirements. The Company regularly conducts internal assessments on information security and privacy protection for its core businesses, performing systematic self-examinations across compliance organization development, system refinement, awareness enhancement, and supervision management, and prepares dedicated assessment reports. During the Reporting Period, the Company completed its annual cybersecurity self-inspection for core businesses, and the compliance audit for the protection of minors' personal information. The Tao Piao Piao system introduced a third-party data security risk assessment, covering multiple data categories such as user data, network traffic data, contract information, and customer complaint information. The assessment results indicated strong overall performance, with no high-risk issues identified.

Damai Entertainment continues to strengthen data security and privacy management over suppliers and business partners by clearly stipulating relevant SLA requirements and incorporating security management standards into the cooperation process. For supplier deliverables, the Company conducts regular security scans and compliance reviews to promptly identify potential vulnerabilities and risks. Any issues discovered are promptly addressed through continuous rectification and remediation by the relevant parties, further reducing data security risks across the cooperation chain and enhancing the standardization and effectiveness of third-party management.

The Company adheres to conducting regular external independent audits of its information security systems at least once every two years to continuously verify the effectiveness of its information security and privacy protection management. The Company's core systems operate on Alibaba Group and Alibaba Cloud infrastructure. All cloud environments supporting related product operations have passed both ISO 27001 Information Security Management System certification and ISO 27701 Privacy Information Management System certification, achieving 100% coverage. In addition, the Company's core business systems have initiated the Personal Information Protection Impact Assessment (PIA) Certification process, which is being jointly reviewed by the China Electronics Technology Standardization Institute and the Data Security Working Committee of the China Cybersecurity Industry Alliance, with a focus on evaluating the compliance of sensitive information processing and overall system security.

Table: Internal and external certification for cyber security of Damai Entertainment sub-business lines within the Reporting Period

Name of certificate	Name of company/system
ISO 27001 Information Security Management System Certification	Taomailang (Beijing) Technology Co., Ltd.* (淘麥郎(北京)科技有限公司) Beijing Damai Cultural Media Development Co., Ltd.* (北京大麥文化傳媒發展有限公司) Guangdong Yunzhi Software Co., Ltd. * (廣東雲智軟件有限公司)
ISO 27701 Privacy Information Management System Certification	Beijing Damai Cultural Media Development Co., Ltd.* (北京大麥文化傳媒發展有限公司) Guangdong Yunzhi Software Co., Ltd. * (廣東雲智軟件有限公司)
Personal Information Protection Impact Assessment label issued by the Data Security Working Committee of the China Cybersecurity Industry Alliance (CCIA) and the Data Security Community (DSC) program	One-Star: Beijing Damai Cultural Media Development Co.,Ltd.* (北京大麥文化傳媒發展有限公司), Guangdong Yunzhi Software Co., Ltd. * (廣東雲智軟件有限公司)
Registration for cyber security protection level of the Ministry of Public Security of the People's Republic of China	Level-3 Systems: Yunzhi ticketing system, Phoenix Jiaying Pro cinema operation and management platform, Tao Piao Piao cinema ticketing and review system, Cloud Production, Damai ticketing system, Maizuo ticketing system, Youwu digital collectible platform
	Level-2 systems: Beacon Professional

Training on Data Security and Privacy Protection

Damai Entertainment continues to promote the institutionalized and regular management of data security and privacy protection training. The Company requires all full-time employees and outsourced personnel to complete the data security red line examination and obtain certification. Targeted specialized training and assessments are conducted for high-authority positions, new employees, product and technical personnel, and business teams. The training content covers the Company's red line requirements, updates on industry regulations, and reviews of typical cases. During the year, the Company further strengthened training on AI security in workplace, clearly defining safe usage principles for general-purpose AI tools and code-related AI tools in office scenarios, thereby continuously enhancing employees' data security awareness and compliance capabilities in new technology environments. To improve partners' compliance awareness and execution capabilities, the Company also provides data security training for key suppliers, further clarifying privacy protection requirements in outsourced development and information processing, and extending security management standards across the business ecosystem. During the Reporting Period, the Company conducted a total of 8 on-site data security and privacy red line training sessions, covering all full-time employees and outsourced personnel, achieving a training coverage rate of 100%.

2 EMPLOYEE MANAGEMENT

Damai Entertainment upholds a people-oriented development philosophy, safeguards employees' lawful rights and interests, and continuously optimizes its human resources management system. We are committed to fostering a diverse, equitable, and inclusive workplace. Through open communication channels and comprehensive employee care initiatives, along with a wide range of training programs, we strive to enhance employees' professional skills and overall competencies, promoting synergistic growth and shared success between our people and the organization.

2.1 EMPLOYMENT MANAGEMENT

Damai Entertainment strictly complies with the *Universal Declaration of Human Rights,* the *ILO Conventions,* the *Labor Law of the People's Republic of China,* the *Labor Contract Law of the People's Republic of China,* the *Implementation Regulations for Labor Contract Law of the People's Republic of China*, the *Social Insurance Law of the People's Republic of China*, as well as other relevant international conventions, laws and regulations. While Alibaba Group, the Group's holding company, is one of the signatories to the United Nations Global Compact (UNGC); Damai Entertainment, itself a voiced advocate of UNGC's call for human rights and Labor standards, is committed to respecting and safeguarding employees' rights and interests.

During the Reporting Period, apart from the disclosures above, there were no relevant laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare as well as preventing child and forced Labor, the compliance with which would have had a significant impact on the Group.

Lawful Employment

Damai Entertainment complies with relevant international conventions as well as the laws and regulations of the regions where it operates. In accordance with internal policies such as the *Employee Discipline System of Alibaba Group,* the *Employee Recruitment Procedures*, the *Employee Management Policy,* the *Employee Rights and Interests Statement,* the *Employee Discipline System of Alibaba Group,* the *Internal Referral Policy,* and the *Internal Transfer Policy*, the Company has established clear standards for recruitment, promotion, compensation, dismissal, working hours, holidays, equal opportunity, diversity, anti-discrimination, and other employee benefits and welfare, thereby effectively safeguarding employees' lawful rights and interests.

We uphold the principle of lawful and compliant employment and sign labor contracts with all employees in accordance with the law. As of the end of the Reporting Period, the Company had 1,941 full-time employees, with a labor contract signing rate of 100%. We firmly prohibit the employment of child labor and any form of forced labor. During the recruitment process, we strictly implement identity verification procedures to eliminate compliance risks at the source. During the Reporting Period, the Company recorded no incidents of child labor, forced labor, or any other employment-related violations.

Diversity

Damai Entertainment strictly adheres to the *Code of Conduct against Sexual Harassment of Alibaba Group* and the *Principles of Business Conduct of Alibaba Group*. We prohibit any form of discriminatory behavior based on nationality, ethnicity, age, gender, physical condition, religious belief, or cultural background. We respect employees' diverse cultures and customs by providing dedicated halal meal counters in the staff cafeteria and offering special holidays for eligible ethnic minority employees, so as to better accommodate their cultural needs. In addition, we have established efficient and confidential complaint and grievance channels to encourage employees to report issues related to discrimination and harassment, fostering a diverse, equitable, and inclusive workplace environment.

Employee Recruitment

Damai Entertainment actively builds a diversified recruitment system, grounded in the Company's overall strategy and business needs. We develop scientific annual recruitment plans, continuously upgrade our talent acquisition mechanisms, and strengthen the talent foundation essential for the Company's long-term development. We fully leverage AI tools to empower campus recruitment interviews and talent screening processes through intelligent technology. By refining recruitment standards and establishing weekly review and debrief mechanisms, we consistently enhance recruitment efficiency and team collaboration capabilities.

Case Study **Comprehensive Campus Recruitment Programme**

In the 2025 autumn campus recruitment drive in Beijing, Damai Entertainment, guided by the standards of Hujing Digital Media & Entertainment, completed a full-process manual review and system configuration optimization of the campus recruitment system — covering official website recruitment, internal referrals, and the talent reserve pool. AI-powered intelligent applications were implemented in the interview stage to enhance CV screening and interview coordination, effectively improving the efficiency and professionalism of the talent selection process. Supported by standardized process refinement and intelligent tools, we successfully completed this year's autumn campus recruitment drive, building a strong pool of high-quality talent to support business development.



Picture: Interview session of the Comprehensive Campus Recruitment Programme

Table: Employee Composition of Damai Entertainment during the Reporting Period

Indicator		Unit	Number of employees
Total number of employees		Person	1,941
Number of employees by employment type	Full-time employee	Person	1,941
	Part-time employee	Person	0
Number of employees by gender (full-time employees only)	Male	Person	865
	Female	Person	1,076
Number of employees by rank (full-time employees only)	Senior management	Person	14
	Middle management	Person	77
	General staff	Person	1,850
Number of employees by age group (full-time employees only)	29 and below	Person	394
	30 – 50	Person	1,523
	Above 51	Person	24
Number of employees by geographical region (full-time employees only)	Mainland China	Person	1,924
	Hong Kong, Macau and Taiwan, China	Person	16
	Overseas	Person	1

Table: Employee Turnover of Damai Entertainment during the Reporting Period

Indicator		Number of terminates	Employee turnover rate
		(person(s))	*(%)*
Number of employees left and turnover rate by gender (full-time employees only)	Male	132	15.26%
	Female	163	15.15%
Number of employees left and turnover rate by rank (full-time employees only)	Senior management	0	0.00%
	Middle management	9	11.69%
	General staff	286	15.46%
Number of employees left and turnover rate by age group (full-time employees only)	29 and below	107	27.16%
	30 – 50	186	12.21%
	Above 51	2	8.33%
Number of employees left and turnover rate by geographical region (Full-time employees only)	Mainland China	295	15.33%
	Hong Kong, Macau and Taiwan, China	0	0.00%
	Overseas	0	0.00%

2.2 EMPLOYEE CARE

Damai Entertainment places great importance on employee well-being and has established a comprehensive employee care system. We maintain open and diverse communication channels to listen to employees' voices, while continuously building a robust welfare system. At the same time, we strictly implement occupational health and safety management requirements to comprehensively safeguard employees' rights and interests as well as their physical and mental health, promoting mutual growth and development for both employees and the Company.

Staff Communication

Employee opinions and feedback are the core driving force for the Company's continuous progress. We are committed to fostering a culture of open and inclusive communication that genuinely listens to every employee's voice. We continuously integrate and upgrade both online and offline communication channels to strengthen two-way dialogue between managers at all levels and their teams. This creates an organizational atmosphere of mutual trust and shared participation, inspiring employees' creativity and sense of belonging.

During the Reporting Period, the Company successfully implemented the FY26 Management Survey, focusing on three core dimensions: sense of professional value, team belonging, and personal development and training. A total of over sixty valid responses from managers were collected. The team conducted in-depth analysis and thematic discussions based on the survey results, formulated actionable improvement plans addressing practical issues, and established clear directions for future management optimization.

Table: Staff Communications at Damai Entertainment

Case study **Startupper Challenge**

The "Startupper Challenge" is a competition featuring technology innovation proposals launched for all employees of Damai Entertainment. It aims to encourage cross-team collaboration, where employees propose innovative, commercially viable, and actionable ideas based on the Company's film, performance, and pop toy businesses. This initiative seeks to bring new changes and opportunities to the business while truly embodying the core spirit of innovation and transformation. In December 2025, we successfully hosted the third "Startupper Challenge", attracting more than 280 employees to form teams and participate. After multiple rounds of evaluation, 8 proposals advanced to the finals. Among them, 3 outstanding proposals have entered the subsequent incubation and implementation phase, effectively bridging creative ideas to practical business application.



Picture: Startupper Challenge

Case Study **"Off to a Flying Start" Management Meeting**

The "Off to a Flying Start" Management Meeting is an annual strategic communication and alignment platform designed for the Company's core and key managers. It aims to foster efficient and transparent organizational dialogue, enhance alignment on key information, and build strategic consensus, thereby developing a more agile and high-performing management team. In April 2025, we held the "Off to a Flying Start" Management Meeting at Fuxian Lake in Yunnan, with over 60 managers in attendance. Through various formats including business planning discussions, themed workshops, and team-building activities, participating managers collectively clarified the organizational development direction, strategic priorities, and core execution pathways for the new financial year, laying a solid foundation for the coordinated achievement of annual goals.



Picture: "Off to a Flying Start" Management Meeting

Case Study **Damai Entertainment Bulletin**

The "Damai Entertainment Bulletin" is an internal information dissemination and corporate culture-building initiative established for all employees. Through flexible formats such as videos and graphics & text, we promptly share business updates, organizational news, and cultural highlights. This initiative aims to break down information silos, enhance cross-team collaboration, and foster an open, trusting, and proactive organizational atmosphere. During this financial year, the column released a total of 19 video episodes and 11 graphic/text issues, achieving an internal subscription coverage rate of 78%. It has become a vital information link for employees to stay attuned to the Company's pulse and move forward in sync.



