



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)

Stock Code: 1060



2024/25

ENVIRONMENTAL, SOCIAL AND  
GOVERNANCE REPORT

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## ABOUT THIS REPORT

### BRIEF INTRODUCTION TO THE REPORT

This is the 2024/25 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 (formerly Alibaba Pictures Group Limited), a Bermuda-registered limited liability company 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, 2025 as listed in its annual report. The reporting period spans from April 1, 2024 to March 31, 2025 (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 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 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 HKEXnews operated by Hong Kong Exchanges and Clearing Limited: <https://www.hkexnews.hk>



## ABOUT DAMAI ENTERTAINMENT

Damai Entertainment, formerly known as Alibaba Pictures, is a technology-driven reality entertainment company. It boasts a diverse ecosystem spanning film production, live performances, IP commercialization, TV series, artist management, and ticketing platforms. Guided by its mission to “create high-quality, real-life entertainment that brings joy to everyone,” the Group places premium content at the core of its growth engine, with “entertainment” and “AI” serving as its dual key strategies. Damai Entertainment is dedicated to delivering extraordinary real-life entertainment experiences for its users, encompassing live, interactive, and immersive formats. Its newly launched Damai client end connects the broadest base of “real-life” entertainment consumers through a superior ticketing experience and robust content discovery capabilities. Since 2014, the Group has produced and presented a diverse range of entertainment content for billions of people, including over 300 films, more than 2.4 million performances, and over 400 hours of drama series.

### Film technology and investment, production, promotion and distribution platform

The film technology and investment, production, promotion and distribution business has become a key business in the growth period as the Company strengthens its market presence. This segment encompasses film ticketing; film investment, production, promotion and distribution; as well as technology business. Despite industry-wide challenges such as declining box office revenues and lower theater attendance, the Company has enhanced its content production capabilities by launching studio programs for producers, directors and screenwriters, while reducing costs through technological innovations. This approach lays the foundation for the recovery of the film industry.

#### *Film ticketing business*

Film ticketing, being Tao Piao Piao and Yunzhi, forms an integral part of the business segment and serves as essential infrastructure for the film industry. Both platforms provide online systems and services that enable ticket purchasing and issuance for cinemas and cinemagoers. Tao Piao Piao, a widely recognized ticketing platform among audiences, launched the Taomai VIP membership system in collaboration with Damai during the Reporting Period. As the industry’s first tiered membership system connecting the dual consumption scenarios of film viewing and live performance, it offers a wide range of member privileges, such as “buy 1 get 1 free” deals, priority access to live performance tickets, invitations to star-studded events, and e-ticket collection, all of which have been well received by users. Yunzhi, an industry-leading ticket-issuing system for cinemas, continues to rank first nationwide in terms of both the number of ticket-issuing cinemas and the total number of tickets issued. Yunzhi has also entered into cooperation agreements with cinemas in Hong Kong and other countries in Southeast Asia, as part of a proactive drive to expand its domestic and overseas presence.

**Film investment, production, promotion and distribution**

The film investment, production, promotion and distribution business is a key focus of the Company in the offline entertainment content market. In recent years, the Company has aimed to control investment risks and secure baseline returns by focusing on proactively enhancing its co-production and in-house production capabilities, adopting visual effects technologies such as virtual production, and investing in top-tier projects with relatively high profit certainty. During the Reporting Period, the Company released a range of major film projects, including *"Successor (抓娃娃)"*, *"A Place Called Silence (默殺)"*, *"Creation of the Gods II: Demon Force (封神第二部：戰火西岐)"*, *"The Boy and the Heron (你想活出怎樣的人生)"*, *"Big World (小小的我)"*, *"Her Story (好東西)"*, *"Formed Police Unit (維和防暴隊)"*, *"Moments We Shared (雲邊有個小賣部)"*, and *"The Sinking of the Lisbon Maru (里斯本丸沉沒)"*.

To improve its film production and development capabilities, the Company has launched partnerships with producers, directors and screenwriters, aimed at increasing the production of high-quality film content for the industry. To date, several projects have either moved into pre-production or begun filming. Additionally, the Company has launched the "HINA International Young Director Program (海納國際青年導演發展計劃)", inviting Mr. Zhang Yimou, Mr. Huang Jianxin and Mr. Bill Kong to serve as main mentors. The program is dedicated to nurturing young directors through a series of activities, including masterclasses, short film screenings, roundtable discussions, and on-set practices. The Company has established the "HINA Scholarship" at Hong Kong Baptist University, with a view to continuously promoting the ecological development of film and television talent cultivation and project collaboration.

**Technology business**

While continuing to increase its investments in innovative technologies, such as AI, digital human and virtual production, the Company has pursued solutions for the standardization, streamlining and digitalization of film and television production processes. It has also promoted the application of new technologies in industrialized film and television production.

In terms of the digital humans business, Leah (厘里), the first digital human launched by Hujing Digital Media & Entertainment, not only embarked on its journey in the music industry as a virtual musician after signing a contract with 北京大麥文化傳播有限公司 (Beijing Damai Cultural Communication Co., Ltd.\*) but also served as the marketing ambassador for Tmall's sports and outdoor category during the "Double 11" shopping festival. Additionally, Leah appeared in *"I Am Nobody S2: Battle in Biyou Village (異人之下之決戰！碧游村)"*, an exclusive drama series on Youku. As at the end of the Reporting Period, the Company had introduced five new digital humans, achieving commercial monetization through endorsements and customized collaborations. Moreover, "Beacon AI (燈塔AI)", a data product designed to provide intelligent promotion and distribution services for the entertainment industry, now leverages its access to the Qwen Large Language Model to interpret and accurately answer a wide range of general questions about film releases and scheduling analysis. Beacon AI provides industry participants with timely, comprehensive, detailed and condensed summaries of public opinion, more informative box office forecasts, as well as additional support in film promotion, distribution, scheduling decisions, and other tasks.

## Damai

Damai is the Company's core business in the live entertainment market. Damai ticketing platform is an industry-leading entertainment ticketing platform. Meanwhile, Damai has achieved remarkable success in live entertainment investment and production, establishing itself as one of the top competitors in the live entertainment market.

### *Damai ticketing platform business*

As one of the Company's core businesses in the live event ticketing market, Damai maintained its leading position in the live event ticketing market. In the segment of on-site event services, Damai has served numerous top-tier concerts hosted by domestic and international artists, such as Jason Zhang, Jay Chou, Stefanie Sun, Ed Sheeran, and Imagine Dragons, and has established in-depth cooperation with multiple top-tier venues across Chinese Mainland, Hong Kong and Macau. This has made it the preferred ticketing platform for users. By providing ticketing support for major concerts in China, Damai has delivered rapid growth in gross merchandise value (GMV) for two consecutive years. During the Reporting Period, Damai delivered over 3,800 high-profile projects. These projects have ensured secure and stable event operations without incidents.

The Company continues to increase investment in core technology research and development, integrating computing power and upgrading cloud resources to enhance data processing capability and the functionality of its ticketing system. This ensures stable performance and seamless transactions under high-concurrency scenarios, even when large numbers of users are simultaneously scrambling for tickets, thereby reinforcing its leadership in ticketing services through a superior user experience. During the Reporting Period, over a thousand events saw peak concurrent ticket-buying users exceed 100,000 per second, marking a 63% growth compared to the year ended March 31, 2024.

Meanwhile, Damai has been proactively expanding into tourism-related entertainment performance and broadened its reach to include more overseas projects, allowing domestic users to conveniently purchase tickets for international concerts. By driving further product upgrades, Damai had successfully integrated a unified ticketing services platform for both film and live events, thereby covering a broader range of entertainment ticketing scenarios. This expansion aims to strengthen Damai's brand influence as the preferred platform for ticket purchases, establishing itself as a leading comprehensive ticketing services provider.

### Live entertainment content

In recent years, Damai business has continued to deepen its presence in the live entertainment content segment. High-quality performances and exquisite stage productions have brought an exceptional viewing experience to the audience. As at the end of the Reporting Period, Damai had established a total of six key performance content brands, including Xiami Music Entertainment, Mailive, “Dang Ran You Xi (當然有戲)” and “Ku Xiao Mai (酷小麥)”. The live entertainment content business has been involved in the investment and production of over 120 IPs, spanning a diverse range of categories, including concerts, musical festivals, dramas, exhibitions and talk shows. These projects include the 2024 Xiami Music & Arts Festival in Aranya (阿那亞蝦米音樂節); major concerts by artists such as Karen Mok, Roy Wang, and Rover Lu; theatrical productions such as “*The Summoning of Dunhuang* (受到召喚•敦煌)” and “*The Magic Hour* (魔幻時刻)”; as well as talk shows featuring Lan Hu and Xiao Lu. Damai has built widespread brand influence in the market.

### IP Merchandising

As a core segment, the IP merchandising business helps support the Company in expanding its presence within the entertainment industry. This segment primarily comprises the AliFish sub-licensing business, which acquires multiple premium IPs from upstream copyright holders and sublicenses them to downstream merchants; the joint operations of the Tmall pop toys category and IP-themed flagship e-commerce stores, and the “KOITAKE (錦鯉拿趣)” business, which integrates pop toys IP with various films, drama series and variety shows to develop and commercialize pop toys.

As a leading IP licensing management and commercialization platform in China, AliFish has partnered with hundreds of domestic and international quality IP licensors, as well as thousands of brands and channel merchants. AliFish boasts an IP matrix that spans a broad range of categories, including anime/manga, cultural heritage and innovation, film, television and variety shows, education, and sports. It has entered into contracts with numerous top-tier, globally-renowned IPs, such as Sanrio, Pokémon, Universal Studios, Crayon Shin-chan, and Chiikawa. With a focus on IP licensing, operation and commercialization, AliFish has developed a unique full-chain service model that encompasses IP material development and gallery design, supervision and approval processes, product supply to channels, and IP-centric integrated marketing. This model provides brand partners with comprehensive solutions for IP licensing and collaboration. Looking ahead, it will continue to strengthen its channels with a focus on e-commerce, leverage category operations to capture product trends, and incubate consumer-facing brands.



## ESG STATEMENT OF THE BOARD

Damai Entertainment upholds the principle of excellent governance, thoroughly integrating environmental, social, and governance (ESG) factors as a core driver of its operation and strategic development. By establishing a systematic and standardized ESG management framework, the Group continuously enhances governance efficiency while putting in place a routine communication mechanism. This approach enables it to precisely identify and manage key ESG risks and development opportunities, with an aim of comprehensively safeguarding the legitimate rights and interests of its diverse stakeholders, such as investors, customers, employees, suppliers, and business partners.

The board of directors (the “Board”) serves as the highest decision-making body for the Group’s ESG matters, playing a leading role in ESG strategic management. The Board regularly and rigorously reviews and makes decisions on the Group’s ESG strategies, target-setting, and material ESG risks. It also leverages a sound ESG governance system to supervise the overall progress of key ESG management undertakings and projects for the year. From strategic planning to project implementation, and through a strict supervision mechanism, the Board ensures that all efforts align with relevant ESG principles and targets. For details, please refer to the section headed “1.1 ESG Governance” in this report.