Pictures: Damai Entertainment Bulletin

Case Study **Campus Recruit Roundtable**

The "Campus Recruit Roundtable" is a dedicated growth dialogue platform established for Damai Entertainment's comprehensive campus recruitment employees. Over 30 campus recruits participated in this year's roundtable, engaging in in-depth face-to-face discussions with multiple business leaders ("Senior Mentors") on key topics such as personal growth pathways, career development planning, and cutting-edge business directions. This mechanism aims to help young talent integrate more rapidly, broaden their professional horizons, and gain valuable inspiration and guidance through high-level dialogues. It also reinforces the Company's continued investment in new-generation talent and its culture of two-way communication.



Pictures: Campus Recruit Roundtable

Damai Entertainment firmly believes that employees are the Company's most valuable asset. We conduct employee satisfaction surveys every year, proactively listening to and collecting employees' genuine feedback. The surveys cover key dimensions including work experience, growth support, management effectiveness, and cultural identification, aiming to accurately identify organizational strengths and opportunities for improvement. We will continue to upgrade the survey mechanisms and deepen the feedback closed-loop process, creating a workplace environment with stronger sense of belonging and growth momentum for every employee, and achieving mutual progress between individuals and the organization.

Benefit System

Damai Entertainment has established a comprehensive employee care system, achieving 100% coverage of non-salary benefits. These benefits span multiple dimensions, including health security, special leave, living security, office security, festival benefits, specific benefits, as well as cultural and sports activities, all designed to enhance employees' sense of wellbeing. At the same time, Damai Entertainment upholds the principle of "work and life balance" by providing a well-structured leave and vacation system, allowing employees to enjoy a high-quality life while remaining focused on their responsibilities at work.

Table: Employee Benefit System of Damai Entertainment

Health security	• Providing all employees at Damai Entertainment with five social insurances and one housing fund in accordance with relevant laws and regulations, and a comprehensive commercial insurance plan, building a robust occupational protection system for our workforce; • Offering an annual customized health check-up program for all Damai Entertainment employees to safeguard both their physical and mental wellbeing; • Providing the Carnation Parental Physical Check-up Program (康乃馨父母體檢計劃) for the parents of all Damai Entertainment employees, extending the Company's care to their families in order to support employees in fulfilling their filial responsibilities and safeguard the health of their loved ones.
Special leave	• To promote work-life balance, we have built a comprehensive, multi-scenario leave welfare system. In addition to statutory public holidays, Damai Entertainment provides employees with benefits such as annual leave, travel leave, long-service leave, family companionship leave, and others. These leaves aim to meet employees' needs at different life stages and deliver all-round care and support. • We have established a parental leave policy to support employees' family responsibilities and personal development. Eligible employees are entitled to 10 fully paid working days of parental leave per year while their child is under three years old. The actual number of days is prorated based on the child's birth date or time before reaching three years old. During the Reporting Period, more than 200 employees across the Company took this parental leave; • To respect and accommodate employees' diverse cultural backgrounds and customs, we have specially established special leave benefits for ethnic minority employees. This benefit applies to all employees, and eligible individuals may submit leave applications based on their actual circumstances.
Living security	• To help alleviate basic housing pressure for employees in their work location or social security registration place, we have established the iHome Housing Loan program. This initiative aims to effectively address employees' housing challenges and enhance their sense of belonging and stability; • Providing meal allowances to employees, disbursed together with their monthly salary, to directly support their daily dining needs and deliver thoughtful everyday care; • Setting up comfortable and private mother-and-baby rooms and breastfeeding rooms within the office park, offering warm support to new mothers during this special phase. This enables employees to better balance work and family responsibilities, allowing them to care for their babies with peace of mind and convenience while feeling the Company's attentive care.

Office security	• Implementing a flexible working system, providing employees with a 30-minute flexible arrival/departure window each day, enabling them to better manage their work and life rhythms autonomously; • Caring for employees' occupational health by equipping the office with ergonomically designed chairs, creating a more comfortable working environment for everyone; • Continuously providing a rich variety of teas for employees, adding warmth and vitality to their daily work and fostering a more caring and people-oriented workplace atmosphere.
Festival benefits	• Preparing festive gift boxes for all employees during major holidays such as International Women's Day, Mid-Autumn Festival, and Chinese New Year, which convey the Company's warm care and shares the joy of the celebrations with our employees. During this financial year, 871 gift packs were distributed for International Women's Day, 1,613 Mid-Autumn Festival gift boxes, and 2,198 Chinese New Year gift boxes.
Specific benefits	• Providing birthday movie tickets to employees during their birthday month, regularly organizing private film screenings, and hosting celebrity giveaway events; • Celebrating the 1st, 3rd, 5th, and 10th work anniversaries for all employees and presenting commemorative souvenirs to reward their dedication and hard work; • Organizing team-building activities on a regular basis, helping employees strengthen mutual understanding and enhancing team cohesion in a relaxed and enjoyable atmosphere.
Cultural and sports activities	• Equipping the office with a gym and multi-functional sports facilities, including badminton and table tennis courts, and encouraging employees to actively exercise during work breaks, helping them maintain physical and mental health while fostering a vibrant, positive, and sustainable workplace atmosphere; • Regularly organizing cultural activities during traditional festivals, distributing holiday gift packages, hosting sports tournaments, innovation contests, themed salon talks, among other sports and cultural events.



Picture: Festival benefits

Case study

Damai Entertainment hosts the "Leaping Cup" badminton tournament

The "Leaping Cup" is Damai Entertainment's annual large-scale sports event open to all employees. In September 2025, the latest "Leaping Cup" badminton tournament was successfully held, attracting nearly 200 employees to participate enthusiastically. The event extended its reach through online live streaming and cloud photo albums, creating seamless interaction between on-site and off-site, online and offline audiences. It accumulated over 3,000 live broadcast views and more than 100,000 visits to the cloud photo album.



Pictures: The "Leaping Cup" badminton tournament

Case study

Damai Entertainment hosts"510" Ali Day

The "510 Ali Day" is an annual special appreciation event organized by Damai Entertainment for all employees and their families and friends. The event features a variety of activities, including entertainment interactions, pet-friendly socializing, movie and performance benefits, beverage and gift distribution, and light shows. The two-day event attracted more than 800 employees and their families and friends to participate on-site. It was further extended online through cloud photo albums and other channels, achieving a total of over 600,000 views.



Picture: "510" Ali Day

Case study

Damai Entertainment hosts Programmer Day

The "Programmer's Day" is an annual themed event organized by Damai Entertainment for its technical staff, while open to all employees. Through this event, we aim to convey the Company's sincere care and festive warmth to our frontline engineers, while reinforcing the shared belief in "technology-driven business advancement" in a joyful atmosphere. On October 24, 2025, we prepared a variety of activities including welfare distribution, themed movie screenings, and fun competitions on coding and AI technology. The event attracted over 1,500 employees to participate on-site. It was also shared online through cloud photo albums, accumulating more than 50,000 views.



Picture: Scenes on Programmer Day

Occupational Health and Safety

Damai Entertainment is fully committed to creating a safe and healthy working environment. We strictly comply with the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases,* the *Production Safety Law of the People's Republic of China,* the *Fire Protection Law of the People's Republic of China,* the *Regulation on Work-Related Injury Insurance,* and the *Employees' Compensation Ordinance (Chapter 282 of the Laws of Hong Kong)*, among other applicable laws and regulations. We have also formulated internal management guidelines, such as the Principles of Business Conduct, while continually optimizing our safety protection mechanisms to reduce occupational safety risks at the source. For the past three years, Damai Entertainment recorded zero work-related fatalities and zero working days lost due to work-related injuries.

To ensure a safe and orderly working environment, Damai Entertainment strictly prohibits acts of violence, the possession of contraband and controlled items, and completely bans alcohol consumption in the workplace. It designates specific smoking areas, and strictly restricts employees from smoking in other areas, thereby creating a safe and healthy workspace for the employees.

In addition, in the areas of providing a safe working environment and protecting employees from occupational hazards, there were no relevant laws and regulations compliance with which would have a significant impact on the Group.

Table: Occupational Health and Safety Measures

"First Aid Man" training and certification	Damai Entertainment complies with the Group's "13520" Emergency First Aid Volunteer Service System, promoting the extension of first-aid capabilities to the grassroots level. During the Reporting Period, a total of 93 "First Aid Man" training sessions were conducted in the facilities where Damai Entertainment is located, with a total training duration of 528 hours.
Providing First-aid Equipment	During the Reporting Period, we further increased investment in and expanded the coverage of emergency first-aid equipment. As of March 31, 2026, the total number of Automated External Defibrillators (AEDs) deployed across the facilities where Damai Entertainment is located has reached 31 units, further enhancing on-site emergency response and treatment capabilities for critical incidents such as sudden cardiac arrest.
Emergency Response Drills	We responded to emergency drills organized by the Group, continuously enhancing employees' emergency response capabilities and effectively safeguarding employee safety through ongoing training and practical responses. During the Reporting Period, 324 emergency drills regarding first aid and fire safety were conducted in the facilities where Damai Entertainment is located, with the relevant employees of Damai Entertainment actively participating.
Production Crew Occupational Health and Safety Accountability System	To manage occupational health and safety risks throughout the film and television production process, we provide customized accidental injury and medical insurance coverage for cast and crew members. In addition, our cooperation agreements with production partners explicitly designate compliance with occupational health and safety laws and regulations as a core contractual obligation. We require production partners to implement rigorous safety management measures throughout all stages of filming, safeguarding the health, safety, and well-being of creative teams and ensuring that film and television projects are completed in a safe and orderly environment.

2.3 TRAINING AND DEVELOPMENT

Talent is the core driver of Damai Entertainment's continuous innovation and high-quality development. Guided by the unique characteristics of the cultural and entertainment industry, we have established and continuously refined a systematic talent development framework. We are committed to providing every employee with a career development platform that enables them to fully realize their professional potential while continuously enhancing their capabilities, fostering shared growth for both individuals and the industry.

Performance Management

In accordance with the *Employee Performance Management System of Alibaba Group* and the *Employee Promotion Management Policy,* the *Employee Performance Management Policy of Hujing Digital Media & Entertainment Group,* and the Employee Promotion Policy of Hujing Digital Media & Entertainment Group, Damai Entertainment has established a development-oriented performance management system. We adopt a performance evaluation approach that combines employee self-assessments with supervisor evaluations, with a focus on employees' value contribution and long-term development. By integrating OKR[6] goal management with performance appraisal, we implement a full-cycle management process encompassing "goal setting – goal alignment – execution follow-up – review and iteration," promoting synchronized growth of both employees and the organization. During the Reporting Period, we completed the annual performance evaluation process, further enhancing overall management effectiveness and organizational vitality.

6 OKR: Objectives and Key Results

We provide employees with a market-competitive remuneration framework comprising three components: fixed compensation, variable compensation, and long-term incentives. Compensation adjustments are made based on employees' annual performance results, encouraging value creation and enabling employees to share in the Company's development achievements. With respect to long-term incentives, and in accordance with Alibaba Group's policy framework, we have established and continuously refined a long-term incentive program and evaluation mechanism for key talent requiring long-term retention and motivation. Our long-term incentive arrangements include Restricted Stock Units (RSUs) and Long-Term Cash (LTC) incentives. Employees, consultants, and directors of the Company and its affiliated entities are eligible to be considered for long-term incentive awards in scenarios such as onboarding, promotion, or annual performance review.

We uphold the principles of fairness and impartiality in performance management and have established employee appeal and review mechanisms to provide employees with standardized and transparent feedback channels. Through clearly defined procedures and an independent review panel, we ensure that objections to performance evaluation results are handled in a timely, objective, and fair manner, safeguarding both the integrity of the performance management system and employees' legitimate rights and interests. The appeal process is conducted within a strictly controlled and confidential framework involving only the HRG team and designated review panel members, preventing disclosure to unrelated personnel. In addition, we provide performance improvement coaching and support to help employees better understand their development needs and career direction, fostering an open, trusting, and inclusive workplace culture where individual voices are respected.

Table: Employee Appeal and Review Process

Employee initiates an appeal
• *If an employee has objections to their supervisor's performance rating, they may submit an appeal within three working days after the performance score is announced.*
HRG convenes a review panel
• *The appeal review is organized by the employee's direct HRG. In principle, the review panel consists of the employee's second-level supervisor and second-level HRG. Depending on the situation, the HRG may invite higher-level supervisors and HRGs, as well as relevant business partners or stakeholders to participate.*
Panel review
• *The review panel will listen to the rationale and supporting evidence provided by the employee, their supervisor, and other relevant stakeholders before reaching a conclusion on the appeal. Should the panel fail to reach a consensus, the HRG will escalate the matter as appropriate, up to the third-level supervisor and their partner HRG if necessary.*
Approval and processing
• *Once the appeal conclusion is confirmed, the result will be processed through the online approval workflow.*

Talent Development

Damai Entertainment strictly adheres to the *Employee Promotion Management Policy* and the *Employee Training Management Policy*, and has established a systematic and multi-tiered talent development framework. Focusing on key talent groups, we implement targeted development and talent management initiatives covering employees at all levels, including senior management, middle management, and general staff. During the Reporting Period, we continued to focus on four key areas: leadership development, professional capability enhancement, young talent development, and new employee integration and onboarding. Through these initiatives, we strive to strengthen employee capabilities across the organization while continuously fostering organizational vitality and sustainable growth.