In line with the Group’s business strategy and with reference to industry best practices, the Group formulates specific targets and detailed plans in respect of important ESG issues. Throughout this process, the Board fully exercises its supervisory responsibility. It not only thoroughly reviews ESG targets and plans but has also, through the ESG Working Group, established a full-cycle supervision and assessment system to monitor their implementation. From target allocation and progress tracking to final performance evaluation, the Board ensures the effective achievement of ESG targets and drives high-quality development of the Group’s ESG efforts through continuous and rigorous oversight.

Damai Entertainment consistently regards stakeholder expectations as a critical guide for its ESG efforts. The Company maintains open, transparent, timely, and effective communication through diversified channels, while regularly collecting and thoroughly analyzing the expectations and requirements of all relevant parties. When managing ESG issues, the Group adopts a scientific approach to systematically identify and assess key issues and priorities, the results of which are fully disclosed in the sections headed “Stakeholder Engagement” and “Determination of Material Issues” in this report, following stringent Board review. During the Reporting Period, the Board focused on core areas such as business ethics and anti-corruption, data security and privacy protection, as well as talent diversity and development, driving the implementation of related initiatives through a stringent supervision mechanism. The Board also reviewed and approved the 2025/26 annual ESG work plan, providing clear direction for future efforts.

This report, which discloses in detail the progress of the ESG-related work undertaken by the Group during the period from April 1, 2024 to March 31, 2025, was reviewed and approved by the Board on May 19, 2025.

## STAKEHOLDER ENGAGEMENT

Damai Entertainment regards the voices of its stakeholders as a vital guide for corporate development. Leveraging diversified channels such as general meetings, routine feedback collection, and standardized information disclosure, Damai Entertainment has established a systematic and dynamic communication framework. Through two-way interactions and efficient feedback, Damai Entertainment works hand in hand with all parties to build consensus and jointly explore new pathways for sustainable development.

Stakeholders	Requirements and expectations	Communications and responses
Government/regulatory authorities	Compliance with laws and regulations Payment of tax Business ethics	Compliance management Visitor reception Supervision and inspection Regular and timely reporting
Investors	Financial results Business development Information disclosure Communication channels	Regular disclosure of financial and operational information General meetings Company website Investor relations mailbox
Customers	Provision of quality products and services Meeting customers' diversified needs Open feedback channels	Product marketing and promotion Customer visit Cooperation and communication
Employees	Protection of employee interests Career development Occupational health and safety Competitive remuneration and benefits Work and life balance	Internal briefings Employee training Sound remuneration and benefits system Employee feedback collection Satisfaction surveys
Audiences and users	Data and privacy protection User experience Product quality	Statement and agreement for privacy protection User feedback collection Social media interaction
Suppliers and business partners	Open and fair purchases Compliance with contracts Win-win cooperation	Public tenders Cooperation agreements Industry exchanges
Community	Engagement in community development Support for charity causes Energy management and carbon emission	Media Volunteer service Community communication

## DETERMINATION OF MATERIAL ISSUES

Damai Entertainment attaches great importance to the diverse interests of its stakeholders, regarding them as a core foundation for making decisions on material ESG issues. During the Reporting Period, the Company adhered to a scientific process of “identification - prioritization - validation” to systematically review and refine its material ESG issues framework and further specify the reporting boundary.

### Step 1: Identification

Undertaking a comprehensive review, integration, and update of our ESG topics based on the material topics identified in previous financial years, while taking into account changes in the Group’s core businesses during the Reporting Period, industry development trends, movements in media sentiment, and benchmarking against international reporting standards. This enables us to preliminarily establish a list of material topics, ensuring both comprehensive coverage and forward-looking relevance.

### Step 2: Prioritization

Conducting an in-depth analysis of the core concerns of various stakeholders; assessing and dynamically refining the priorities within the preliminary list in close alignment with the Company’s business development strategy; thereby developing a well-structured matrix of material issues.

### Step 3: Validation

Conducting a rigorous review and validation of the materiality matrix, precisely defining the reporting boundaries to ensure that ESG information disclosure both reflects the Group’s strategic priorities and effectively addresses its stakeholders’ core concerns.

During the Reporting Period, the matrix of material issues identified by the Company is as follows:

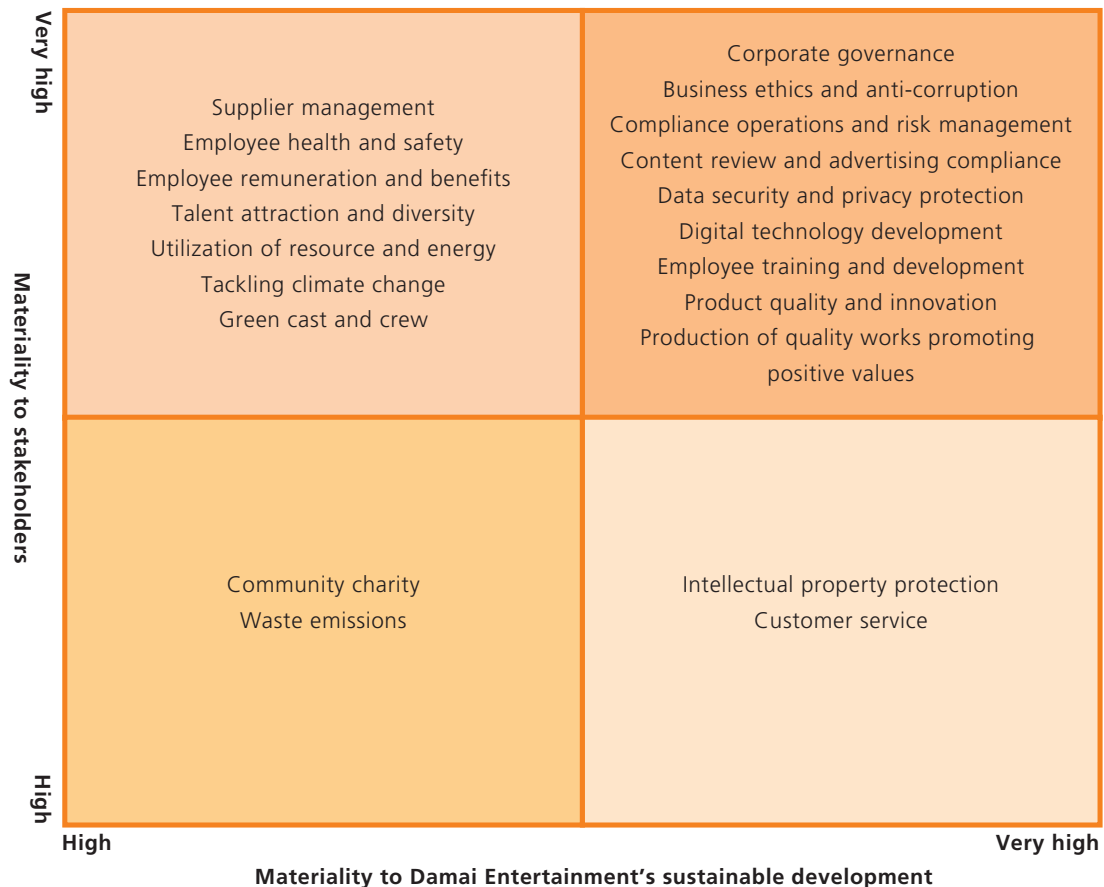


Chart: Damai Entertainment' matrix of material issues

# 1 RESPONSIBLE GOVERNANCE

Damai Entertainment attaches great importance to sustainable development management and is committed to integrating ESG concept into the Company's daily operations and strategic decision-making, with a view to continuously advancing its ESG governance system. To lay a solid foundation for long-term stable development, the Company continuously refines its ESG governance mechanisms, strengthens risk management and control in compliance with business ethics standards, while rigorously safeguarding data and privacy security.

## 1.1 ESG GOVERNANCE

To effectively enhance Damai Entertainment's ESG governance capabilities, the Company has established a top-down ESG governance system with clearly defined authorities and responsibilities in compliance with regulatory requirements. By continuously refining its ESG governance framework, the Company aims to ensure the systematized, standardized, and professional management of ESG matters.

Sitting at the highest level of the ESG governance framework, the Board is responsible for overseeing all ESG-related matters, reviewing and approving ESG strategies, targets, policies, risks, opportunities, material ESG issues, and regularly inspecting the progress towards achieving ESG targets. At the management level, the ESG Execution Team, consisting of the chief operating officer ("COO"), chief financial officer ("CFO") and general counsel ("GC"), is responsible for coordinating ESG efforts, identifying material ESG risks and opportunities, developing response mechanisms, operating under the Board's supervision, and regularly updating the Board on related efforts. At the execution level, the Company has established the ESG Working Group, which comprises ESG-related departments, tasking it with promoting, implementing and executing specific ESG efforts, while the Internal Audit Department supports cross-functional coordination. Each department regularly reports on the progress and outcomes of its ESG efforts within its respective business scope to the ESG Execution Team. In addition, the Company has conducted a comprehensive assessment of management's ESG performance, incorporating ESG-related indicators and performance into its executive performance appraisal system, to effectively advance the Company's sustainable development.

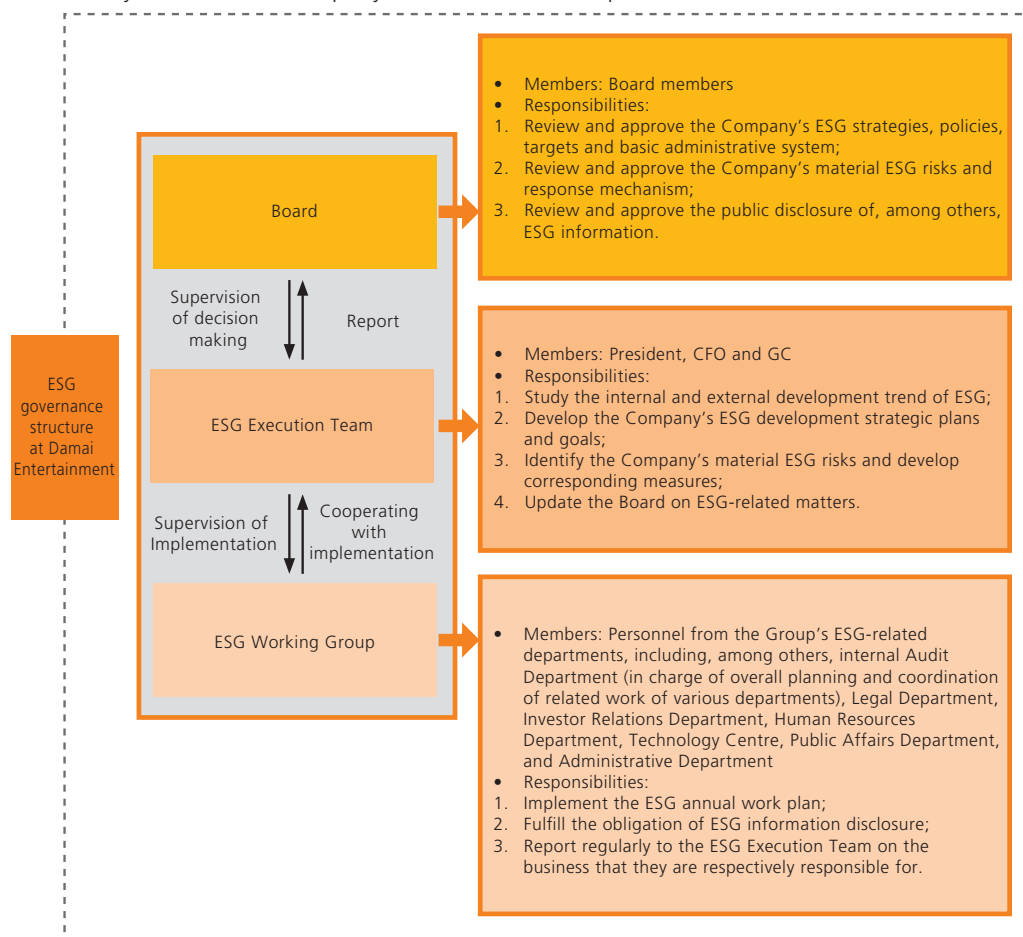


Chart: ESG governance structure at Damai Entertainment



The Company continues to advance its ESG framework development and drive sustainable development, achieving notable progress. In January 2025, Damai Entertainment's MSCI ESG rating was upgraded to AA, marking the third consecutive year of improvements and ranking it as the highest-rated company in Mainland China's media and entertainment industry as at the end of the Reporting Period. During the Reporting Period, Damai Entertainment's outstanding ESG performance earned it a place on the "Gelonghui 2025 Jinge Award – ESG Pioneer of the Year" by Gelonghui, making it the only film and television enterprise to receive this recognition. Additionally, the Company was named "ESG Pioneer of the Year" by *China Philanthropist*.