Table: Talent Development System at Damai Entertainment

Leadership	In terms of leadership empowerment, Damai Entertainment launched the "Top+ Training Camp" development program for middle and senior management. The curriculum is designed around three key dimensions, namely strategic vision, organizational development, and personal growth. Core modules include "Organization and Personal Growth", "Self-Transformation Capability", "Real Needs: Value Formula and the IP Value Chain", and "Influencer Marketing and Business Growth in Practice". The program aims to enhance managers' overall leadership capabilities in business innovation, team empowerment, and commercial growth, thereby supporting the achievement of the organization's strategic objectives.







Pictures: Leadership Empowerment Training

Expertise

In terms of professional capability development, Damai Entertainment implemented a systematic series of specialised training programmes tailored to the practical needs of its various business units. The performance business department launched a series of courses such as Opportunities and Challenges for Live Performances in Market Downturn, The Making of a Musical, and The Sports Arena in the Palms of Youth. The film business department carried out training and exchange sessions including Analysis of the Impact of Nezha 2 on Chinese Moviegoers' Choices, Seeking Design Aesthetics in 3A Games – Black Myth: Wukong, and Hujing AI Training Program – AI Storyboarding. In addition, business units such as the HR team, Alifish, the product and operations center, the technology center, and marketing department each designed and implemented highly targeted professional courses based on their respective business functions and development stages. During the Reporting Period, the Company delivered a total of 212.9 hours of professional training, reaching 15,205 participant attendances and effectively enhancing the professional expertise and practical business capabilities of employees in key roles.



Picture: Professional Development Training

Youth Talent

In building a robust pipeline of young talent, Damai Entertainment has established differentiated development pathways for high-potential employees across different generations.

- For trainees in our comprehensive campus recruitment program, we have introduced a series of courses covering CJ Entertainment Business Sharing, Finance for Campus Recruits, The Ins and Outs of Distribution, Business Big Picture Sharing, and Introduction to Content Evaluation. We have also organised interactive activities such as "Fireplace Chats" and "Large Team Meetings" to cultivate their strategic vision, long-term thinking, and commercial sensitivity.



Picture: Training for Comprehensive Campus Recruits

- The Company launched the "H+ Programme" for high-potential employees born in the 1990s, focusing on project management, systems thinking, and innovation capabilities. The programme includes courses such as "Project Management: Successful Project Delivery", "Systems Thinking from a Holistic Perspective", and "Product Innovation and Commercial Thinking Methodologies", with the aim of strengthening participants' professional expertise, strategic thinking, and ability to drive business outcomes.



Pictures: "H+ Program" Training

- We have launched the "A+ Programme" targeting core backbone talents from the post-95 generation. Two training cohorts have already been completed, covering cutting-edge practical topics such as Yes and – The Power of Collaboration, Team Dynamics Sand Table Simulation – Business Innovation Thinking, The Present and Future of Live Performances, and Introduction to Damai Entertainment's AI Innovation. The programme focuses on cultivating their capabilities in collaborative innovation, business insight, and technological application, thereby building a strong reserve of core young talent for the future development of our business.



Picture: "A+ Programme" Training

Newcomer

In terms of new employee development, Damai Entertainment has established a tiered and categorised onboarding system to ensure that new hires from diverse backgrounds can adapt quickly and grow effectively.

- For internal new hires within their first year, we utilise the "Century Entertainment" programme to deliver systematic training on business operations, corporate culture, integrity, and data security policies, accelerating their integration into the organization.
- For new employees within our ecosystem, we rely on the "Damai Entertainment New Drive" online programme to provide standardised courses and assessments covering business overviews, cultural values, integrity, and data security regulations, helping them quickly familiarise themselves with corporate standards. Additionally, for the newly established pop toy business team, we have designed tailored training programmes to support its efficient launch.

To continuously enhance employees' professional qualifications and industry competitiveness, Damai Entertainment has actively built a comprehensive learning and development support system. The Company encourages and sponsors employees to take the National Performance Agent qualification examination and the PMP (Project Management Professional) certification and offers exam fee reimbursement incentives to those who pass. During the Reporting Period, 25 employees successfully passed the exam and obtained the National Professional Agent qualification.

Table: Employee Training of Damai Entertainment during the Reporting Period

Indicator		Unit	Number
Total number of employees trained		Person	1,941
Total percentage of employees trained by gender	Male	Person	865
	Female	Person	1,076
Total percentage of employees trained by rank	Senior management	Person	14
	Middle management	Person	77
	General staff	Person	1,850
Total training hours		Hour(s)	34,553
Total training hours by gender	Male	Hour(s)	15,470
	Female	Hour(s)	19,083
Total training hours by rank	Senior management	Hour(s)	269
	Middle management	Hour(s)	1,214
	General staff	Hour(s)	33,070
Average training hours by gender	Male	Hour(s)/person	17.88
	Female	Hour(s)/person	17.73
Average training hours by rank	Senior management	Hour(s)/person	19.21
	Middle management	Hour(s)/person	15.77
	General staff	Hour(s)/person	17.87

3 PRODUCT RESPONSIBILITY

Damai Entertainment always prioritizes content at its core, continuously drives the provision of high-quality cultural products and services, and actively promotes positive values and social energy. While fostering high-quality business development, the Company is constantly refining its mechanisms for intellectual property protection, advertising compliance and customer service management, continuously optimizing the user experience, and earnestly fulfilling its product responsibilities to contribute to the healthy development of the cultural industry.

3.1 PROMOTE POSITIVE VALUES

Guided by its development strategy featuring "content + technology", Damai Entertainment continues to deepen its presence in the areas of film, drama series, live performances, and digital products, actively building a healthy, diverse and vibrant cultural product ecosystem.

Content Culture Dissemination

Damai Entertainment has established a comprehensive presence across the entire film and television industry chain, with business operations covering key areas across the production, investment and distribution of films, drama series, and other contents. Throughout content development and dissemination, the Group strictly complies with the *Film Industry Promotion Law of the People's Republic of China*, the *Copyright Law of the People's Republic of China*, as well as other relevant laws and regulations. We remain vigilant regarding changes in industry regulatory requirements and have established quality management mechanisms covering content screening, production, review and public screening. To ensure compliance and proper value orientation, all film and television productions must complete the relevant approval procedures in accordance with regulations before releasing to the market.

During the Reporting Period, Damai Entertainment participated in the production and co-production of over 26 films, covering a wide range of genres including suspense, drama, animation, and romance. Notable titles with broad social impact included "Scare Out (驚蟄無聲)", "Blades of the Guardians: Wind Rises in the Desert (鏢人: 風起大漠)", "Pegasus 3 (飛馳人生 3)", "Boonie Bears: The Hidden Protector (熊出沒•年年有熊)", "The Shadows' Edge (捕風追影)", and "The Volunteers: Peace at Last (志願軍: 浴血和平)". In aggregate, these films achieved a total box office revenue exceeding RMB12.47 billion and attracted over 290 million viewers. In its efforts to support ticketing services for the 27th Shanghai International Film Festival, Damai Entertainment, as one of the officially designated ticketing platforms, actively supported the organization and operation of the festival's ticketing arrangements. Within the first hour of sales opening, the platform had covered 92 films and over 600 sold-out screenings, issuing a total of 370,000 tickets, demonstrating the Company's operational capabilities in ticketing services for major cultural events and user engagement.



Picture: Poster for Blades of the Guardians: Wind Rises in the Desert



Picture: Poster for The Shadows' Edge



Picture: Poster for Pegasus 3



Picture: Poster for Scare Out



Picture: Poster for Boonie Bears: The Hidden Protector



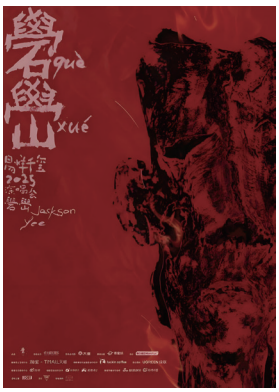
Picture: Poster for The Volunteers: Peace at Last

Table: Awards won by films produced or co-produced by Damai Entertainment during the Reporting Period

Award-winning film(s)	Awarding organization & award title
Love List (分手清單)	37th China Golden Rooster Awards – 2024 the Most Anticipated Chinese Film of the Year
Dongji Rescue (東極島)	2025 Weibo Movie Awards Ceremony – Special Recommendation Film of the Year
The Shadows' Edge (捕風追影)	13th New Zealand Asia Pacific Film Festival – Best Film 2026 Weibo Movie Awards Ceremony – Film with the Best Reputation of the Year
Blades of the Guardians: Wind Rises in the Desert (鏢人: 風起大漠)	2025 Weibo Movie Awards Ceremony – Most Anticipated Spring Festival Film 2026 Weibo Movie Awards Ceremony – Film of the Year
Scare Out (驚蟄無聲)	2024-2025 China Film Big Data and Movie Channel M Awards – Annual Anticipated Films 2025 Weibo Movie Awards Ceremony – Most Anticipated Spring Festival Film 2026 Weibo Movie Awards Ceremony – Film of the Year

In respect of drama series production, the Company continues to promote the operation model of its dedicated drama series studios, steadily increasing investment in high-quality original content centered on social issues and humanistic concerns. We are committed to creating premium dramas that combine intellectual depth, emotional resonance, and real-world relevance, while consistently conveying a positive and uplifting narrative direction. During the Reporting Period, several drama series, including "The Untold Story (不為人知的故事)", "Prosecutor (追訴)", and "Marrying the Golden Hairpin (嫁金釵)", have completed filming and are now in the pipeline for release, further enriching the Company's drama series in reserve. As of the end of the Reporting Period, the drama series studios had over 20 key projects in reserve and over 100 projects under development, continuously building momentum for high-quality content production. Meanwhile, to further enhance content quality and audience satisfaction, Damai Entertainment has institutionalized a screening mechanism at critical stages such as final editing, distribution, and promotion. Through internal preview screenings, co-production partner screenings, and roadshow screenings, Damai Entertainment collects extensive user feedback and incorporates it into subsequent optimization and refinement, driving continuous improvements in both production quality and market performance.

Additionally, Damai Entertainment is an active investor and producer of IP projects in the live performance sector, with content covering large-scale concerts, music festivals, stage plays, dance dramas, musicals, stand-up comedies, and exhibitions. During the Reporting Period, the Company participated in more than 50 IP projects, and served as lead organizer, co-organizer, or producer for a number of major concerts, including the Xiami Music Festival, concerts of Jackson Yee, Karen Mok, Chen Linong, Lu Hu, Liu Yu, Justin Huang, and Imagine Dragons. The Company also produced and presented multiple popular theater projects, such as "The Summoning of Dunhuang (受到召喚•敦煌)", "Six Lying University Students (六個説謊的大學生)", "The Picture of Dorian Gray (道林格雷的畫像)", "The Annoyance of the Gods (太白金星有點煩)", "Crocodile (鱷魚)", "Les Misérables (悲慘世界)", and "Qing Qing Wu Wo (卿卿誤我)", as well as hit stand-up comedy specials including "Hulan: Why So Serious (呼蘭 — 草台班子)", "DouDou: Congratulations (豆豆 — 算你厲害)", and "Sanhao Sisters Talk Show (三好姐妹)". Furthermore, the Company organized, co-organized, or produced exhibition projects such as "Yao-Chinese Folktales: Dreamland Art Exhibition (中國奇譚造夢奇境藝術展)", "Where Dreams Where Created – Exhibition of Film Art (造夢現場 — 電影藝術展)", "Meet You Meesum Exhibition Series (遇見博物館系列展覽)", "The Deep Ocean (觸探深海)", and "A Gift of the Nile: Ancient Egyptian Artifacts and Digital Art Experience Exhibition (尼羅河的贈禮 — 古埃及文物與數字藝術體驗展)". These projects span a diverse range of content, including mainstream themes, traditional culture, and contemporary performing arts, continuously enriching the supply of quality cultural products.



Picture: Poster for Jackson Yee's Concert



Picture: Poster for Xiami Music Festival



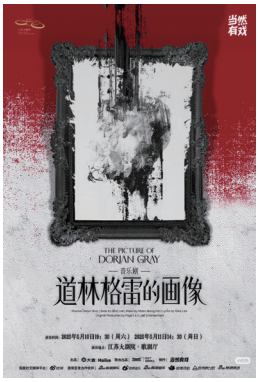
Picture: Poster for Imagine Dragons's Concert



Picture: Poster for The Summoning of Dunhuang



Picture: Poster for Six Lying University Students



Picture: Poster for The Picture of Dorian Gray



Picture: Poster for Hulan: Why So Serious



Picture: Poster for DouDou: Congratulations



Picture: Poster for A Gift of the Nile: Ancient Egyptian Artifacts and Digital Art Experience Exhibition



Picture: Poster for The Deep Ocean

To promote the coordinated development of the cultural and entertainment industries, the Company continues to deepen strategic partnerships with industry partners, expanding its business scope in areas such as performing arts services, cultural and tourism integration, cultural heritage innovation, and regional cultural exchange. During the Reporting Period, Damai Entertainment collaborated with partners including Galaxy Arena and HK Ticketing to facilitate connectivity within the Guangdong-Hong Kong-Macao Greater Bay Area and the performing arts markets of Hong Kong, Macao and Taiwan, thereby enhancing cross-regional ticketing service capabilities and user experience. At the same time, the Company actively participates in collaborations involving leading cultural IPs and cultural heritage projects, supporting large-scale offline events such as the third "Genshin Impact FES", while advancing special exhibition partnership initiatives with museums. By leveraging platform resources, digital capabilities and operational expertise, we empower the dissemination of cultural content and public cultural services. Through these collaborations, the Company continues to facilitate the flow of high-quality cultural resources and foster the co-construction of an industrial ecosystem, contributing to the high-quality development of the cultural and entertainment sector.

Developing Creative Products

Damai Entertainment continues to implement its "content + technology" strategy, and is committed to creating innovative products with both cultural value and commercial vitality to continuously enhance the sustainability of its content ecosystem. Leveraging its rich IP resources and technological capabilities, the Company adheres to the philosophy of "developing story-telling products and granting heart-warming licenses", and consistently launches innovative products with market influence in the fields of IP licensing, pop toy development, and digital products.

In terms of IP commercialization, the Company's AliFish platform has gradually developed a comprehensive industrial chain since its establishment in 2016, covering IP licensing, operation, implementation and commercialization. It consistently serves hundreds of well-known domestic and international IPs, as well as over a thousand brand owners and channel partners. AliFish boasts an IP matrix that spans multiple sectors, including animation, cultural heritage and innovation, film, television and variety shows, education, and sports. It has secured partnerships with top-tier global IPs such as the Sanrio, Chiikawa, Pokémon, Minions, and Crayon Shin-chan, establishing a leading position in domestic IP resources. With a focus on IP licensing, operation and commercialization, AliFish continues to refine its full-chain service model. Through localized operations and diversified business models, it provides integrated solutions for copyright holders and brand owners, continuously enhancing the commercial value and ecosystem vitality of IPs.

AliFish has focused on the IP sub-licensing business, continuously enhancing its full-chain service capabilities for the IP2B2C[7] model (where intellectual property owners (IP holders) grant licenses to enterprises (B1) to produce goods, and these enterprises (B1) then provide goods or services to consumers (C) via a platform (B2)). During the Reporting Period, Alifish continued to deepen its licensing partnerships with brand merchants, launching multiple licensing projects with brands such as Bloks, Miniso, Pop Mart, TOPTOY, Heytea, THE BEAST, and China Merchants Bank, thereby further expanding the commercial application scenarios for IPs and enhancing the market reach and consumer influence of high-quality IPs. Among these, the "Hello Kitty Sitting with a Bow Preserved Flower" launched by AliFish in collaboration with THE BEAST won the "Licensee of the Year (Homeware)" award at the 2025 China Licensing Awards; the Heytea x Chiikawa collaboration project received a positive market response; the cross-brand collaboration between the Sanrio Family and Pop Mart's DIMOO, SKULLPANDA and THE MONSTERS also attracted widespread consumer attention, further demonstrating the Company's sustained capabilities in IP licensing partnerships and the creation of innovative consumer scenarios.

7 Refers to an intellectual property-driven B2B2C (Intellectual Property to Business to Business to Consumer)

Pictures: Alifish was honoured at the China Licensing Awards



Picture: Alifish was honoured at the China Licensing Awards



Picture: Sanrio was honoured at the China Licensing Awards



Picture: The BEAST was honoured at the China Licensing Awards



Picture: Poster for Alifish's awards at the China Licensing Awards

Table: Awards received by AliFish and its licensed projects during the Reporting Period

Award Theme	Awarding organization & award name
Hello Kitty Sitting with a Bow Preserved Flower	2025 China Licensing Awards – "Licensee of the Year (Homeware)"
Alifish	2025 China Licensing Awards – "Agency of the Year"
Sanrio	2025 China Licensing Awards – "Entertainment/ Character/Digital Property of the Year"
Sanrio	CLE Licensing Excellence List – "Most Excellent IP List (Character/Trendy Fashion/Corporate Brand)" – TOP 3
Roborock Q1 Hello Kitty Limited Edition	TOP3 CLE Licensing Excellence List – "Most Excellent Licensee – Home Textiles & Furnishings" – TOP 3
THERMOS × Chiikawa Insulated Cup	CLE Licensing Excellence List – "Most Excellent Licensee – Home Textiles & Furnishings" – TOP 3
Guangbo Group × mofusand Stationery Series	CLE Licensing Excellence List – "Most Excellent Licensee – Stationery & Gifts" – TOP 3

Pictures: CLE Licensing Excellence List



Picture: Guangbo Group was honoured at CLE Licensing Excellence List



Picture: Sanrio was honoured at CLE Licensing Excellence List



Picture: THERMOS was honoured at CLE Licensing Excellence List



Picture: Roborock was honoured at CLE Licensing Excellence List



Picture: Poster summarizing Alifish's IPs featured on CEL Licensing Excellence List

In terms of continuously expanding IP retail brand licensing operations, AliFish has collaborated with upstream copyright and pop toy brand holders to launch multiple domestic flagship stores and pop-up shops, thereby continually enriching offline IP consumption scenarios. On September 27, 2025, Chiikawa's first official offline flagship store in mainland China opened on Nanjing East Road Pedestrian Street in Shanghai; in the same month, TOPPS, the world-renowned collectible card brand under Fanatics Collectibles, entered into a strategic partnership with AliFish and Tmall Pop Toy, and opened the first official TOPPS flagship store in China. Meanwhile, driven by AliFish, Chiikawa's multi-theme pop-up stores, including sushi-themed and magic-themed outlets, have successively opened in cities such as Shanghai, Chengdu, Shenzhen, Hangzhou and Sanya, reaching a cumulative total of over one million consumers nationwide and further enhancing the offline influence and consumer vitality of high-quality IPs.



Picture: Chiikawa Shanghai Flagship Store Opening (Subway Station)



Picture: Chiikawa Shanghai Flagship Store Opening (The Bund)



Picture: Chiikawa Shanghai Flagship Store Opening

AI and Digital Product Development

Damai Entertainment continues to advance the development of AI and digital products. Focusing on key scenarios such as licensing business collaboration and cinema operational efficiency, it continuously improves product capabilities and service efficiency. AliFish has completed the upgrade of its middle-platform design and review system. This system is designed for partners across the upstream and downstream of the licensing industry chain, integrating functions such as contract management, image library management and review draft management, and is available to partners free of charge. As of the end of the Reporting Period, 262 brand partners were on board, with over 24,000 review submissions and more than 120,000 image materials in the system. Through continuous optimization, the system has fully digitized image library management and design review processes, delivering an overall efficiency gain of over 60% for partners, thereby further enhancing collaboration efficiency in licensing operations and digital management standards.

Industry and Education Collaboration

During the Reporting Period, AliFish continued to drive innovation and development in the IP industry. Through the "IP Industry Creative Talent Development Program (IP 產業創意人才培養計劃)", it strengthened the cultivation of creative talent, continuously expanded offline IP consumption scenarios, and enhanced the vitality of the industry ecosystem. The Company has successively initiated school-enterprise cooperation with Hubei Institute of Fine Arts and the Central Academy of Fine Arts. Centered on IP creative design, these cooperations have involved the joint development of curriculum frameworks, practical opportunities and design support mechanisms to foster the incubation of original IP and the co-creation of image libraries. By the end of the Reporting Period, nearly 200 students had participated in relevant courses. AliFish had completed three teaching sessions and organized several IP design lectures on campus, inviting representatives from copyright and brand holders to share practical experience, thereby continuing to cultivate young creative talent for the industry.




Picture: Alifish's collaboration with Hubei Institute of Fine Arts




Picture: Alifish's collaboration with Central Academy of Fine Arts

3.2 CONTENT GOVERNANCE AND ADVERTISEMENT COMPLIANCE

Damai Entertainment continues to foster a healthy, orderly and positive content ecosystem. It strictly adheres to relevant laws and regulations, continuously refines the content governance and advertising review mechanisms, and strengthens institutional frameworks and review management to provide users with a safe, reliable and compliant content and service experience.

Content Governance

The Company strictly complies with the *Cybersecurity Law of the People's Republic of China*, the *Administrative Measures on Internet Information Services*, the *Provisions on Ecological Governance of Network Information Content*, as well as other relevant laws and regulations. It continuously advances the development of content governance systems by establishing an internal management framework that includes the *Content Safety Work System and Standard*, the *Content Safety Review Standard*, and the *Acceptance System for Complaints and Reports of Illegal and Improper Information*. With respect to the Tao Piao Piao Platform, the Group has established the *Pre-Safety Evaluation System for the Tao Piao Piao Safety Review Team,* the *Internet Rumors and Illegal Supply Chain Information Handling System,* and the *Comment Posting Services Management System*, and has publicly released the *Management Rules for Tao Piao Piao Community*, the *Management Rules for Damai Community,* and the *Management and Comment Rules for the Meow Community,* so as to create an open, rational, and well-ordered community atmosphere for users.

During the Reporting Period, there were no relevant laws and regulations relating to health and safety in respect of the products and services provided by the Group, the compliance with which would have a significant impact on the Group.

The Company continues to improve its content review system and has established a multi-layered, multi-dimensional content governance mechanism. For different content formats such as text, images, and videos, the Company has built a comprehensive database of sensitive terms and rules for identifying non-compliant content. These are supplemented by algorithmic models that assist in promptly identifying and intercepting harmful information, including pornography, advertisements, and personal attacks. At the same time, in line with development trends of AI technology, the Company has routinely applied AIGC content review capabilities to content identification across multiple platforms and scenarios, continuously improving review efficiency and identification accuracy, thereby supporting the safe, compliant and orderly operation of the platform's content ecosystem.

In the meantime, the Company continues to improve its compliant and reporting mechanism for violating content, accepting user feedback through multiple channels including email, hotlines, and product pages. Prominent reporting links have been placed on key pages such as those for product information, video playback, and comment sections, to enable users to report issues promptly. With respect to synthetic content, the Company has further refined its dedicated complaint and reporting mechanism, enabling users to file complaints and reports regarding individual pieces of content. This enhances the accuracy of issue detection and resolution, and promptly mitigates the adverse effects caused by illegal or non-compliant content. In accordance with internal management regulations, the Company has established clear processing timelines for all types of reports, aiming to complete investigations and provide feedback within 15 days in principle, thereby continuously maintaining a healthy and orderly content ecosystem on the platform.

To continuously enhance employees' awareness of content governance compliance and their ability to identify risks, we regularly conduct training sessions on content governance, strengthening guidance and advocacy on key topics such as the identification of non-compliant content, the implementation of compliance requirements, and standards for promotional activities. During the Reporting Period, the Company conducted a total of two specialized training sessions, covering topics such as the safety of promoting content and performance content, reaching a cumulative total of 188 key employees.

Table: Damai Entertainment's content governance compliance trainings during the Reporting Period

Content of training	Unit	Number of attendees
Training on safety of promoting content	Person	60
Training on safety of performance content	Person	128

Advertisement Compliance

The Company strictly complies with the *Advertising Law of the People's Republic of China*, the *Interim Provisions for Regulating Promotional Activities*, the *Measures for the Administration of Internet Advertising*, *and* the *Internet Advertising Identifiability Enforcement Guidelines*, among other laws and regulations. Taking into account business scenarios and operational realities, we have formulated institutional documents such as the *Film and Performance Marketing Activities Compliance Assessment Specifications*, the *Template Library for Guidelines and Rules on Marketing Activity Assessment,* the *Compliance Guidelines for Differentiated Rights Issuance*, and the *Review System of Commercial Advertisement for Tao Piao Piao*, thereby further clarifying advertising content compliance standards and review management processes. To continuously regulate platform-based marketing activities, the Company issued the *Compliance Guidelines for Marketing Language Usage* and the *Compliance Guidelines for Interactive Ranking Marketing Activities*, with a focus on strengthening the identification and review of risk areas such as absolute claims and the chaos associated with the "fan circle" culture. This aims to continuously improve the level of compliance management for advertising and marketing activities and promote the establishment of a trustworthy, orderly and regulated ecosystem for advertising.

During the Reporting Period, there were no relevant laws and regulations relating to advertising in respect of products and services provided by the Group, compliance with which would have a significant impact on the Group.

The Company has established an advertising compliance governance framework and an advertising review mechanism, with the Compliance Governance and Public Affairs Center coordinating the relevant management work. It regularly conducts compliance reviews and training for departments in charge of film and performance products, operations, and marketing, and performs routine supervision and review of both online and offline advertising content, legal compliance, and security to ensure that all aspects of marketing activities are conducted in a standardized manner. During the Reporting Period, the Company completed a total of 86 compliance reviews of commercial advertising content, covering various scenarios, including online platform placements and offline promotions, thereby effectively ensuring the authenticity, standardization and compliance of advertising content.