## 1.2 RISK CONTROL

Risk control serves as a vital safeguard for Damai Entertainment's stable and efficient operations. To effectively implement risk management, the Company has established a comprehensive, multi-layered risk control and management system and continuously optimizes its risk control framework. The Company strictly adheres to policies such as the *Internal Control Management System of Alibaba Group* and the *Internal Audit Management System of Damai Entertainment*. Through multiple initiatives such as improving institutional management mechanisms and regularly conducting risk compliance and audit and training, Damai Entertainment has significantly strengthened its capabilities in risk identification, assessment, and response while raising organization-wide awareness of risk prevention.

The Company has established a comprehensive risk management and internal control system with clearly defined divisions of authority and responsibility to ensure collaborative synergy. The system operates across multiple levels, including governance, management, and operations. As the foremost control and decision-making body, the Board assumes full responsibility for risk management. As a specialized committee under the Board, the audit committee of the Company (the "Audit Committee") oversees and reviews risk management practices, performing duties related to risk management and internal control. The Audit Committee is in charge of developing the risk management system, optimizing management policies, monitoring risks, as well as identifying, assessing, and addressing material risks. As the entity directly responsible for risk management and control, each department specifically implements its respective business line's risk management mechanism to ensure that risk control measures cover all operational links.

Damai Entertainment continuously optimizes its risk control framework by establishing the "three lines of defense" for risk management and control. Senior management oversees compliance and risk initiatives, supported by seasoned professionals, to enhance the Company's overall risk management and control effectiveness.

### ***First line of defense: operational teams of business units***

At the first line of defense, operational teams of business units are responsible for executing relevant risk management processes and performing self-assessments on risk identification, risk alert and risk control in relation to internal risks of their respective units. They also report risk events and risk data in accordance with standard requirements of the Company.

***Second line of defense: 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)***

The risk management functions, as the second line of defense, are responsible for overall coordination of risk management efforts within the Company, including preparing the overall risk management plan; collecting, identifying, assessing, addressing and supervising risk information in daily operations; and leading various types of risk management work within their respective areas of expertise.

***Third line of defense: Internal Audit and Control Department – Internal Audit Team and Integrity Department***

The independent supervision functions, as the third line of defense, are comprised of Internal Audit and Control Department – Internal Audit Team and Integrity Department.

The Internal Audit and Control Department – Internal Audit Team has been designated to perform independent supervision and independent internal audit. This team is responsible for evaluating the effectiveness of the Group's risk management processes and internal control system. The Integrity Department is responsible for conducting independent inspections on compliance and anti-fraud, and assessing the compliance of all employees of the Group with applicable laws and regulations, and the Company's internal compliance management system in their commercial cooperation with external parties and performance of internal duties.

The Internal Audit Department is responsible for submitting regular audit plans and related reports on risk management and internal control to the Audit Committee for review. It is the responsibility of the Audit Committee to audit the annual audit plans and review relevant reports on risk management and internal control.

Each team in the three lines of defense is staffed with experienced professionals. Comprising experienced professionals in risk control and auditing, the Internal Audit Department was established in January 2015. It reports to the Audit Committee directly and is responsible for planning audit work, which is presented to the Audit Committee for review. It also conducts independent audits following a risk-based approach to evaluate whether the Company's internal control system is adequate and effective.

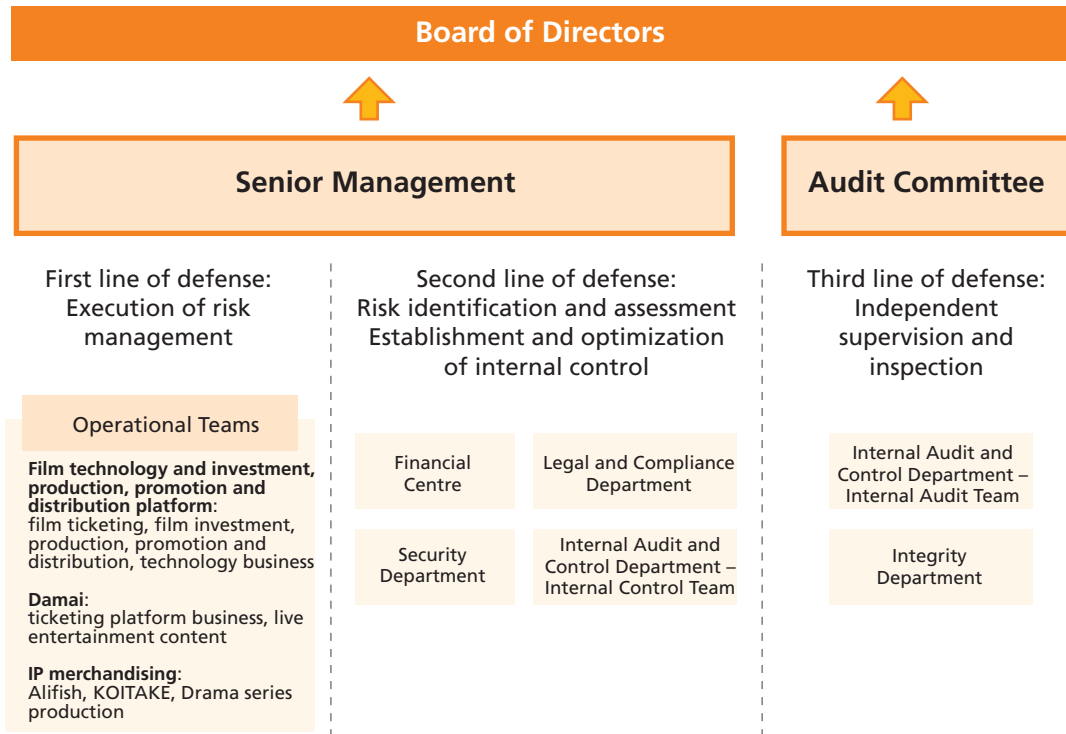


Chart: Risk control structure at Damai Entertainment

In order to ensure compliance operations, we continue refining our rules and management mechanism by regularly assessing the effectiveness of our management systems. These assessments cover the scope of business, policy owners, policy status, and policy applicability. During the Reporting Period, we revised internal policies, including the *Regulations and Management Norms of Damai Entertainment* and the *Authorization and Approval System of Alibaba Group*, standardizing our rules and management process to ensure compliance in the authorization of each business. Additionally, we place strong emphasis on reviewing business ethics and compliance risks by regularly conducting internal and external specialized inspections and audits that cover our ticketing businesses and other relevant areas. During the Reporting Period, no material management deficiencies were identified, and response measures were taken for any risks identified.

The Group also attaches great importance to strengthening employees' risk awareness and competency development. Through a combination of online and offline channels, we conducted nine risk and internal control management training sessions, covering over 800 participants. The training topics included expense management, asset management, procurement standards, and other related areas, effectively reducing risk violation events in daily operations.

### 1.3 INTEGRITY BUILDING

Damai Entertainment is a diligent practitioner of the business ethics code of honesty. The Group abides by 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)*, as well as other relevant laws and regulations. Damai Entertainment has formulated the *Anti-Bribery and Anti-Corruption Policy of Damai Entertainment*<sup>1</sup>, which applies to all staff and suppliers, and resolutely opposes any form of illegal practices, including commercial bribery, extortion, fraud, and money laundering. Meanwhile, we have amended our internal management policies, such as the *Principles of Business Conduct of Damai Entertainment (2024 Edition)*, the *Employee Discipline System of Damai Entertainment (2024 Edition)*, the *Rules for Managing Interest Conflicts of Damai Entertainment (2024 Edition)*, the *Gift Handling Regulations of Damai Entertainment (2024 Edition)*, and the *Guidelines for Employees Attending Third-Party External Events*, aiming to promote a systematic approach to business ethics, clearly define the Company's standards for business ethics conduct, and foster a culture of integrity and transparency. Save as disclosed above, there are no relevant laws and regulations relating to bribery, extortion, fraud and money laundering the compliance of which have a significant impact on the Group.

The Group continuously enhances its business ethics oversight system by establishing an anti-corruption governance framework composed of the Board, the Employee Discipline Committee, and the Integrity and Compliance Department. The Employee Discipline Committee, which includes the Chief People Officer (CPO), the Head of Legal, and the Head of Integrity at Hujing Digital Media & Entertainment, is responsible for providing guidance and oversight for business ethics management. The Integrity and Compliance Department, as the dedicated unit for anti-corruption and anti-bribery efforts, monitors and mitigates corruption risks and regularly reports its work progress to the Board and the CPO. In addition, the Company regularly conducts special anti-corruption audits to ensure the effective implementation of business ethics and responsible conduct.

Guided by the *Principles of Business Conduct* and in compliance with governance requirements under the Company's systems related to business ethics, we conduct annual internal audits, covering all business lines of Damai Entertainment. Our audit methodology combines online reviews of business document with offline business interviews, while placing a particular focus on malpractice and corruption risks. These audits are carried out semiannually. Risk points identified during the audit process are thoroughly evaluated based on their business impacts and frequencies, and are categorized as high, medium, or low risk. We convene risk review meetings with relevant business units, legal personnel, the finance department, and internal control personnels to develop remediation plans. These plans specify responsible parties, timelines for remediation, requiring timely acceptance upon expiration. Regular follow-ups are conducted to monitor implementation progress. During the Reporting Period, our audits covered 100% of the business scope and identified 11 business risks, including nine high-risk and two medium-risk issues. We achieved a 100% rectification completion rate for all identified risks.

<sup>1</sup> Anti-Bribery and Anti-Corruption Policy (<https://www.damaiholdings.com/media/cftfh2tn/%E5%8F%8D%E8%B4%BF%E8%B5%82%E5%8F%8D%E8%85%90%E8%B4%A5%E6%94%BF%E7%AD%96-%E8%8B%B1%E6%96%87%E7%89%88-%E5%8F%91%E5%B8%83%E6%97%B6%E9%97%B4-2024%E5%B9%B412%E6%9C%8819%E6%97%A5-1.pdf>)



The Company upholds a principle of integrity in partnerships and is committed to fostering fair and transparent relationships with its suppliers. By prohibiting employees from divulging procurement strategies, tender documents, and other confidential information, we ensure that technical or commercial contracts do not contain any preferential or exclusive terms. We also impose strict supervision over employees from high-risk departments, and reject any unusual business dealings between employees and suppliers, with disciplinary measures such as reassignment or revocation of procurement authority and other penalties applied to buyers found negligent. Meanwhile, through our supplier platforms, we publish anti-corruption statements and advocate collective resistance to corruption and bribery. All suppliers are required to sign the *Undertaking on Honesty and Integrity*. As at the end of the Reporting Period, 100% of the Company's suppliers had signed the *Undertaking on Honesty and Integrity*.

To enhance business ethics and anti-corruption awareness among all employees and partners, every employee is required to sign the *Integrity Pledge* upon joining the Company. The Company also regularly conducts corporate integrity surveys. Through online distribution, on-site promotion and implementation, we deliver business ethics training with 100% coverage for all employees, Directors, and partners. We provide targeted offline training that covers all key scenarios to various groups, including new hires, all staff at Damai Performance, film business personnel, AliFish teams, and on-site service staff. At the same time, we collaborate with centralized procurement departments to conduct integrity training for our suppliers. During the Reporting Period, the Company organized ten anti-corruption trainings for the Board and employees, covering 2,152 participants; it also organized a routine annual certification examination on *Principles of Business Conduct* with a 100% coverage rate, while its offline anti-corruption promotion and implementation training covered 49 suppliers.



Picture: The “Walking Together in Internal Righteousness (心有正氣，攜手同行)” integrity training

To ensure the effective detection and identification of corruption risk incidents, we have established diversified, accessible, and independent reporting channels that receive reports 24/7. Multiple reporting avenues are available, including the official integrity website, various business websites, our dedicated whistle-blowing mailbox, telephone hotlines, as well as offline mailbox and an internal forum.

We encourage all employees, business partners, and the general public to report fraudulent activities and support the receipt of anonymous reports. By the end of the Reporting Period, we had established six online and offline reporting channels. Through various means, including internal and external training sessions, promotional activities, partner communications via email, and signing of the *Undertaking on Honesty and Integrity*, we keep all internal employees and partners well informed about how to report concerns. In compliance with applicable laws and regulations, “whistleblower protection” provisions are explicitly included in our *Principles of Business Conduct* and other related policies. We guarantee strict confidentiality of whistleblowers’ identities and the information they provide, prohibiting any form of retaliation to protect their rights.

For any leads related to malpractice, the Integrity and Compliance Department, together with the relevant department managers of the implicated employees, will conduct thorough and independent investigations based on their respective responsibilities to determine whether violations have occurred and draw investigative conclusions. For employees found in violation, the respective business departments and the Human Resources Department will issue decisions on disciplinary action within five working days. Disciplinary actions include termination, demerit, warning, and reprimand. Except for reprimands issued for minor infractions, all other levels of violations are linked to compensation incentives and promotion eligibility. Such violations are also disclosed on internal forums as a warning to all employees.

The Integrity and Compliance Department provides quarterly reports to the Board detailing corruption incidents, mitigation of key risks, and preventive measures for the respective quarter. During the Reporting Period, we investigated and addressed a total of four violations involving five individuals. Of these, the four individuals who committed violations were all terminated, while one corruption case was transferred to judicial authorities, with the perpetrator held legally accountable. Save as disclosed herein, there was no concluded legal case regarding corrupt practices brought against the Group or its employees during the Reporting Period.

Damai Entertainment’s integrity whistle-blowing website: <https://wenyu.jubao.alibaba.com/>  
Damai Entertainment’s integrity whistle-blowing mailbox: [wenyulianzheng@alibaba-inc.com](mailto:wenyulianzheng@alibaba-inc.com)

Integrity whistle-blowing channels at Damai Entertainment

## 1.4 DATA SECURITY AND PRIVACY PROTECTION

Damai Entertainment consistently prioritizes information security as a cornerstone for ensuring business stability and maintaining user trust. We continuously advance policy governance, technical safeguards, compliance development, employee awareness, and other related initiatives to establish a security safeguard system that protects data throughout its entire lifecycle, effectively preventing risk of data and privacy leakage.

### *Data Security*

To ensure the structured and institutionalized advancement of data security initiatives, Damai Entertainment has established a board-level data compliance governance framework. The Board has established the Data Compliance Committee, which holistically drives the Group's data security strategy, conducts regular reviews of and reports to the Board on security management policy implementation and risk incident resolution, thereby achieving comprehensive supervision of data security at the board level.

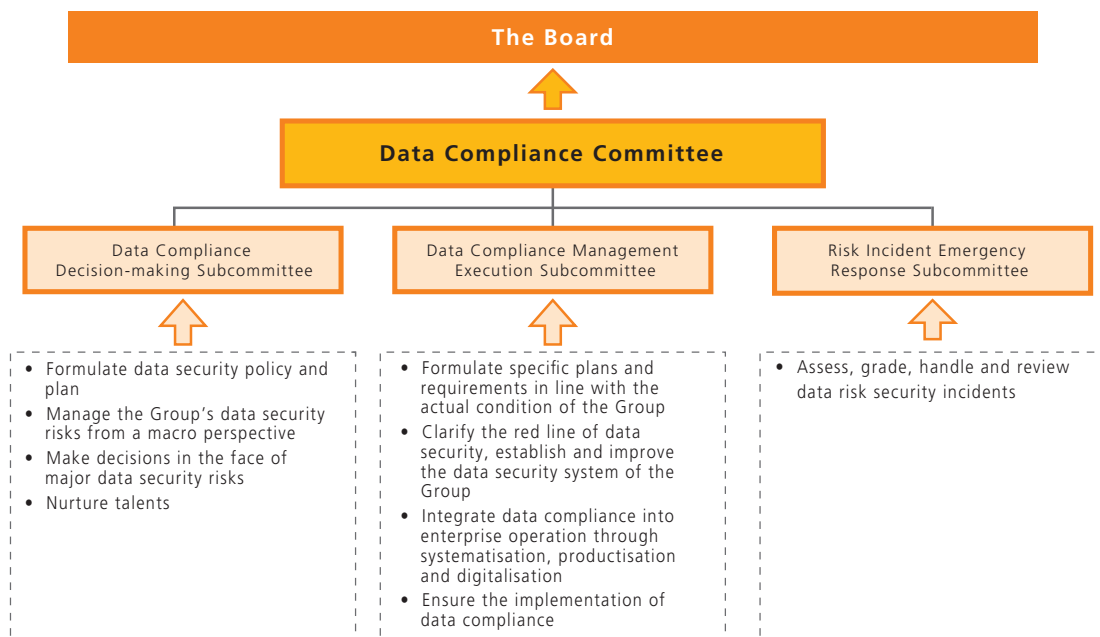


Chart: Damai Entertainment's organizational chart for data compliance

The Group strictly abides by 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*, as well as other applicable laws and regulations, while aligning with the national standard of the *Information Security Technology – Personal Information Security Specification*. The Group also fully implements Alibaba Group's *Data Security Policy*, *Regulation on Data Security Incident Emergency*, *External Data Disclosure Rules*, *General User Data Protection Standard* and other relevant management regulations. To strengthen its institutional foundation, the Group has established the *Standard Operation Procedure (SOP) on Emergency Response to Data Security Incident and the Guidelines for the Protection of High-Value Performance Data*, along with other internal policy documents, which clearly define incident handling procedures and organizational responsibilities across various scenarios.

During data processing, the Group consistently adheres to the fundamental principles of lawfulness, clear purpose, minimum necessity, storage limitation, accountability, and traceability, while strengthening compliance controls throughout the entire data processing lifecycle. All employees must comply with the data security provisions set out in the Group's *Principles of Business Conduct* and strictly implement the relevant policies and procedures within their respective roles. To enhance management effectiveness, the Group's data security and privacy protection standards are also extended to all cooperative suppliers. By establishing security requirements for system access, defining secure development and delivery standards, and implementing terminal device protection measures, the Group ensures data processing compliance by third-parties.

To comply with laws and regulations related to national cybersecurity and data security, the Group has implemented full-process review and multi-layered protection mechanisms across all stages of data processing, including data generation, collection, transmission, storage, use, disclosure, and destruction, thereby ensuring robust data security. For data access control, the Group has established a multi-tiered admission approval mechanism, with all authorization operations executed through a unified admission management platform where data sensitivity is taken into account. High-risk data operations require multi-level approvals, and access rights are automatically revoked in the event of employee transfer, resignation, or permission expiration. Additionally, the Group has implemented field-level access control mechanisms, tagging sensitive fields and granting permissions based on the "minimum necessity" principle to further mitigate potential risks.

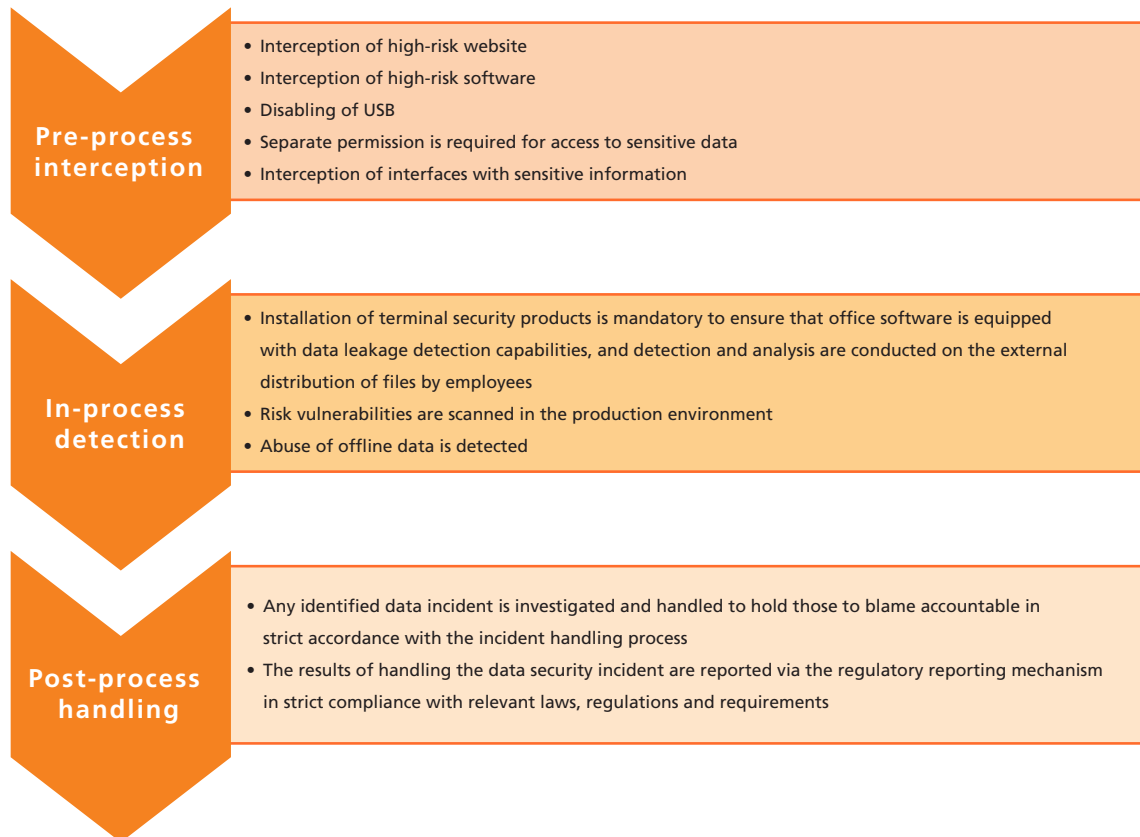
**Table: Key data encryption and decryption measures at Damai Entertainment**

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 card numbers) is stored using the AES algorithm encryption.
Encrypted data is transmitted via the HTTPS protocol. The server accesses a centralized key management system to decrypt the data and re-encrypts it before output, ensuring end-to-end security for data transmission.