To further enhance compliance assurance for key marketing campaigns, the Company has set up dedicated marketing review and filtering task forces ahead of major key occasions throughout the year. These teams provide full-process compliance assessment support for critical stages, such as plan design, material launch, and user complaint handling of efficiency, while utilizing smart review tools to improve the scope and efficiency of the review process. The Tao Piao Piao and Damai marketing review teams have introduced the "Marketing Material AI Review Tool 2.0", which automatically identifies and flags potential compliance risks in uploaded marketing campaign rules, promotional materials and event pages. This enables smart pre-screening while further boosting the efficiency of manual reviews. For example, during the 2025 Spring Festival season, when reviewing 73 marketing activities, with the assistance of AI tools, the average review time per activity was reduced from approximately 30 minutes to around 20 minutes, saving a total of 730 minutes and improving overall review efficiency by 34%.

To continuously enhance employees' awareness of responsible marketing and the compliance execution capabilities of frontline business teams, Damai Entertainment has consistently strengthened routine training mechanisms in key business scenarios, promoting the better integration of marketing compliance requirements into daily operations. During the Reporting Period, the Company organized regular online training sessions on marketing campaign compliance for employees across the Tao Piao Piao and Damai Film & Performance operations business lines, focusing on three key occasions of the Labor Day, school summer vacation and Spring Festival. A total of three sessions were held, covering approximately 80 staff members from the film and performance operations and product departments. The training content focused on four key areas: compliant design of marketing activities, key compliance points for promotional materials, standards for drafting campaign rules, and risk prevention measures for major promotional periods. Explanations were provided in conjunction with real-world business scenarios to continuously enhance employees' ability to identify and address marketing compliance risks. At the same time, the Company also provided operational staff with a template library for activity rules and a repository of frequently asked questions regarding operational activities, enabling employees to consult and refer to these resources at any time during their daily work. Furthermore, Damai Entertainment organized a compliance awareness training session featuring a prize-winning quiz as part of Alibaba's Compliance Day, reaching all employees. The session covered topics such as data compliance, production and operations compliance, and anti-bribery compliance, thereby further strengthening the foundation of compliance awareness across the entire workforce.

The Company's core businesses cover film and television content production, investment and distribution, and technology operations. These operations do not inherently involve product quality safety risks or labeling. With respect to IP-derived merchandise, the Company has established a comprehensive quality management mechanism, integrating quality inspection, process control and product recalls under a unified management framework to continuously ensure product quality and safety of use. At the same time, the Group is continuously improving its after-sales service system to ensure that it can respond promptly and handle all product quality-related issues appropriately. During the Reporting Period, the Company did not experience any product recalls due to health or safety concerns.

3.3 PROTECTION OF INTELLECTUAL PROPERTY RIGHTS AND COPYRIGHT

Damai Entertainment attaches great importance to intellectual property protection and copyright compliance, continuously enhancing its intellectual property management system and copyright protection mechanisms to effectively safeguard the legal interests of its innovations. The Company strictly complies with relevant laws and regulations, continuously improving institutional processes to promote regular innovation incentives, advance data ownership confirmation, and digitalize copyright management, thereby continuously enhancing the institutionalization, systematization, and professionalism of its intellectual property governance.

Intellectual Property Rights

The Company strictly complies with the *Patent Law of the People's Republic of China* and the *Trademark Law of the People's Republic of China* as well as other relevant laws and regulations. It has formulated institutional documents such as the *Intellectual Property Management for External Cooperation Projects* to regulate key areas including patents, trademarks, copyright, and domain names, and continuously strengthens intellectual property protection across business operations such as content development, technological innovation and brand building. At the same time, in response to potential infringement, the Company has established corresponding emergency response mechanisms to take legal measures to defend its rights and combat infringements, thereby effectively safeguarding its legitimate rights and interests.

To further stimulate employees' innovative spirit, the Company continues to refine its intellectual property incentive mechanisms. It has established corresponding reward measures for patent applications and authorizations, and through internal incentive schemes such as the "Innovation Proposal Award" and "Patent Application Award", fosters a positive atmosphere that encourages research and development innovation and respects the value of originality.

Table: Intellectual property rights of Damai Entertainment newly acquired during the Reporting Period

Intellectual property category	Number of new additions
Trademarks	829
Patents	9
Copyrights (software)	27
Copyrights (works)	6
Domain names	122
Data intellectual property	0

The Company continues to advance its data property protection initiatives. During the Reporting Period, it has progressively improved relevant commercialization protection mechanism, focusing on the data ownership confirmation and management, compliant circulation, and leakage prevention capabilities for high-value performance data. The Company has formulated and implemented the *Guidelines for the Protection of High-Value Performance Data*, strengthening protective measures at both the management and technical levels. Security mechanisms such as watermarking of seating charts, font-based encryption of sensitive products, and the interception of outbound office documents have been implemented. Furthermore, the Company continues to advance intellectual property registration for key performance data, gradually achieving confirmed ownership management over data assets like box office figures and seating charts.

Protection of Copyright

Damai Entertainment consistently conducts its business in compliance with the law. During content development and the operation of IP-derived products, it strictly adheres to copyright licensing procedures and complies with the requirements of laws and regulations such as the *Law of the People's Republic of China on Protection of the Rights and Interests of Consumers* and the *E-Commerce Law of the People's Republic of China*. It has also established management systems including the *Derivatives Business Management Process of Integrated Development Department*, to regulate the management of multiple product categories, including models, toys, blind boxes, food, cosmetics, and audio-visual products. This ensures that all merchandise operates only after obtaining legitimate authorization.

Concurrently, the Company continues to advance the development of its digital copyright management system, actively responding to the Copyright Protection Center of China's call for innovation in the internet copyright governance. We have integrated the Digital Copyright Identifier (DCI) system and completed the application, registration, and filing of electronic copyright certificates for multiple core derivative contents. This has further enhanced our capabilities for copyright traceability and rights enforcement, providing robust support for subsequent copyright protection and rights verification.

3.4 CUSTOMER SERVICE

Damai Entertainment consistently upholds the core value of "customer first", continuously refining product and service details to enhance customer experience and deepen user trust. The Company has established a comprehensive customer service system focusing on the whole user experience. Through the Net Promoter Score (NPS) management mechanism, it continuously identifies and responds to user needs, focuses on key service scenarios, and drives the synergistic improvement in both service capability and customer experience.

The Company continues to improve its customer service framework. The *Emergency Response Plan for Extreme Weather and Force Majeure* is added to establish emergency response mechanisms for sudden events such as typhoons and torrential rain. We have also revised the *Guidelines for Handling Customer Complaints in Special Circumstances*, establishing special review criteria and dedicated application channels for exceptional scenarios such as audience members suddenly falling ill or the passing of a relative, so as to convey humanistic care while upholding rules, and make every customer rights protection effort more warm and considerate.

Tao Piao Piao

As the Company's film ticketing platform, Tao Piao Piao strictly follows the *SOP Manual for Customer Feedback Handling* to regulate its customer service processes, continuously improving the service mechanism to drive the ongoing optimization of the user experience. Upon receiving a customer complaint, the platform will first verify the relevant situation and communicate with the customer to confirm their concerns. It will then coordinate with relevant departments to formulate a resolution plan based on business rules and actual needs, before further negotiating with the customer to confirm the plan and ensuring its implementation. Tao Piao Piao has optimized and upgraded its customer service handling mechanisms, further improving the four key modules: scenario-based tiered response, emergency response, closed-loop follow-up, and training assessment, to continuously improve customer service efficiency and satisfaction.

In terms of service channel development, Tao Piao Piao has continued to refine user engagement and response mechanisms. It publicly displays its customer service hotline within the App to provide more professional and personalized support for customers. In respect of system functionality optimization, the platform has focused on enhancing the user experience throughout the ticketing process by further streamlining operational steps while also offering users an "account information download" feature to continuously improve the convenience of information services and the user experience.

Tao Piao Piao continuously improves user experience management mechanism, driving product and service optimization in key areas such as refund and modification services, response to customer enquiries, and service efficiency. During the Reporting Period, the platform optimized its "smart outbound call + pre-screening refund and modification negotiation" strategy to expand the coverage of cinemas offering "pre-screening refund and modification negotiation". By leveraging algorithmic optimization to shorten negotiation decision times, the platform enabled the majority of orders to be "refundable and modifiable", effectively enhancing the refund and modification service experience. During the Reporting Period, the Company received a total of 11,264 customer complaints, with a complaint resolution rate of 100%. Related satisfaction levels increased by 10.29%, the call pick-up rate reached 99.52%, and the assistance rate per 10,000 tickets decreased by 6% year-on-year.

Damai

As a professional performance ticketing platform, Damai continuously enhances its customer service capabilities, constantly optimizing the platform experience and risk control mechanisms, and is committed to providing audiences with more convenient and secure ticketing and event attendance services. In handling customer complaints, the platform strictly implements the standardized closed-loop process of verifying the situation, confirming the request, and formulating a communication and execution plan to ensure that all issues are responded to promptly and resolved properly. During the Reporting Period, Damai has continued to deepen its efforts in improving service mechanisms and optimizing resource allocation, and has fully established a comprehensive, closed-loop service system covering the pre-sale, in-sale, and post-sale stages.

Taking into account the distinct characteristics of the film and performance businesses, the Company has continuously upgraded its customer feedback and complaint handling mechanisms. It has introduced a new-generation AI customer service system, which is integrated with a security and public opinion monitoring mechanism to enable the rapid identification of and proactive intervention in concentrated negative feedback. For complex and difficult customer complaints, the Company has established a mechanism to respond to and resolve issues within 48 hours, driving a shift in customer service from a reactive approach to handling requests towards proactive management.

Damai continuously refined its tiered and categorized scenario-based service system. For scenarios such as event postponements, content defects, and user emergencies, the platform proactively implements flexible compensation policies to protect user rights in a practical manner. Within daily operations, it reduces user disputes by optimizing refund rules and strengthening key information prompts. In the complaint handling process, it further implements a prioritized external and tiered internal complaint response mechanism to continuously improve issue resolution efficiency. Damai kept on optimizing the performance ticket refund and modification service mechanisms, breaking with the industry's usual practice of no-refund. We have comprehensively upgraded our system capabilities to encourage organizers to activate service features such as "conditional refunds by event/session" and "split refunds", enabling users to refund individual tickets from multiple orders as required.

We have continuously optimized mechanisms for film and performance scenarios by establishing a "Green Care Channel", which provides a dedicated application channel for ticket refunds in exceptional situations such as audience members falling ill or the death of an immediate family member, further enhancing the warmth of our service and the customer experience.

During the Reporting Period, Damai continuously enhanced its customer service capabilities and processing efficiency. The AI customer service system drove a 16% improvement in overall service efficiency. Despite a year-on-year increase in business order volume, the annual cumulative call answer rate for complaints remained at 98.55%, and the average handling time was reduced by 16%. The Company received a total of 195,616 customer complaints, with a complaint resolution rate of 100%. Customer satisfaction increased by 11% compared to the previous financial year.

Maizuo

As the Company's digital and intelligent ticketing management platform serving the entertainment industry, Maizuo focuses on the operational needs of event organizers and ticket agents. Drawing on over two decades of experience in ticketing system development and operations, it provides one-stop ticketing management services ranging from project creation, channel distribution and membership operations to on-site verification and business analysis. The platform continuously optimizes the operating experience for merchants, enhancing the flexibility and efficiency of ticketing management through features such as streamlined project configuration processes, graphical seating management and ticket template settings. At the same time, Maizuo integrates diverse traffic channels including Douyin, WeChat and Alipay, and combines marketing methods such as short video POI tagging and live-stream product displays to drive the synergistic interaction between content dissemination, ticket sales and user services, thereby helping merchants improve operational efficiency and market reach.

Maizuo continuously refines its platform capabilities by launching an international version of its system with support for multiple languages and currencies, along with overseas deployment capabilities, further enhancing its ability to adapt to diverse market demands. The platform adopts a responsive web architecture and utilizes a unified technology middle platform to ensure compatibility across different devices, effectively reducing operational costs while enhancing the user experience. Concurrently, featuring a modular architecture, Maizuo offers page customization capabilities and leverages technology such as a mini-program factory to significantly improve the development and delivery efficiency of merchant-specific mini-programs, shortening the average launch cycle to three working days, thereby further enhancing the flexibility and convenience of platform operations.

As of the end of this financial year, the Maizuo system served over 2,000 domestic performance merchants, as it continuously expanded its international service capabilities to provide the global live performance industry with standardized and customized digital solutions of flexibility and efficiency. Meanwhile, the platform's service performance has continued to improve. In terms of total ticket sales, relevant indicators rose by 2.91 percentage points year-on-year to reach 97.43%; from a project perspective, relevant indicators increased by 1.24 percentage points year-on-year to reach 97.75%, further demonstrating Maizuo's stability and professional capabilities in ticketing management and project services.

Beacon

Beacon is the Company's smart promotion, distribution, and data platform dedicated to the entertainment industry. It continuously leverages big data and AI capabilities to support the marketing of film, television and live performance content. Focusing on customer service management, the platform conducts daily operations in accordance with the *SOP for Beacon Customer Services*, continuously collecting, sorting out and evaluating customer feedback. Through regular follow-ups and online surveys, it generates user interview reports to drive the continuous optimization of products and services. Additionally, Beacon assigns dedicated service personnel to corporate customers and establishes a regular communication mechanism to ensure that client requests are addressed within 24 hours.