The Group has established a comprehensive data security protection mechanism covering the entire process through a “pre-process interception – in-process detection – post-process handling” framework. In accordance with the *Standard Operation Procedure (SOP) on Emergency Response to Data Security Incident*, the Group has developed a six-level response plan based on the severity of incidents. Each level clearly defines responsible parties and outlines operational procedures for key steps, including perception, reporting, analysis, handling, and review.

**Table: Data security protection mechanism at Damai Entertainment**



To validate the effectiveness of its emergency response system, the Group conducts ongoing practical drills. During the financial year, we organized three full-process data security drills, including two practical exercises and one tabletop drill, covering various simulated risk scenarios. These exercises have significantly strengthened our team’s coordinated response capabilities. During the Reporting Period, the Group reported no incident of information security or data breach.

### Privacy Protection

In strict compliance 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*, Damai Entertainment has continuously strengthened its personal information protection system and advanced compliance construction across all business processes, while implementing privacy protection requirements across multiple dimensions, including product, technology, organization, and training. The Group's Privacy Policy<sup>2</sup>, along with individual privacy policies for each of its business lines, have been simultaneously published through official websites, clients, and mini-programs, ensuring that users fully understand their privacy rights and data processing rules before using the Group's services. During the Reporting Period, the Group revised and updated its Privacy Policy as well as the privacy policy contents for core businesses, including Damai and Tao Piao Piao, with key enhancements such as clearer instructions on information collection for the HarmonyOS system<sup>3</sup>, explanations regarding third-party SDKs<sup>4</sup> and application permission usage, as well as optimized pathways and descriptions for managing personal information rights, thereby further improving the transparency and compliance of user data processing.

To comprehensively advance personal information protection and compliance governance, the Group has established and implemented various internal regulations covering the entire data lifecycle. These include 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*. During the financial year, the Group formulated the *Damai Entertainment Application Security Development Standards*, tailored to ticketing, e-commerce, and other business features. These standards establish development security requirements covering safeguards against data tampering, detection of privacy leaks, and interface security reviews, while also enhancing pre-launch privacy compliance verification mechanisms.

During the Reporting Period, there were no relevant laws and regulations relating to privacy matters regarding products and services provided by the Group, the compliance with which would have had a significant impact on the Group.

<sup>2</sup> Privacy Policy <https://www.damaiholdings.com/en/privacy/>

<sup>3</sup> HarmonyOS, an operating system developed by Huawei

<sup>4</sup> Software Development Kit

Table: Privacy policy of Damai Entertainment sub-business lines

Name of product	Effective scope	Title of policy	Policy link/portal
Damai	Website, client and mini programme	<i>Damai Basic Function Privacy Policy</i>	Damai Basic Function Privacy Policy ( <a href="https://terms.alicdn.com/legal-agreement/terms/privacy_policy_full/20240408163302242/20240408163302242.html">https://terms.alicdn.com/legal-agreement/terms/privacy_policy_full/20240408163302242/20240408163302242.html</a> )
Tao Piao Piao	Website, client and mini programme	<i>Tao Piao Piao Basic Function Privacy Policy</i>	Tao Piao Piao Basic Function Privacy Policy ( <a href="https://m.taopiaopiao.com/content/article.html?id=30390">https://m.taopiaopiao.com/content/article.html?id=30390</a> )
Maikong	Client	<i>Damai Maikong Privacy Policy</i>	Damai Maikong Privacy Agreement ( <a href="https://market.m.taobao.com/app/aquaman/Aquaman-Entrance/mkprivacy.html">https://market.m.taobao.com/app/aquaman/Aquaman-Entrance/mkprivacy.html</a> )
Beacon	Website, client and mini programme	<i>Beacon Privacy Policy</i>	Beacon Professional Privacy Policy ( <a href="https://m.taopiaopiao.com/content/article.html?id=104677&amp;displayType=plain&amp;interact=no&amp;hsb=yes&amp;hideAuthorInfo=yes">https://m.taopiaopiao.com/content/article.html?id=104677&amp;displayType=plain&amp;interact=no&amp;hsb=yes&amp;hideAuthorInfo=yes</a> )
CloudTake	Client	<i>CloudTake Privacy Policy</i>	CloudTake Privacy ( <a href="http://cloudtake.yunshangzhipian.com">cloudtake.yunshangzhipian.com</a> )
Yunshangyue	Website and mini programme	<i>Yunshangyue Privacy Policy</i>	Yunshangyue Privacy Policy ( <a href="http://yunshangyue.cn">yunshangyue.cn</a> )

Name of product	Effective scope	Title of policy	Policy link/portal
Koiland	Mini programme	<i>Koiland Privacy Policy</i>	Enter mini programme – Upper Right Corner – Koiland – Special Note – More Information
KOITAKE	Mini programme	<i>KOITAKE Privacy Policy</i>	Enter mini programme –Settings – Privacy Policy
Izhongchou	Mini programme	<i>Izhongchou Privacy Policy</i>	Izhongchou Privacy Policy ( <a href="https://izhongchou.taobao.com/novice-help/privacy-policy">https://izhongchou.taobao.com/novice-help/privacy-policy</a> )
Youwu	Youku H5	<i>Youwu Privacy Policy</i>	Youwu Privacy Policy ( <a href="https://page.youwusc.com/m/nu17a6co1e?isNeedBaseImage=1&amp;spm=a2hau.27028795.unknown.unknown&amp;scm=20140670.manual.undefined&amp;from=usercenter_shenfenkanew&amp;en_spm=a2hau.29498731.unknown.unknown&amp;en_scm=20140670.manual.undefined&amp;en_id=usercenter_shenfenkanew&amp;DoWithoutDemotion=1&amp;didEncodeUrl=0">https://page.youwusc.com/m/nu17a6co1e?isNeedBaseImage=1&amp;spm=a2hau.27028795.unknown.unknown&amp;scm=20140670.manual.undefined&amp;from=usercenter_shenfenkanew&amp;en_spm=a2hau.29498731.unknown.unknown&amp;en_scm=20140670.manual.undefined&amp;en_id=usercenter_shenfenkanew&amp;DoWithoutDemotion=1&amp;didEncodeUrl=0</a> )

The Group undertakes not to rent, sell, or provide personal information to any third parties, and that its users will be granted the right to access, control, edit, and delete their data, guaranteeing that they have autonomy over their personal information. Meanwhile, the Group continues to reduce requests for sensitive user permissions and advances the technical implementation of the principle of minimum permissions on its client applications. During the financial year, the Tao Piao Piao and Damai clients optimized their personalized feature management interfaces, allowing users to manage personalized recommendation settings through a quick-access option upon first installation, thereby enabling instant configuration and flexible adjustment of privacy preferences.

As of the end of the Reporting Period, our flagship products, including Tao Piao Piao and Damai, have implemented optimized permission frameworks on the Android System, with the following key improvements among others:

- Replacing album access permissions with system-level selectors for functions such as updating profile photos and uploading background images;
- Guiding users to select contacts through system contact selectors, eliminating the need for full contact access permissions;
- Making clear commitments to delete facial recognition data collected at events either upon project completion or within 90 days.

The Group consistently enhances technical safeguards for personal information processing, ensuring security throughout the entire user data lifecycle, including collection, storage, transmission, and use. To prevent the exposure of user privacy during interface displays, the Group has set the desensitization of sensitive fields a default for its clients. For backend systems, the Group has implemented multiple layers of security measures, such as data encryption, access control, and risk review, integrating them into its information security protection system to guarantee the integrity and confidentiality of personal data.

The Group embeds data protection principles throughout the entire product development process. By identifying privacy risks in core business scenarios and establishing prevention and control requirements, the Group is committed to systematically enhancing user data protection standards at every stage, from product design and feature development to user interaction and launch.

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

Product client design phase	• Implementing a “dual list” function to clearly present the personal information collection and sharing list, with a view to enhancing data processing transparency
Product pre-launch review phase	• Introducing a “secure release mechanism” to reinforce privacy compliance reviews by establishing a blocking policy <sup>5</sup> for issues such as missing privacy policies or sensitive data exposure. This ensures that risks are identified and resolved prior to product release
User interaction phase	• Introducing a “browsing mode” that allows users to voluntarily decide whether to consent to the privacy policy after understanding the content of the service, safeguarding their right to be informed and choose freely

<sup>5</sup> 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 proactively undertakes security assessments and compliance certification initiatives to ensure that its management capabilities consistently align with international standards and industry requirements. The Group regularly conducts internal evaluation on information security and privacy protection for its core business, along with comprehensive self-examination across four compliance dimensions, namely organizational compliance development, system improvement, awareness enhancement, and supervisory management, which leads to the production of specialized evaluation reports. During the Reporting Period, the Group completed an annual cyber security self-examination for its core business, while the Tao Piao Piao System underwent its inaugural third-party data security risk assessment, covering multiple data dimensions including user data, network traffic data, as well as contract and customer complaint information. The assessment was rated as “good”, with no high-risk items identified.

The Group commissions independent external audits of its information security systems at least biennially. Its core systems operate on Alibaba Group and Alibaba Cloud infrastructures. All product-hosting cloud environments have obtained certifications under the ISO 27001 Information Security Management System and the ISO 27701 Privacy Information Management System, achieving 100% coverage. During the Reporting Period, the Group further advanced specialized certifications for its core business systems under these frameworks, with completion targeted for September 2025. Furthermore, the Group has initiated the Personal Information Protection Impact Assessment Identification and Certification (PIA Certification) process for its core business systems, conducting joint reviews with the China Electronics Standardization Institute and the Data Security Effort Committee of the China Cybersecurity Industry Alliance. This assessment evaluates compliance in sensitive information processing and system security.



**Table: External certification for cyber security of Damai Entertainment sub-business lines within the Reporting Period**

<b>Name of certificate</b>	<b>Name of company/system</b>
Certification under the ISO 27001 Information Security Management System	Taomailang (Beijing) Technology Co., Ltd.* (淘麥郎(北京)科技有限公司)
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
Registration for security protection grading of telecommunications network of Ministry of Industry and Information Technology of the People's Republic of China	Level-3 systems: Internet network transaction system on Yunzhi mini programme, National Damai ticketing system, Internet network transaction system on National Tao Piao Piao  Level-2 systems: STAR-SOURCE information services business system, Internet network transaction system for performance ticketing and sales

### ***Training on Data Security and Privacy Protection***

We have institutionalized regular data security and privacy protection training, requiring all regular and outsourced employees to pass the security red line examination and obtain certification. For high-privilege positions, new hires, product and technical staff, as well as business teams, we deliver specialized sessions and assessments which cover group red line policies, industrial regulatory updates, and real-world case reviews. To strengthen partner compliance capabilities, the Group also organizes data security training for key suppliers and specifies privacy protection requirements for outsourced development and information processing, extending security principles throughout our entire business ecosystem. During the Reporting Period, we conducted a total of five special data security training sessions, which covered all regular and outsourced employees, achieving 100% coverage.

## **2 EMPLOYEE MANAGEMENT**

Damai Entertainment is committed to its people-oriented development strategy and continuously strengthens its human resource management system, striving to create a workplace that embraces diversity, equality, harmony, and inclusivity. The Company cultivates employees' professional competencies and overall capabilities through a diverse range of development mechanisms, safeguards their lawful rights and interests, and promotes mutual growth and progress between the Company and its employees.

## 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, 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, in compliance with relevant international conventions, laws and regulations, has formulated rules and regulations such as the *Employee Recruitment Procedures*, the *Employee Management Policy*, the *Employee Rights and Interests Statement*, the *Employee Discipline System of Alibaba Group*, and the *Internal Referral Policy of Alibaba Group*. These regulate the management of recruitment, promotion, compensation, dismissal, working hours, rest periods, equal opportunity, diversity, anti-discrimination, other benefits and welfares of employees, as well as other matters, thereby effectively safeguarding employees' lawful rights and interests.

Damai Entertainment strictly adheres to the principle of lawful employment and signs employment contracts with all employees in accordance with the law. As of the end of the Reporting Period, the Company had 1,767 full-time employees, with a 100% employment contract signing rate. The Group firmly opposes any form of child labor or forced labor, and requires all job applicants to provide valid identification documents for verification prior to employment. Should any illegal or non-compliant incidents be discovered, the Company will handle them seriously in accordance with relevant laws and regulations, as well as internal policies. During the Reporting Period, Damai Entertainment recorded no incidents of child labor, forced labor, or other violations of employment laws.

### **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*, upholding the principle of non-discrimination and resolutely safeguarding workplace equality, inclusivity, and diversity. The Company strictly prohibits any discriminatory behavior based on nationality, ethnicity, age, gender, physical condition, religious belief, or cultural background. The Group conducts themed training programs such as "Say No to Discrimination and Harassment" and "Self-Cultivation of New Youth" to strengthen employees' awareness of inclusivity and anti-discrimination. We fully respect the customs of employees from ethnic minorities and offer dedicated halal meal counters at our cafeterias. In addition, a highly efficient and confidential employee grievance and complaint mechanism has been established to encourage employees to report issues related to discrimination and harassment, thereby providing robust protection for their lawful rights and interests.

### Employee Recruitment

Damai Entertainment actively builds a diversified recruitment system. Based on its overall planning, business needs, and existing workforce, it formulates reasonable annual recruitment plans and continuously optimizes its talent acquisition mechanisms. The Company has introduced a smart recruitment tool “Xiao Zhaojun”, which enables data integration between internal and external talent pools. This tool quickly identifies connections between external candidates and the internal talent reserve, thereby enhancing recruitment efficiency and effectively reducing labor costs, while fostering a smarter and more efficient talent selection ecosystem.

During the Reporting Period, the Group launched the “Damai Entertainment Management Trainee” program, focusing on cultivating high-caliber young talent and providing the industry with a new generation of professionals who possess both expertise and innovative thinking. Additionally, we jointly introduced an “Internship Program” with the Department of Literature at the Beijing Film Academy, deeply integrating industry, academia, and research resources to nurture specialized talent in the field of film and television creation. The Group has also established mechanisms for internal transfers and promotions, creating diversified career development pathways, complemented by a fair, equitable environment where every employee can realize their professional potential.

#### Case study: “Damai Entertainment Management Trainee” program

In September 2024, the Group debuted the “Damai Entertainment Management Trainee” program, targeting the 2025 cohort of domestic and international graduates to recruit well-rounded talent. As the program came to its conclusion, 13 outstanding graduates who demonstrated passion for the entertainment industry, strong learning abilities, and innovative thinking were hired. Those selected will undergo systematic training and are expected to grow into a new generation of industry professionals with both solid expertise and management capabilities. This program has not only strengthened the Company’s talent pipeline but also enhanced its influence as an employer, providing robust talent support for sustainable business growth.

#### Case study: “Beijing Film Academy Department of Literature & Damai Entertainment Internship Program”

In March 2024, Damai Entertainment and the Department of Literature at the Beijing Film Academy jointly launched an internship program aimed at building a long-term talent reserve among students graduating between 2025 and 2027. This initiative focuses on selecting outstanding students who are passionate about the film industry and experienced in literary content platforms or film and television creation. By offering hands-on opportunities in scriptwriting and film production, the program achieves precise alignment between academia and industry talent needs. In March 2025, a delegation of faculty and students from the Beijing Film Academy visited Damai Entertainment’s Beijing facility, where six of the over 30 participating students succeeded in securing internship placements through interviews in the end. This program not only supplies the Company with specialized talent but also establishes a collaborative platform that integrates industry, academia, and research, continuously introducing cutting-edge ideas through academic activities and creative competitions, and injecting fresh momentum into business innovation.

**Table: Employee Composition of Damai Entertainment during the Reporting Period**

Indicator		Unit	Number of employees
Total number of employees		Person	1,733
Number of employees by employment type	Full-time employee	Person	1,733
	Part-time employee	Person	0
Number of employees by gender (full-time employees only)	Male	Person	775
	Female	Person	958
Number of employees by rank (full-time employees only)	Senior management	Person	14
	Middle management	Person	60
	General staff	Person	1,659
Number of employees by age group (full-time employees only)	29 and below	Person	477
	30 – 50	Person	1,244
	Above 51	Person	12
Number of employees by geographical region (full-time employees only)	Mainland China	Person	1,732
	Hong Kong, Macau and Taiwan, China	Person	1
	Overseas	Person	0

Table: Employee Turnover Rate of Damai Entertainment during the Reporting Period

Indicator		Number of terminates (person(s))	Employee turnover rate (%)
Number of employees left and turnover rate by gender (full-time employees only)	Male	104	13.42%
	Female	153	15.97%
Number of employees left and turnover rate by rank (full-time employees only)	Senior management	0	0.00%
	Middle management	3	5.00%
	General staff	254	15.31%
Number of employees left and turnover rate by age group (full-time employees only)	29 and below	128	26.83%
	30 – 50	128	10.29%
	Above 51	1	8.33%
Number of employees left and turnover rate by geographical region (Full-time employees only)	Mainland China	257	14.84%
	Hong Kong, Macau and Taiwan, China	0	0.00%
	Overseas	0	0.00%

Employees may be dismissed if their behaviors constitute any breach of law, breach of confidentiality, falsification, conflict of interest, damage to the Group's rights and interests, disruption of office order or any other contravention against the code of conduct of employees of Alibaba Group which could be subject to dismissal.

## 2.2 EMPLOYEE CARE

### Staff Communication

Damai Entertainment has always regarded employees' voices as a vital driving force for organizational development. Through diversified communication mechanisms and transparent management practices, the Company fosters an environment of open and equitable dialogue. The Company continuously enhances both online and offline communication channels to drive two-way interaction between management and employees, ensuring that every employee can contribute their insights while sharing their achievements within a culture of openness and transparency.

**Table: Staff Communications at Damai Entertainment**

#### Case study: Startup Challenge

The "Startup Challenge" is a competition featuring technology innovation proposals launched for Damai Entertainment's R&D employees. It aims to encourage participants to actively propose ideas that are innovative, commercially viable, and practicable within the context of the film and live entertainment business, thereby driving meaningful changes and opportunities while truly embodying the value of transformative innovation. In December 2024, we successfully hosted the second "Startup Challenge", which attracted 60 participating teams. Following preliminary and final rounds, three outstanding proposals were selected for the subsequent implementation stage.



Picture: Startup Challenge

#### Case study: Performance Report

"Performance Report" is a real-time business achievement bulletin launched by Damai Entertainment to publicly recognize and commend projects of significant achievements. This bulletin is simultaneously uploaded to Damai Entertainment's company-wide learning platform "Film & Performance Camp", which can be accessed by employees at any time. This initiative has not only enhanced the flow of business information but also strengthened team pride. As of the end of the Reporting Period, a total of 15 episodes had been released, fostering strong recognition among employees.



Picture: Performance Report



Damai Entertainment has always placed employees at the heart of its development strategy, it conducts systematic and scientifically-designed satisfaction surveys every year to continually listen to employees' genuine feedback. By adopting a multi-dimensional evaluation system, we aim to gain comprehensive insights into employees' true perceptions of the workplace, their career development, management effectiveness, and corporate culture, while translating survey findings into practical and actionable improvement measures. Looking ahead, we will continue to enhance our employee satisfaction survey mechanism to ensure that every employee can grow and feel a sense of belonging at Damai Entertainment, working together to advance the Company's sustainable development.

### ***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, living security, office security, 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	<ul style="list-style-type: none"> <li>• 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;</li> <li>• Offering an annual customized health check-up program for all Damai Entertainment employees to safeguard both their physical and mental wellbeing;</li> <li>• Extending the Carnation Parental Physical Check-up Program (康乃馨父母體檢計劃) to Damai Entertainment employees' parents, covering the cost of comprehensive health screenings to ensure the health and happiness of every family member.</li> </ul>
Living security	<ul style="list-style-type: none"> <li>• In addition to statutory public holidays, the Company provides paid annual leave, a special 7-day companion leave for all employees, and a 20-day long service leave for those with ten years of service to recognize their long-term contributions. Meanwhile, tailored leave arrangements, such as travel leave, are also designed to accommodate diverse life needs while reflecting the Company's commitment to employee wellbeing;</li> <li>• Equipping its facilities with well-designed nursing and lactation rooms; offering parental leave as well as companion leave, thereby ensuring that breastfeeding parents, parents of children under three years old, and other employees have sufficient time off to care for their families;</li> <li>• Offering Damai Entertainment staff an ihome housing loan to help them address basic housing needs in their work or social insurance location;</li> <li>• Providing dinner and late-night meal vouchers to Damai Entertainment staff to address the need for convenient and nutritious dining options;</li> <li>• Setting up professional medical rooms to provide timely health care and support for employees.</li> </ul>

Office security	<ul style="list-style-type: none"><li>• Damai Entertainment employees are entitled to one flexible working day per week, which they can apply for based on their personal needs;</li><li>• Providing each employee with an ergonomic chair for added comfort, while a wide selection of teas is available in the pantry;</li><li>• Offering free taxi rides to those working overtime to ensure their safe and convenient travel home.</li></ul>
Specific benefits	<ul style="list-style-type: none"><li>• Providing birthday movie tickets for employees during their birthday month, regularly organizing private film screenings, and arranging special celebrity giveaway events;</li><li>• Organizing celebration and offering souvenirs to employees celebrating their first, third, fifth and tenth anniversary of service, as reward for their hard work and dedication;</li><li>• Organizing various forms of online and offline interactive activities during special occasions, for example, periodic online quizzes with movie ticket rewards, distributing Freshippo e-coupons on Women's Day, and hosting holiday-themed DIY workshops;</li><li>• Arranging team-building activities from time to time, fostering better understanding among colleagues and strengthening team cohesion in a relaxed, enjoyable atmosphere.</li></ul>
Cultural and sports activities	<ul style="list-style-type: none"><li>• 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;</li><li>• Creating a thoughtfully designed one-stop sports and recreation area within our facility, equipped with a professional gym and versatile sports facilities such as badminton and table tennis courts.</li></ul>

#### Case study: Damai Entertainment hosts the “Leaping Cup” badminton tournament

Damai Entertainment has successfully held three “Leaping Cup” badminton tournaments. During the Reporting Period, the tournament covered major office locations across Beijing, Hangzhou, and Shanghai, attracting over 200 enthusiastic participants. The regular organization of this event has not just enriched employees’ leisure and cultural life, but also strengthened organizational cohesion through healthy sports competition, providing strong support for a vibrant and positive corporate culture.