Beacon continuously conducts market analysis prior to film releases. By integrating popularity data from major platforms such as Douyin and Weibo alongside box office trends, and factoring in film genre, release schedule, and competitive landscape, we provide clients with analytical support including box office forecasts, daily box office estimates during the presale period, and screening schedule projections, helping project teams develop more scientifically sound promotion and distribution strategies. During the Reporting Period, Beacon further upgraded its "Beacon AI" product by integrating the Qwen large language model, continuously enhanced its public opinion analysis capability. This improved real-time monitoring and analysis of both positive and negative film reviews across the internet, helping project teams identify market feedback more quickly and adjust their reputation management strategies in a timely manner.

As at the end of the Reporting Period, Beacon had provided services for a cumulative total of 1,326 film and drama series projects, with cumulative box office takings for these projects reaching RMB165.3 billion, maintaining its leading position in the industry. Meanwhile, leveraging data from the Damai platform, Beacon jointly released research findings on "Concert and Tour Box Office Dynamics", establishing a multi-dimensional forecasting model based on indicators such as wish counts, interest multipliers, and sold-out registrations. This model conducts scientific analyses of potential audience size, sell-out probabilities and additional show potential, further providing data support for tour scheduling and venue ticketing strategy optimization, thereby enhancing decision-making efficiency and operational precision for the live performance industry.

Yunzhi

Yunzhi is the Company's open platform focused on the digital operation of cinemas. It continuously provides cinemas with technical support and product services through smart solutions. During the Reporting Period, the platform further increased its R&D investment, concentrating on product capability upgrades and system integration optimization to drive the continuous improvement of cinemas' digital and intelligent transformation and refined operational management.

Yunzhi has launched three new product lines, further improving the closed-loop cinema service ecosystem covering marketing, data, and cashier management. Among these, Yunzhi mini program 2.0 focuses on traffic operations and private domains building. While deepening the membership systems and interactive scenarios, it assists cinemas in expanding their business scenarios and retaining highly loyal users, thereby continuously improving operational efficiency. The data operations middle platform integrates Beacon data, public and private domain resources, and Alibaba Cloud's computing power to provide more intuitive and smart data support for cinema finance, operations, and marketing roles. The smart POS system further enhances cross-platform compatibility, supporting multi-device access via PC, mobile, and tablet interfaces, while strengthening offline processing and local network data sharing to improve cashier efficiency and business continuity. The newly introduced Yunzhi AI Operations Assistant and Data Operations Hub help cinemas better leverage innovative technologies to enhance operational performance.

As at the end of the Reporting Period, Yunzhi had covered over 5,400 cinemas nationwide, continuously empowering cinemas to upgrade and achieve efficient management and quality development through its smart tools and product portfolio.

Cloud Production

Cloud Production is a proprietary, full-process digital management platform developed by the Company, dedicated to promoting the deep integration of film crew content production management with advanced digital technologies to continuously elevate the level of film and television industrialization. The platform covers key stages including financial management, shooting material management, online viewing, and post-production, spanning the entire project shooting and production workflow.

During the Reporting Period, Cloud Production continued to upgrade its production workflow collaboration and technical support capabilities. While optimizing its service system, it continuously improved its supporting hardware and software capabilities. By facilitating the seamless flow of data between on-set and post-production stages, the platform has further enhanced the efficiency of material processing and editing collaboration. Leveraging modules such as "CloudTake", Cloud Production has implemented pre-editing and metadata interoperability applications in many pilot projects, resulting in a 8% efficiency increase during shooting period and a 50% reduction in editing and production cost, further improving the efficiency in production schedules and resource allocation for film and TV projects.

As at the end of the Reporting Period, Cloud Production had served nearly 155 production crews, continuously providing them with customized process management and risk control support and enabling the film and television content production to achieve continuous improvement in terms of professionalization, digitalization and scalability.

4 JOINT EFFORTS IN PROTECTING THE ECOLOGICAL ENVIRONMENT

Damai Entertainment actively fulfills its social responsibilities and has established a fair and equitable supplier management system, promoting collaboration and shared growth with its partners. In an effort to actively honor our commitment to green and low-carbon pledge, we engage in community public welfare activities, sincerely giving back to society and contributing to the sustainable development of both industry and society.

4.1 SUPPLIER MANAGEMENT

Damai Entertainment strictly complies with the *Supplier Management Guidelines of Hujing Digital Media & Entertainment*, the *Tendering and Bidding Rules of Hujing Digital Media & Entertainment*, the *Supplier Admission Rules and Procedures of Hujing Digital Media & Entertainment,* and other general management rules at the Group level. We actively integrate ESG principles into our operations to build a comprehensive supplier management system. Through standardized management processes and evaluation mechanisms, we effectively implement a "supplier management" accountability mechanism. While strengthening supplier risk control, we actively empower our partners to create a safe, transparent and sustainable supply chain.

End-to-end Supplier Management

Damai Entertainment is committed to establishing a standardized supplier management system, continuously improving supplier management mechanisms, and implementing full lifecycle management from admission to termination. It standardizes supplier management criteria and processes to ensure the standardization and compliance of supply chain operations. During the Reporting Period, we conducted a review of all suppliers regarding employment practices, and all suppliers met the Company's management requirements, achieving a compliance rate of 100%.

Table: End-to-end supplier management

Admission Management	• Suppliers are required to complete information submission via the procurement portal to determine the nature of suppliers and verify basic details, ensuring the accuracy and completeness of supplier information; • Following the submission of information, all suppliers must undergo a qualification review, focusing on their years in operation and scale, bank account opening permit, valid certification agreements, and records of administrative penalties. Only suppliers who pass the review may be added to the system; • For medium– and high-risk suppliers, the root causes of the risks must be identified to ensure that risk mitigation measures are effectively implemented. A risk description must be recorded in the system, and a risk report must be submitted where necessary.
Evaluation and Appraisal	• Conduct comprehensive supplier evaluations through dynamic assessments, periodic reviews and annual comprehensive evaluations, covering multiple dimensions including technology, quality, responsiveness, delivery, cost and ESG management. The results of these evaluations are incorporated into the supplier overall rating system and displayed on the procurement platform; • A hierarchical supplier management system is implemented to identify and select strategic suppliers, based on supplier evaluation results, ensuring a thorough understanding of the supplier status; • Regular performance reviews are conducted with suppliers whose evaluation results fall significantly short of standards, and rectification plans are formulated. Suppliers who fail to meet standards in multiple consecutive evaluations will be subject to penalties.
Penalties and Termination	• For suppliers who violate integrity and compliance requirements, cause negative impacts on the Company, or result in direct financial losses, their breaches and violations will be categorized by severity, and corresponding penalties such as account suspension, termination, or blacklisting will be imposed; • Based on ratings, assessments and the outcomes of penalties for breaches, suppliers failing to meet compliance and operational requirements will be promptly removed.

During the Reporting Period, we revised the *Rules for Using Internal Pricing Procurement Channel of Hujing Digital Media & Entertainment Group* 《虎鯨文娛集團關於[我方定價]採購通道的使用流程規則》, clarifying the principles, applicable scenarios and management requirements for the use of our pricing. We strictly limited this to four standardized scenarios: translation, promotion materials, PCDN[8], and travel and hospitality. For certain categories characterised by high frequency, low risk and transparent cost structures, we optimized the pricing mechanism through our pricing approach to avoid situations where bids are awarded at excessively low or high prices due to excessive competition.

Based on business needs, the Company classifies suppliers into categories such as media, marketing, software, exhibitions, and physical goods. As at the end of the Reporting Period, Damai Entertainment had a total of 300 suppliers, including 294 in mainland China and 6 in Hong Kong, Macau, Taiwan, and overseas regions.

Supplier Risk Management

The Company strictly complies with the *Rules and Recommendations for Supplier Risk Management of Hujing Digital Media & Entertainment Group* 《虎鯨文娛集團供應商風險處置規則及建議》, and leverages the technical strengths of the FireEye system and the e-Procurement platform to continuously enhance supply chain risk management capabilities. During the Reporting Period, we identified a total of 48 key risks across six major categories: compliance and regulatory risk, integrity risk, fundamental operation risk, operational and financial risk, anti-fraud and corruption risk, and internal risk. These were classified into three risk levels, namely medium risk, high risk and prohibited cooperation, based on their severity, and corresponding remedial measures were implemented. Among these, we identified five ESG-related risks, including environmental blacklisting, major safety incidents, wage arrears, labour protection penalties and public health and safety penalties. We recommended against engaging with suppliers exhibiting these potential risk factors; where engagement was unavoidable, we required such suppliers to provide clarifications, performance guarantees and improvement plans regarding the risk matters to ensure compliance with supply chain requirements.

To address potential risks arising from changes in project requirements and non-compliance in tendering projects, during the Reporting Period, the Company revised the *Rules for* the *Process of Canceling Procurement Tender of Hujing Digital Media & Entertainment Group* 《虎鯨文娛集團採購招標作廢流程規則》, clarifying the scope of application for tender cancellation, the hierarchical approval mechanism, the protection of supplier rights, and the closed-loop risk management mechanism, thereby fully safeguarding the legitimate rights and interests of both the Company and its suppliers.

Table: Risk Management Mechanism for Procurement Tenders

Key Factors	Management Measures
Scope of Application for Tender Cancellation	• Five types of compliant grounds for cancellation are systematically categorized, including changes in requirements, insufficient bidders, significant errors in tender documents, bid-rigging, and force majeure, to prevent "arbitrary cancellation" and ensure that every cancellation is supported by valid grounds.
Hierarchical Approval Mechanism	• Differentiated approval processes are established based on the reasons for cancellation and the stage of the tender process, with the roles and responsibilities of key stakeholders, including finance, legal, and CEO-DD, clearly defined to enable precise risk management.
Protection of Supplier Rights	• Upon cancellation of a project for which tender documents have been issued, all bidders are proactively notified, and tender deposits are refunded within five working days, thereby fully safeguarding the legitimate rights and interests of suppliers.
Closed-loop Risk Management	• Where procurement tenders are cancelled due to irregularities such as bid-rigging or breaches of confidentiality, mandatory intervention by the integrity and internal control departments is required; • For procurement tenders cancelled due to human error or dereliction of duty, it shall be incorporated into the employee disciplinary accountability system; • For projects cancelled for valid reasons, we will swiftly initiate a new tender or switch to an alternative procurement method to minimize operational delays.

8 Peer-to-Peer Content Delivery Network.

Supplier ESG Management

Damai Entertainment adheres to the principles of sustainable development and requires suppliers to strictly comply with the *ESG Code of Conduct for Suppliers of Alibaba*. We uphold the highest standards of business ethics and are committed to working with our supply chain partners to continuously improve their performance in areas such as environmental performance and social responsibility.

Table: ESG Code of Conduct for suppliers

ESG Issues	Code of Conduct
Environmental responsibility	• To integrate environmental protection and responsibility as core operational principles by developing, implementing, and maintaining environmentally responsible business practices; • To comply with environmental permits and requirements, and obtain and renew all relevant environmental certifications and documentation; • To prevent pollution and conserve resources by minimizing emissions of exhaust gases, wastewater and waste generation at source, and effectively managing greenhouse gas emissions; • To handle hazardous substances and waste safely.
Labor rights and benefits	• To uphold employees' human rights and ensure equal treatment for all employees, including full-time, temporary, outsourced, and dispatched workers; • To ensure voluntary employment and free choice of work, strictly prohibit forced labor and the employment of child labor, and prevent discrimination, harassment and inhumane treatment; • To require compliance with local laws regarding working hours and rest periods, and pay wages and benefits in accordance with legal provisions; • To provide effective channels for grievances and protect whistleblowers from retaliation.
Business ethics	• To strictly comply with anti-corruption laws and regulations in all operational aspects, uphold standards of business integrity, and prohibit any form of bribery, corruption, extortion, and embezzlement; • To uphold fair business practices, respect and protect intellectual property rights, and comply with privacy and data protection laws; • To establish violation investigation procedures, accurately document business activities, labor, health and safety, and environmental information, disclose relevant information in accordance with the law, and prohibit falsification or deception; • To require suppliers to sign documents such as the *ESG Code of Conduct for Suppliers of Alibaba,* the *Undertaking on Honesty and Integrity* and the *Non-Disclosure Agreement*, and conduct supply chain due diligence.
Health and safety	• To embed health and safety management into business operations to protect employees' physical and mental wellbeing, and to prevent, manage and report work-related injuries and illnesses; • To identify and assess occupational health and safety risks, implement corresponding management measures to minimize workplace hazards; • To develop and implement contingency plans and response procedures; • To provide health and safety information and training.
Management system	• To require the publication of statements and the fulfilment of social responsibility commitments; • To conduct risk assessments and management to identify and mitigate operational risks; • To conduct regular self-assessments, set performance targets and implementation plans; • To keep documents and records to ensure compliance.