Picture: The “Leaping Cup” badminton tournament

#### Case study: Damai Entertainment hosts “510” Friends & Family Day

“510” Friends & Family Day is our special way of expressing heartfelt gratitude to the friends and families of Damai Entertainment employees. Through this special occasion, we hope our employees and their loved ones can come together and feel the warmth and care of the Company. During the Reporting Period, in addition to a wide array of games and delicious food, we specially organized movie screenings, a dazzling light show, and an enchanting flying fish show, creating a unique, entertainment-inspired celebration for our employees and their families.



Picture: The “510” Friends & Family Day

#### Case study: Damai Entertainment hosts Programmer Day

To celebrate and appreciate our technology teams, we organized a dedicated “Programmer Day” with thoughtfully designed festivities. We invited expert speakers to a roundtable salon, where they offered insights into the fascinating world of AI digital humans. Exclusive perks, including private movie screenings and themed tea breaks, were also arranged. The event combined online and offline participation, with over 700 individuals attending in person and more than 17,000 joining online, fully showcasing the energy and innovative spirit of our technical teams.



Picture: The Programmer Day

#### Case study: Damai Entertainment establishes the “Heartbeat Media Radio”

As an online channel open to all employees, Damai Entertainment’s “Heartbeat Media Radio” announces and recruits participants for exclusive perks from time to time, such as movie premieres, live performances, and other entertainment-related events. This initiative is designed to enrich employees’ work-life experience, enhance their sense of wellbeing, and support the promotion of the Company’s projects. During the Reporting Period, the “Heartbeat Media Radio” had organized and called for participation in over 20 events, including film premieres, concert-ticket giveaways, and celebrity meet-and-greet sessions.



Picture: The “Heartbeat Media Radio” event

### ***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 including the Reporting Period, Damai Entertainment recorded zero work-related fatalities and zero working days lost due to work-related injuries.

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

To ensure a safe and orderly working environment, Damai Entertainment strictly prohibits acts of violence, the possession of contraband and controlled items, and the consumption of alcohol in the workplace. Designated smoking areas have also been established, and smoking is strictly prohibited in all other areas, thereby safeguarding a safe and healthy workspace for all employees.

In terms of facility-based security, we have established on-site medical rooms and strategically installed multiple automated external defibrillator (AED) stations in prominent locations throughout our facilities. These measures provide employees with convenient daily health consultations and efficient emergency response services. The Company actively supports the Group's facilities by organizing the "First Aid Man" training and meeting equipment standards, which led to an increase in the number of employees participating in the "First Aid Man" training. During the Reporting Period, 208 AED devices were deployed, covering 72 facilities, further reducing health risks for employees. We have also recruited employees to serve as "Firemen" to conduct regular fire hazard inspections. In the event of a fire, these guardians respond swiftly and help organize safe evacuations, ensuring the protection of lives and the stability of company operations.

To effectively mitigate health and safety risks during film and television production, Damai Entertainment has implemented an accountability system for safe production on set and provides customized accidental injury medical insurance plans for cast and crew members. When signing contracts with production companies, we explicitly include compliance with relevant occupational safety laws and regulations as a core contractual term. We strictly require production partners to implement comprehensive safety measures throughout the entire filming process, with a view to ensuring that our film and television projects proceed safely and in an orderly manner.



## 2.3 TRAINING AND DEVELOPMENT

Talent is the key engine driving Damai Entertainment's long-term development. The Company remains focused on nurturing talent within the cultural and entertainment sector, continuously improving its talent development system, and dedicated to building a career development platform that enables employees to create value while achieving personal growth.

### *Performance Management*

In compliance with the *Employee Performance Management System of Alibaba Group* and the *Employee Promotion Management Policy*, Damai Entertainment has established a fair and effective employee performance assessment and incentive mechanism, offering its employees a competitive remuneration package. Composed of three components, namely fixed salary, variable salary, and long-service incentives, our employee remuneration package is subject to annual adjustments based on employee performance, encouraging employees to share in the Company's growth through value creation.

Damai Entertainment has established a development-oriented performance management system that combines employee self-assessment with supervisor evaluations, focusing on value creation and sustainable growth. By integrating OKR<sup>6</sup> goal management with performance appraisal, the Company drive joint progress of individuals and the organization by implementing a full-cycle process of "goal setting – goal alignment – execution follow-up – review and iteration". During the Reporting Period, the Company completed the annual performance evaluation for all covered employees, ensuring a comprehensive enhancement of management effectiveness.

We have established a formal employee grievance procedure and mechanism. If an employee disputes their performance results, they may submit a review request within three working days after the performance scores are announced. The review panel will reach a final decision after listening to the rationale and supporting evidence from the employee, their supervisors, and relevant stakeholders. Meanwhile, the Group also provides performance improvement coaching channels to comprehensively ensure fairness in performance evaluations.

**Table: Employee Appeal and Review Process**

<b>Employee initiates an appeal</b> <ul style="list-style-type: none"> <li>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.</li> </ul>
<b>HRG convenes a review panel</b> <ul style="list-style-type: none"> <li>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.</li> </ul>
<b>Panel review</b> <ul style="list-style-type: none"> <li>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.</li> </ul>
<b>Approval and processing</b> <ul style="list-style-type: none"> <li>Once the appeal conclusion is confirmed, the result will be processed through the online approval workflow.</li> </ul>

In alignment with Alibaba Group’s institutional framework, the Group has established and been continuously improving its employee long-service incentive plan and evaluation mechanism, which covers Restricted Stock Units (RSUs) and Long-Term Cash (LTC) incentives. All employees, consultants, or directors of the Group and its affiliates are eligible to receive long-service incentives upon hiring, promotion, and annual performance review.

### **Talent Development**

Damai Entertainment strictly adheres to the *Employee Promotion Management Policy* and the *Employee Training Management Policy*, focusing on tiered training and development for key groups across different levels, such as senior management, middle management, and general staff. We have established the “Film & Performance Enhancement Camp” online learning platform, offering professional management courses, general training, and cultural programs to comprehensively support employees in enhancing their leadership and professional skills. Customized training programs are provided for young employees, along with the “New Motivation for Film and Performance” onboarding kit for new hires.

**Table: Talent Development System at Damai Entertainment**

#### **Leadership M-team Program**

Damai Entertainment has meticulously developed the M-team Program, focusing on two core areas of emotional intelligence psychology and organizational strategy to empower in-depth management capability upgrades. Through precise targeting, the “From Emotional Intelligence to Human Insight (從情商到人性洞察)” specialized training covered a total of 46 senior and middle managers, achieving a participation rate of 62%.



Picture: M-team Program – “From Emotional Intelligence to Human Insight (從情商到人性洞察)”

### Top+ Training Camp

The carefully designed Top+ Training Camp aims to cultivate versatile management talents, building a systematic and cutting-edge curriculum around three dimensions: "Leadership in a Diverse Era," "Economic & Industry Insights," and "Coach-Style Leader Development." The "McKinsey Systematic Thinking (麥肯錫系統化思維)" specialized training covered 60 middle managers, achieving 100% participation.



Picture: Top+ Training Camp – "McKinsey Systematic Thinking (麥肯錫系統化思維)"

### "Xia Ke Xing (俠客行)"

Through the "Xia Ke Xing (俠客行)" initiative, Damai Entertainment demonstrate its focus on the role transition of new managers. It provides customized courses that help new managers quickly master core team management skills, efficiently transforming from professional backbones into management roles, and injecting strong momentum into the Company's talent pipeline.

Expertise Damai Entertainment tailors differentiated competency development directions across business segments:

- Film business focuses on industry perspective and production planning capability enhancement;
- Performance business strengthens industry insight, resource integration, content self-production, business negotiation, project management, and emotional intelligence;
- Platform technology emphasizes building leadership, production and operation expertise; optimizing R&D efficiency; ensuring system stability; and brand building.
- The “Talking with Industry Masters (影演大咖說)” series is launched, featuring dedicated sessions for film, performance, and platform sectors, integrating quality internal and external resources to support professional growth across business segments.

**Case study: “Talking with Industry Masters” – in-depth artistic dialogue with Olivier Awards nominee directors**

Damai Entertainment invited Olivier Awards-nominated director Yaël Farber for a deep discussion on directing arts. Over 100 film and performance professionals attended the event, gaining cutting-edge international artistic perspectives that inspired creativity and professional reflection.



Picture: “Talking with Industry Masters” – artistic dialogue with Olivier Awards nominee Yaël Farber

**Youth Talent MTP Management Trainee**

Focused on developing versatile management talents, the Damai Entertainment MTP centers on three core capabilities: big-picture thinking, business sensitivity, and long-term strategic mindset, helping trainees grow into key pillars for corporate development through expanded strategic vision and enhanced execution. During the Reporting Period, we hosted a number of special trainings, such as “Accelerator for Strengths Growth (優勢成長加速器)” and “CJ Business Sharing (CJ業務分享)”, along with nine sessions of the 4th cohort’s business sharing meetings, covering 220 participants in total.



Picture: The MTP Program – 4th cohort business sharing meeting

### H+ Program

Damai Entertainment has introduced the “H+ Program”, targeting young high-potential talents, offering a diversified training matrix spanning film, performance, and sector study sessions. By focusing on several core capabilities, including broadening industry perspectives, enhancing professional skills, and strengthening project management, the program develops tailored career paths across business segments to help talents differentiate themselves. During the Reporting Period, multiple trainings such as “Efficient Work Methods via Systems Thinking (系統思考之高效工作法)” and the “Performance Seagull Class (演出海鷗班)” were held, with over 650 total participants.



Pictures: H+ Program Training

**Newcomer** Damai Entertainment has established a dual-track nurturing system with newcomer development at the center:

**The “Bai Nian Wen Yu (百年文娛)” special program** focuses on professional literacy and industry understanding to help newcomers quickly adapt to the industry landscape;

**The “New Motivation for Film and Performance” initiative** provides dedicated newcomer kits containing business knowledge, industry insights, practical guide, and other materials to facilitate easy learning.

To deepen employees’ professional capabilities, Damai Entertainment has been actively building a career development empowerment platform, thereby fully supporting employees in obtaining certifications such as the PMP (Project Management Professional) and the National Performance Agent qualification examination. Employees who pass these exams are rewarded with reimbursement of their exam fees. As of the end of the Reporting Period, 78 employees had registered for the Performance Agent qualification exam, with 26 successfully passing and obtaining their certificates, effectively strengthening the Company’s professional talent reverse.