The Company advocates green procurement practices and strictly complies with regulations such as the *Administrative Measures for* the *Prevention and Control of Environmental Pollution by Electronic Waste* and the *Administrative Measures on License Grant for Treatment Qualification for Waste Electrical Appliances and Electronic Products*. In procurement processes, we give priority to suppliers that are accredited with 3C certification (*China Compulsory Certification*) and RoHS environmental standards (*Restriction of Hazardous Substances*). During the Reporting Period, the Family Letters of Hujing Digital Media & Entertainment Group distributed to our partners featured a reusable packaging design, replacing single-use materials and contributing to the development of a sustainable supply chain.



Picture: Eco-friendly storage box for the Family Letters of Hujing Digital Media & Entertainment Group

The Company attaches great importance to fostering ESG management awareness and building capabilities among suppliers, and regularly conducts ESG training and awareness-raising activities for suppliers through offline training sessions, email communications and code of conduct examinations. During the Reporting Period, Damai Entertainment's Procurement Department independently organized specialized integrity training, thoroughly studying the Group's "Timely Exhortations to Virtue" case studies to reinforce risk warnings and supply chain integrity awareness. Meanwhile, all procurement staff at Hujing Digital Media & Entertainment achieved a 100% signing rate for the *Business Conduct Pledge for Procurement Personnel of Alibaba Group*, ensuring compliance standards, effectively preventing supply chain corruption risks, and fostering a clean and upright supply chain cooperation environment.

Case study **"Entertainment Together, Building Procurement Excellency (娛你同行, 共築精採)" supplier empowerment training**

To ensure the robust operation of the supply chain, we organized on-site supplier training sessions for Damai Entertainment's framework suppliers and newly registered suppliers within Hujing Digital Media & Entertainment Group. The sessions focused on topics such as standardized procurement processes, supplier management standards, ESG compliance requirements, and integrity and compliance management. The training deepened suppliers' understanding of the Company's systems and processes, reduced compliance risks, and promoted the sustainable development of the supply chain. During the Reporting Period, the training covered 31 suppliers with 48 participants.



Picture: Hujing Digital Media & Entertainment Group supplier training

4.2 SOCIAL CHARITY

Damai Entertainment actively fulfils its corporate social responsibilities, deeply integrating the philosophy of "engaging in charity through a commercial approach" into community charity activities. Leveraging our business strengths, we focus on multiple dimensions including charitable performances, environmental-friendly charitable projects, accessible cinema experiences and rural cultural revitalization, comprehensively promoting social equity and enhancing public welfare.

Public Welfare and Charity

Damai Entertainment conveys social warmth and cultural care through diverse initiatives, including supporting the formation of charity choirs, organizing eco-friendly activities at music festivals, and driving the implementation of accessible cinema projects. We bring cultural warmth and spiritual energy to children in remote areas and people with disabilities, working together to build a better social ecosystem. We actively explore the integration of technology and charity causes, utilizing AI technology to generate accessible content, helping visually and hearing-impaired individuals better enjoy cultural and entertainment works, and driving the development of information accessibility. During the Reporting Period, a total of 1,111 employees of the Company participated in our public welfare initiatives, contributing a cumulative total of 11,800 hours of volunteer service.

Case study **Damai Entertainment Organizes the "Aranya × Ai You Child Protection Project" Children's Charity Choir**

In August 2025, Damai Entertainment joined hands with the Ai You Foundation, under the warm support of Focus Media and the Beijing DiDi Charity Foundation, to invite Yi children from the Daliang Mountains and the Aranya Children's Choir to form the "Aranya × Ai You Child Protection Project" Children's Charity Choir during the 2025 Xiami Music & Arts Festival in Aranya (阿那亞•蝦米音樂節), performing alongside the band Woo Yeah. Setting off on August 23, the children travelled north along the route Yuexi → Chengdu → Beijing → Aranya, visiting the actual sites of Beijing National Stadium (Bird's Nest), the China National Aquatics Center (Water Cube) and the China Science and Technology Museum. Accompanied by professional musicians, the children made the leap from the mountains to the grand stage.



Picture: "Aranya × Ai You Child Protection Project" Children's Charity Choir

Case study **Damai Entertainment forges zero-carbon initiative in 2025 Xiami Music & Arts Festival in Aranya**

During the 2025 Xiami Music & Arts Festival in Aranya, Damai Entertainment deeply embraced green and low-carbon principles to create a fully carbon-neutral entertainment event. With the theme "Life is an Adventure", this year's festival implemented comprehensive environmental measures throughout its five-day run. A total of 200 waste sorting points were strategically placed across the venue to encourage audience members to adopt eco-friendly concert-going practices. Approximately 150,000 visitors actively participated in these environmental initiatives, resulting in the successful collection of over 100,000 plastic bottles on-site. Meanwhile, we partnered with Ant Forest to launch a zero-carbon support campaign, which saw a total of 1.2 million participants. This initiative is expected to offset 120 tonnes of carbon emissions, equivalent to planting 10,000 trees, effectively promoting resource recycling and waste reduction practices at large-scale events.



Picture: Eco-friendly initiatives at the 2025 Xiami Music & Arts Festival in Aranya

Case study **Damai Entertainment enables accessible cinema for people with disabilities**

During the Reporting Period, Damai Entertainment deepened its strategic partnership with Wanda Cinema, a leading domestic cinema chain, to drive the large-scale implementation of the "Wheelchair-friendly Hall" accessible cinema project. The project has now been rolled out across more than 300 cinemas in nearly 80 cities nationwide, with cumulative screenings exceeding 650,000. Addressing the pain points faced by wheelchair users, such as being unable to preview cinema access routes and seating layouts when booking online, and often being forced to sit in the front row, resulting in a poor viewing experience due to having to tilt their heads back, the Tao Piao Piao APP has innovatively launched a dedicated "Wheelchair-friendly Hall" labeling and precise location guidance features. It rigorously selects cinemas that meet accessibility standards, ensuring that wheelchairs can reach comfortable seats in the middle or rear rows, with adjacent aisles that are spacious and unobstructed. By providing clear digital information, this feature breaks down the barriers between online booking and the in-theatre experience, helping people with disabilities to truly enjoy barrier-free viewing at eye level.



Picture: Tao Piao Piao's "Wheelchair-friendly Hall"

Rural Revitalization

Damai Entertainment is committed to bridging the gap in public cultural services between urban and rural areas and supporting the revitalization of rural culture. The Company, in collaboration with Alibaba Foundation, has launched the "Tao Piao Piao Starlight (星光點點)" charity project. This initiative brings high-quality films to rural areas simultaneously with their theatrical releases in major cinemas. By donating screening equipment and film sources free of charge and utilizing existing hardware resources in county-level areas to establish "Starlight Cinemas", the project enhances the capacity for public film services in rural communities. At the same time, leveraging our business strengths, we have brought high-quality stage plays, children's theatre and traditional opera performances to county-level areas to create "Starlight Theatres". During the Reporting Period, the Company organized a total of 1,000 public screenings, donated 31 sets of screening equipment and provided film resources for 4,650 screenings, while also staging 10 public performances, enabling audiences in remote areas to share in high-quality cultural offerings.

Case study **"Tao Piao Piao Starlight (星光點點)" charity screening project**

The "Tao Piao Piao Starlight (星光點點)" charity screening project focuses on cultural inclusion, continuously driving the distribution of high-quality film and television resources to grassroots communities. During the Reporting Period, the project was implemented at over 480 screening venues across 18 provinces, municipalities and autonomous regions nationwide, with a cumulative total of 1,000 public screenings completed. In terms of content provision, the project precisely aligns with the cultural needs of rural communities, carefully selecting new films from key release schedules, including "Dongji Rescue (東極島)", "The Shadow's Edge (捕風追影)", and "Scare Out (驚蟄無聲)". Spanning genres including war, action and crime, the selection comprehensively caters to the viewing preferences of all age groups, benefiting over 100,000 rural residents and effectively enriching the spiritual and cultural life of grassroots communities.



Picture: Scene from a "Tao Piao Piao Starlight (星光點點)" charity screening

Case study **Donation of Screening Equipment to Create "Starlight Cinemas"**

Damai Entertainment focuses on enhancing the quality of grassroots cultural services. By leveraging existing local infrastructure and deploying film projection equipment, it has established "Starlight Cinemas" tailored to local conditions. During the Reporting Period, the Company conducted in-depth outreach to 12 counties with rural special envoys, including Ganzi and Zhangbei, deploying a total of 31 professional projection units and providing 4,650 screenings of high-quality films. This has effectively revitalized existing county-level facilities and precisely addressed the diverse cinematic needs of communities across different regions.



Picture: "Starlight Cinemas" project comes to Zhangbei

Community Partnerships

Damai Entertainment continuously deepens employee volunteerism and community co-construction initiatives, actively fostering an inclusive and benevolent social ecosystem. The Company regularly organizes activities, including voluntary blood donation, charity markets for surplus items, clothing and book donations, sign language classes, and training to assist the visually impaired, with a view to transforming employees' goodwill into tangible social support resources. In the meantime, we periodically collaborate with local authorities to organize charity film screenings, enriching cultural life at the grassroots level, and guiding employee volunteers to provide targeted services such as support for people with disabilities in the communities. Through regular, multi-faceted voluntary actions, we convey a sense of human warmth and effectively contribute to the development of harmonious communities.



Picture: Employee blood donation event

The Company actively puts the concept of "AI for Good" into practice, deepening the integration and innovation of technology and public welfare. By introducing AI technology to generate customized accessible content, we help visually and hearing-impaired individuals enjoy cultural and entertainment offerings on an equal footing, thereby effectively advancing the development of information accessibility. We plan and host charity concerts, creating an interactive platform where employees, local residents and people with disabilities can participate together. Using art as a medium, we convey social care and hope, and are committed to fostering an inclusive and harmonious community atmosphere.



Picture: Barrier-free Charity Concert

4.3 GREEN OPERATION

Damai Entertainment has deeply integrated environmentally friendly and sustainable principles into its corporate operations and development strategy, implementing environmental management measures in daily operations to minimize the environmental impact of its business activities. We actively respond to China's Dual Carbon Goals, follow Alibaba Group's overall carbon reduction roadmap, and steadily advance the formulation and implementation of our own carbon reduction targets, driving the transformation of the cultural and entertainment industry towards a lower-carbon and more sustainable future through concrete actions.

Responding to Climate Change

In terms of climate change governance, we adhere to a three-level governance structure comprising the Board, management and task forces in the Group, integrating climate change response into our ESG governance framework. At the strategic level, we identify and assess climate-related risks and opportunities, incorporating them into our business planning to enhance business resilience and capitalize on opportunities for transformation. In terms of risk management, we have established a comprehensive, closed-loop management system covering the entire process from identification, assessment to response. We regularly identify and analyze potential climate change risks, assess their likelihood and impact, and define key areas for management. Based on the assessment results, we formulate and implement targeted mitigation and adaptation measures.

Extreme weather events such as typhoons and torrential rain represent the primary physical climate risks to our film and television production operations. Such events may disrupt shooting schedules, prolong production cycles, and pose direct threats to the safety of on-site cast and crew, thereby driving up operational costs. Furthermore, our IP merchandizing business faces the risk of supply chain disruptions caused by extreme weather, which in turn affects inventory stability and sales schedules. To address these risks, we have established a control mechanism encompassing weather monitoring, early warning responses and emergency management. By providing property and personal accident insurance for all production crew members, we minimize potential losses and ensure business continuity and personnel safety. In terms of seizing opportunities for transformation, we are actively promoting the application of digital and intelligent technologies across our operations. By introducing innovative technologies such as AI-powered virtual filming and cloud-based collaborative production, we have effectively reduced resource consumption and carbon emissions in traditional film and television production, driving a green upgrade of production processes. At the same time, we are continuously expanding our digital marketing and distribution system and promoting paperless services such as e-ticketing. While reducing the environmental impact of our operations, we are exploring more efficient and sustainable business models to open up new avenues for growth for the Company.

Damai Entertainment actively adheres to Alibaba Group's commitment to carbon neutrality and carbon reduction, and has established carbon emission targets for Damai Entertainment as follows:

Alibaba Group's commitment to carbon neutralization and carbon reduction

Achieve **carbon neutrality** in its own operations by 2030 (Scopes 1 and 2);

Achieve **50%** reduction in carbon intensity by 2030, using 2020 levels as the baseline, through collaboration with upstream and downstream value chain partners (Scope 3);

Encourage a wider range of social participation by supporting consumers and enterprises, and drive a cumulative ecosystem-wide emission reduction of **1.5** gigatons in 15 years by 2035 (Scope 3+).

Damai Entertainment's carbon emission targets

Carbon emission targets are allocated based on the overall Scope 1 and Scope 2 data, with carbon volumes apportioned in proportion to Damai Entertainment's employee headcount ratio.

Green Office

We strictly comply with laws and regulations including the *Environmental Protection Law of the People's Republic of China*, the *Energy Conservation Law of the People's Republic of China*, and the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*. In accordance with the *Alibaba Group Environmental Policy*, the *Alibaba Group ESG-Related Targets and Indicators Management System*, and the *Alibaba Group Carbon Emission Compliance Management System*, as well as other internal rules and regulations, we explore and implement environmentally friendly working practices throughout our entire operational process, promoting the harmonious development of corporate operations and the ecological environment.

Due to the nature of the Company's business, our operations do not involve activities that cause significant environmental or natural resource impacts, such as exhaust gases emissions, wastewater discharge, generation of hazardous or non-hazardous waste, or use of finished product packaging materials, or raw material consumption. During the Reporting Period, the Company did not record any environmental violations.

We cooperate with the Group's initiative to build "waste-free parks", some of the parks where Damai Entertainment is located have obtained "waste-free parks" evaluation and certification. During the financial year, Beijing Chaoyang Science and Technology Park, a facility where Damai Entertainment is located, utilized biological fermentation treatment technology to convert food waste into organic fertilizer, thereby achieving resource recycling.

We integrate green operational principles into the energy management of our facilities, continuously optimizing our energy structure and increasing the proportion of renewable energy usage such as green electricity and distributed solar power. During this financial year, the total installed capacity of distributed solar power in the facilities where Damai Entertainment is located further increased to 1,630.13 kW. In terms of smart energy management, we cooperate with the Group to advance the deployment and application of the "Equipment Brain (設備大腦)" system to enhance the precision of energy consumption management.

Damai's water-saving targets for 2025

By 2025, water consumption per unit at our owned parks was reduced by **15%** compared to 2021. Status: Achieved.

The Company is committed to the continuous enhancement of operational efficiency and the reduction of water consumption. Our goal is to maintain water usage at the minimum level already achieved in 2025, and we will continue to review and refine our own water-saving targets.

Due to the nature of operations, water consumption of the Company during the Reporting Period was minimal. Water supply facilities are provided and managed by property managers on the Company's rented premises, and as such the Company had no issue in sourcing water that is fit for purpose during the Reporting Period.

We implement a range of green office initiatives to promote eco-friendly working practices and support sustainable operations. We have rolled out smart lighting systems and energy-saving modes for equipment across our facilities, while enabling staff to independently adjust desk lighting and air conditioning temperatures via their mobile devices. In terms of paperless operations, we have fully implemented online meeting bookings, collaborative tools and smart equipment management, with double-sided printing set as the default. Additionally, we set a site for small post office carton box collection and stationery sharing corners to facilitate reuse of paper and office supplies. In terms of environmental advocacy, we continue to organize initiatives such as low carbon campaigns and the "Clean Your Plate (有心光盤)", encouraging employees to turn off lights when not in use, reduce the use of single-use items, finish their meals, and adopt low-carbon commuting methods. We also use a points-based incentive system to promote low-carbon business travel. In addition, the Company has launched interactive activities like "Carbon Reduction for Rewards (減碳兑換好物)", integrating environmental protection into daily life and enhancing employee engagement.

Table: Energy Consumption and Greenhouse Gas Emission of Damai Entertainment during the Reporting Period[9]

Indicator	Unit	Data during the Reporting Period
Fuel gas consumption	m^3	250,571.77
Fire extinguisher consumption	kg	1,474.03
Refrigerant consumption	kg	3,755.97
Purchased power	MWh	1,848.50
Comprehensive energy consumption	tce	530.87
Comprehensive energy consumption per capita	tce/person	0.27
Total greenhouse gas emissions	tCO_2e	2,771.10
Total greenhouse gas emissions (Scope 1)	tCO_2e	1,790.26
Total greenhouse gas emissions (Scope 2)	tCO_2e	980.81
Density of CO_2 emissions per capita	tCO_2e/person	1.43
Water consumption	tons	29,693.11
Density of water consumption per capita	tons/person	15.30

Notes:
1. The Group leases work stations in Alibaba Group's parks in Beijing, Hangzhou, Shanghai, and other cities in the People's Republic of China, and shares the energy and water facilities installed in the public areas of the office buildings in the parks with other Alibaba Group employees.
2. The energy and resource consumption figures are all taken from Alibaba Group's Carbon Wind system and are calculated based on the proportion of workstations.
3. The comprehensive energy consumption and greenhouse gas emissions data are calculated in accordance with the General Rules for Calculation of Comprehensive Energy Consumption (GB2589-2020) and the corresponding conversion coefficients in the Guidelines for the Calculation and Reporting of Greenhouse Gas Emissions from Enterprises in 24 Industries.
4. The grid emission factor is taken from the Announcement on the Release of the 2023 Power Carbon Dioxide Emission Factor issued by the Ministry of Ecology and Environment and the National Bureau of Statistics of the People's Republic of China, which is 0.5306 kgCO2e/KWh.

9 During the Reporting Period, the Company's data collection system related to Scope 3 (covering the supply chain upstream and downstream, as well as the entire product life cycle) was not yet fully established, and thus it was unable to obtain complete and reliable quantitative data. Based on the exemption provisions of the relevant disclosure guidelines, the Scope 3 greenhouse gas emission data will not be disclosed for the time being.

ESG INDEX

Environmental, Social and Governance Aspects, General Disclosures and Key Performance Indicators (KPIs)			Sections
Environmental			
A1: Emissions	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	4.3 Green Operation
	A1.1	The types of emissions and respective emissions data.	4.3 Green Operation
	A1.3	Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	4.3 Green Operation
	A1.4	Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	4.3 Green Operation
	A1.5	Description of emission target(s) set and steps taken to achieve them.	4.3 Green Operation
	A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	4.3 Green Operation
A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	4.3 Green Operation
	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	4.3 Green Operation
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	4.3 Green Operation
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	4.3 Green Operation
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	4.3 Green Operation
	A2.5	Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced.	4.3 Green Operation
A3: Environmental and Natural Resources	General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	4.3 Green Operation
	A3.1	Description of the significant impact of activities on the environment and natural resources and the actions taken to manage them.	4.3 Green Operation

Environmental, Social and Governance Aspects, General Disclosures and Key Performance Indicators (KPIs)			Sections
Social			
B1: Employment	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	2.1 Employment Management 2.2 Employee Care
	B1.1	Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.	2.1 Employment Management
	B1.2	Employee turnover rate by gender, age group and geographical region.	2.1 Employment Management
B2: Health and Safety	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	2.2 Employee Care
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	2.2 Employee Care
	B2.2	Lost days due to work injury.	2.2 Employee Care
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	2.2 Employee Care
B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	2.3 Training and Development
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	2.3 Training and Development
	B3.2	The average training hours completed per employee by gender and employee category.	2.3 Training and Development

Environmental, Social and Governance Aspects, General Disclosures and Key Performance Indicators (KPIs)			Sections
Social			
B4: Labor Standards	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	2.1 Employment Management
	B4.1	Description of measures to review employment practices to avoid child and forced labor.	2.1 Employment Management
	B4.2	Description of steps taken to eliminate such practices when discovered.	2.1 Employment Management
B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	4.1 Supplier Management
	B5.1	Number of suppliers by geographical region.	4.1 Supplier Management
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	4.1 Supplier Management
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	4.1 Supplier Management
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	4.1 Supplier Management
B6: Product responsibility	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress.	3.2 Content Governance and Advertisement Compliance 1.4 Data Security and Privacy Protection
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	3.2 Content Governance and Advertisement Compliance
	B6.2	Number of products and service-related complaints received and how they are dealt with.	3.4 Customer Service
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	3.3 Protection of Intellectual Property Rights and Copyright
	B6.4	Description of quality assurance process and recall procedures.	3.2 Content Governance and Advertisement Compliance
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	1.4 Data Security and Privacy Protection

Environmental, Social and Governance Aspects, General Disclosures and Key Performance Indicators (KPIs)			Sections
Social			
B7: Anticorruption	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering	1.3 Integrity Building
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	1.3 Integrity Building
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	1.3 Integrity Building
	B7.3	Description of anti-corruption training provided to directors and staff.	1.3 Integrity Building
B8: Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	4.2 Social Charity
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	4.2 Social Charity
	B8.2	Resources contributed (e.g. money or time) to the focus area.	4.2 Social Charity

Climate-related Disclosures

Climate-related Disclosures	Governance	Governance	4.3 Green Operation
	Strategy	Climate-related risks and opportunities	4.3 Green Operation [10]
		Business model and value chain	4.3 Green Operation [11]
		Strategy and decision-making	4.3 Green Operation [12]
		Financial position, financial performance and cash flows	Not yet disclosed [13]
		Climate resilience	4.3 Green Operation [14]

10 The Company has not yet established uniform criteria for classifying time horizons as short-term, medium-term, or long-term; therefore, it is currently unable to reasonably anticipate climate-related risks and opportunities that could affect the Company's cash flows, finance or cost of capital over the short, medium, or long term.

11 Due to data disclosure restrictions imposed by upstream and downstream suppliers and partners, the Company is currently unable to obtain complete climate-related information across the entire value chain, making it difficult to comprehensively assess the current and anticipated impacts of climate-related risks and opportunities on its business model and the entire value chain.

12 The Company has not yet established a standardized climate-related transition plan or a system of quantifiable assumptions. During the Reporting Period, we disclosed information regarding the green transformation of our existing businesses, carbon reduction measures, and carbon targets.

13 Due to the nature of the industry, the Company is relatively less affected by climate-related risks. Moreover, as the industry has yet to establish a unified and mature quantitative model for climate impact, the Company is unable to obtain reasonable and well-supported quantitative data without incurring unnecessary costs or excessive effort. Relevant estimates are subject to significant uncertainty. Accordingly, the Company has not yet disclosed its financial position, and its financial performance is instead presented through cash flow indicators.

14 The Company has not yet conducted climate scenario analysis; therefore, it is not yet possible to comprehensively assess the resilience of the Company's strategies and business models to climate-related changes, developments, or uncertainties.

Climate-related Disclosures		Financial effects of climate-related risks and opportunities	Not yet disclosed [15]
	Risk Management	Risk Management	4.3 Green Operation [16]
	Metrics and Targets	Greenhouse gas emissions	4.3 Green Operation [17]
		Climate-related transition risks	4.3 Green Operation [18]
		Climate-related physical risks	4.3 Green Operation [19]
		Climate-related opportunities	4.3 Green Operation [20]

15 Due to the nature of the industry, the Company is relatively less affected by climate-related risks. Moreover, as the industry has yet to establish a unified and mature quantitative model for climate impact, the Company is unable to obtain reasonable and well-supported quantitative data without incurring unnecessary costs or excessive effort. Relevant estimates are subject to significant uncertainty. Accordingly, the Company has not yet disclosed the financial effect of climate-related risks and opportunities.

16 Due to technical limitations, the Company has not yet established processes for identifying, assessing, prioritizing, and monitoring climate-related risks and opportunities, nor has it formulated relevant risk management policies.

17 During the Reporting Period, the Company's data collection system for Scope 3 emissions – covering upstream and downstream supply chain activities and the full product lifecycle – was not yet fully developed, making it impossible to obtain complete and reliable quantitative data. In accordance with the exemption provisions in the relevant disclosure guidelines, the Company has not yet disclosed Scope 3 greenhouse gas emissions data.

18 The Company currently does not have complete or mature data and is therefore unable to quantify the amount or percentage of assets or business activities that are susceptible to climate-related transition risks.

19 The Company currently does not have complete or mature data and is therefore unable to quantify the amount or percentage of assets or business activities that are susceptible to climate-related physical risks.

20 The Company currently does not have complete or mature data and is therefore unable to quantify the amount or percentage of assets or business activities that are susceptible to climate-related opportunities.

Climate-related Disclosures		Capital deployment	Not yet disclosed [21]
		Internal carbon prices	Not yet disclosed [22]
		Remuneration	Not yet disclosed [23]
		Industry-based metrics	4.3 Green Operation
		Climate-related targets	4.3 Green Operation
		Applicability of cross-industry metrics and industry-based metrics	Not Applicable

21 Due to the nature of the industry, the Company is relatively less affected by climate-related risks. Moreover, as the industry has not yet established a unified and mature quantitative model for climate impact, the Company is unable to obtain reasonable and well-supported quantitative data without incurring unnecessary costs or excessive effort. Relevant estimates are subject to significant uncertainty. Therefore, the Company has not yet disclosed the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.

22 The Company has not yet implemented internal carbon pricing.

23 The Company has not yet linked climate-related factors to the remuneration policy.

FEEDBACK FORM

Dear Reader,

Greetings!

Thank you for reading this report. We sincerely welcome any opinions and suggestions you may offer on the report, so that we can keep improving our abilities and standards for ESG practices!

Please answer the questions as follows by marking "✓"

1. In relation to Damai Entertainment, which of the following applies to you?

   ☐Government ☐Investors ☐Employees ☐Customers

   ☐Suppliers/contractors ☐Partners ☐Industry peers

   ☐Community and the public ☐Media ☐Non-governmental organizations ☐Others (please specify)

2. How would you rate the overall ESG performance of Damai Entertainment?

   ☐Excellent ☐Good ☐Average ☐Poor

3. What's your overall rating for the report?

   ☐Excellent ☐Good ☐Average ☐Poor

4. How would you rate the quality of ESG information disclosed in the report?

   ☐Excellent ☐Good ☐Average ☐Poor

5. How would you rate the structure of the report?

   ☐Highly reasonable ☐Relatively reasonable ☐Average ☐Less than reasonable

6. How would you rate the layout and presentation of the report?

   ☐Excellent ☐Good ☐Average ☐Poor

7. What are your expectations regarding Damai Entertainment's ESG effort?

   _____