Table: Employee Training of Damai Entertainment during the Reporting Period

Indicator		Unit	Number/ percentage
Total number of employees trained		Person	1,733
Total percentage of employees trained		%	100
By gender	Number of male employees trained	Person	775
	Percentage of male employees trained	%	100
	Number of female employees trained	Person	958
	Percentage of female employees trained	%	100
By rank	Number of senior management trained	Person	14
	Percentage of senior management trained	%	100
	Number of middle management trained	Person	60
	Percentage of middle management trained	%	100
	Number of general staff trained	Person	1,659
	Percentage of general staff trained	%	100
Total training hours		Hour(s)	29,767
Total training hours by gender	Male	Hour(s)	13,180
	Female	Hour(s)	16,587
Total training hours by rank	Senior management	Hour(s)	254
	Middle management	Hour(s)	1,145
	General staff	Hour(s)	28,368
Average training hours by gender	Male	Hour(s)/ person	17.01
	Female	Hour(s)/ person	17.31
Average training hours by rank	Senior management	Hour(s)/ person	18.14
	Middle management	Hour(s)/ person	19.08
	General staff	Hour(s)/ person	17.10

### 3 PRODUCT RESPONSIBILITY

Damai Entertainment always prioritizes content at its core and actively upholds the value of selflessness by telling stories of ordinary people performing heroic deeds that promote strong sentiment and positive values. We are committed to spreading positive energy within our society through quality productions, and contributing to the advancement of both moral and cultural development. While fostering healthy development within the industry, we have also built a comprehensive intellectual property protection system and an advertising compliance mechanism, in a bid to continuously improve our customers' experiences. We take concrete actions to fulfil our corporate social responsibilities while injecting positive momentum into the cultural industry's growth.

#### 3.1 PROMOTE POSITIVE VALUES

Guided by its development strategy featuring "content + technology", the Group continues to make strong progress across multiple areas, including films, drama series, live performances, and digital products, aiming to build a vibrant, healthy, and diverse 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 creation 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, while closely monitoring industry regulatory developments. A robust quality control mechanism has been put in place, covering all stages from content selection and production to review and public screening. To ensure compliance and proper value orientation, all film and television productions must pass the required review and approval procedures by relevant authorities before being released to the market.

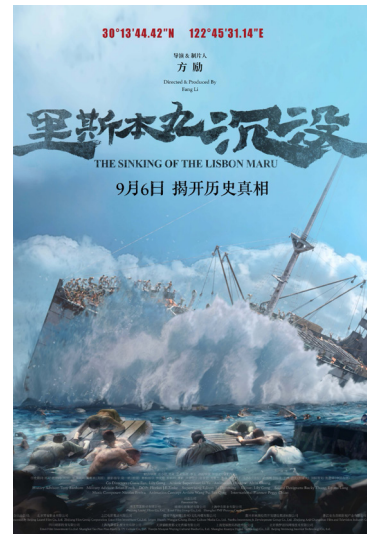
During the Reporting Period, Damai Entertainment participated in the production and co-production of over 70 films, covering a wide range of genres including suspense, drama, anime, and romance. Notable titles of a broad social impact included "Successor (抓娃娃)", "A Place Called Silence (默殺)", "Creation of the Gods II: Demon Force (封神第二部：戰火西岐)", "The Volunteers: The Battle of Life and Death (志願軍：存亡之戰)", "Octopus with Broken Arms (誤殺3)", "Boonie Bears: Future Reborn (熊出沒•重啟未來)", "The Boy and the Heron (你想活出怎樣的人生)", "Big World (小小的我)", "Her Story (好東西)", and "Legends of the Condor Heroes: The Gallants (射鵰英雄傳：俠之大者)". In aggregate, these films achieved a total box office revenue exceeding RMB18 billion and attracted an audience of over 400 million.



Film poster:  
"Successor (抓娃娃)"



Film poster:  
"Creation of the Gods  
II: Demon Force  
(封神第二部：戰火西岐)"



Film poster:  
"The Sinking of the Lisbon Maru  
(里斯本丸沉沒)"



Film poster: "The Volunteers: The Battle of Life and Death (志願軍：存亡之戰)"



Film poster: "Her Story (好东西)"



Film poster: "A Tapestry of a Legendary Land (只此青綠)"

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

**Award-winning film(s)**

**Awarding organization & award title**

"The Wandering Earth II (流浪地球2)",  
"The Volunteers: To the War (志願軍：雄兵出擊)",  
"One and Only (熱烈)", "Chang'an (長安三萬里)",  
"Home Coming (萬里歸途)", "Born to Fly (長空之王)",  
"Lighting Up the Stars (人生大事)", and  
"Beyond the Clouds (我本是高山)"

Outstanding Works Award at the 17th "Five One Project" for Spiritual Civilization Construction

"Black Dog (狗陣)"

Best film in the "Un Certain Regard" section at the 77th Cannes Film Festival

"The Colors Within (你的顏色)"

Golden Goblet Awards for Best Animated Feature Film at the 26th Shanghai International Film Festival



In its drama series production segment, the Group has continued to deepen the operation model of its dedicated drama series studios, focusing on social issues and humanistic themes while increasing investment in quality original flagship content. The aim is to produce outstanding drama series that combine depth, warmth, and emotional value, conveying uplifting and positive messages. During the Reporting Period, several drama series, including *"In the Name of Justice (以法之名)"*, *"A Thrilling Descent into the Secrets of the Tang Court – Jadewind (唐宮奇案之青霧風鳴)"*, and *"Wild Ambition Bloom (灼灼韶華)"* had completed filming and are now in the pipeline for release, further enriching The Group's drama series portfolio. As of the end of the Reporting Period, the drama series studios had over 20 key projects in reserve and more than 30 projects under development, continuously injecting high-quality, innovative momentum into the industry. To further improve 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, the Group collects extensive user feedback and incorporates it into subsequent refinements, effectively enhancing both the completeness and market performance of its productions.

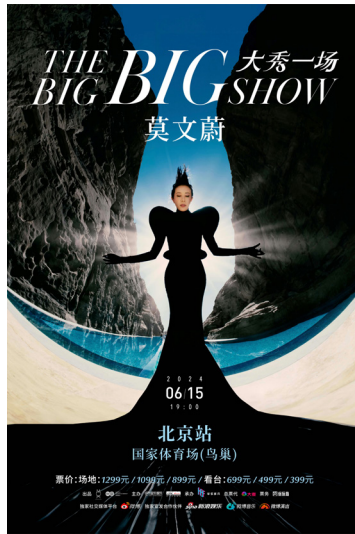
Additionally, Damai is an active investor and producer of IP projects in the live performance sector, with footprint covering large-scale concerts, music festivals, stage plays, dance dramas, musicals, stand-up comedies, and exhibitions. During the Reporting Period, Damai participated in more than 120 IP projects, and was involved in the production, presentation, or co-production of projects such as the Xiami Music & Arts Festival in Aranya (阿那亞蝦米音樂節), *"The Summoning of Dunhuang (受到召喚•敦煌)"*, *"The Big Big Show" Tour by Karen Mok (莫文蔚「大秀一場」巡演)*, and *"The Phantom of the Opera (劇院魅影)"*. These projects span a diverse range of content, including mainstream themes, traditional culture, and contemporary performing arts, further expanding the supply of quality cultural content.



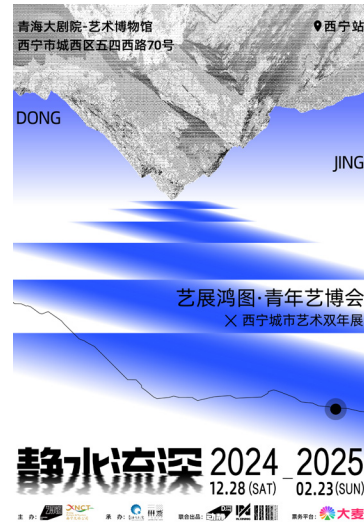
Poster: Xiami Music & Arts Festival in Aranya  
(阿那亞蝦米音樂節)



Poster: *"The Summoning of Dunhuang*  
(受到召喚•敦煌)"



Poster: "The Big Big Show" Tour by Karen Mok  
(莫文蔚「大秀一場」巡演)



Poster: Youth Art Fair  
(青年藝博會)

To deliver more premium-quality film productions to the industry, the Group has launched collaborations with producer studios. As of the end of the Reporting Period, our "HINA International Young Director Program (海納國際青年導演發展計劃)" had successfully recruited 38 outstanding directors. At the same time, we have established the "Damai Entertainment Scholarship" at Hong Kong Baptist University, further deepening cooperation on film and television projects. In addition, the Group also actively integrates quality internal and external resources and utilizes the HINA Program as a platform to regularly invite industry experts to deliver enriching courses and sharing sessions. This enables employees to stay current with the latest industry trends and knowledge, supporting their careers through continuous learning, and promoting healthy development for the entire film and television ecosystem.



Picture: HINA Masterclass  
“Face-to-Face with Korean  
Cinematographer Woo Jae-ho  
(與韓國攝影指導吳在皓面對面)”



Picture: HINA Masterclass  
“Korean Screenwriting  
Methodology (韓國編劇方法論)”



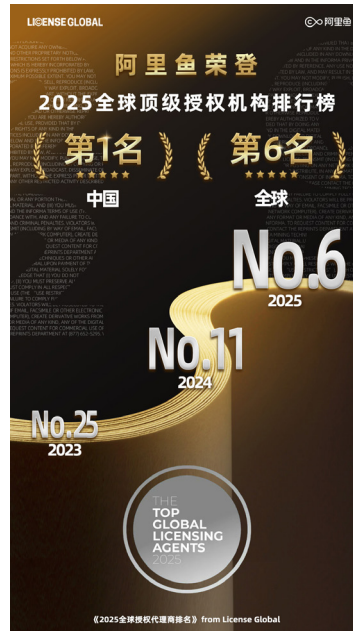
Picture: HINA Masterclass  
“How to Make Your  
Story More Compelling  
(把你的故事講得更動人)”

### ***Developing Creative Products***

Damai Entertainment continues to deepen its “content + technology” strategy, actively creating innovative products with both cultural value and commercial vitality to enhance the sustainability of its content ecosystem. Leveraging diverse IP resources and technological capabilities, the Group adheres to the philosophy of “developing story-telling products and granting heart-warming licenses”, and continuously launches influential, innovative offerings in the fields of IP licensing, pop toy development, and digital products.

In terms of IP commercialization, the Group’s AliFish platform has built a comprehensive industry chain since its establishment in 2016, covering IP licensing, operation, and implementation. It consistently serves hundreds of well-known domestic and international IPs, as well as over a thousand brands and channel partners. According to *The Top Global Licensing Agents* released by *License Global* in April 2025, AliFish ranked sixth globally with retail sales of US\$4.1 billion, marking a climb for three consecutive years while also securing a leading position in the Asia-Pacific region.





Picture: AliFish ranked 6th globally and 1st in China on the Top Global Licensing Agents 2025

AliFish continues to expand its licensing business and cooperation scope, strengthening its IP2B2C<sup>7</sup> full-chain service capabilities through strategic partnerships. In October 2024, AliFish formed a strategic alliance with SPIRALCUTE to engage in in-depth operations focusing on popular IPs such as Chiikawa and Koupen Chan. In March 2025, AliFish was appointed by Shogakukan<sup>8</sup> as the exclusive licensing partner for its hit IP “*Ranma ½* (亂馬1/2)” in Mainland China for the next five years.



Picture: AliFish and SPIRALCUTE strategic cooperation launch event

<sup>7</sup> Intellectual Property to Business to Business to Consumer, refers to a supply chain model in which an intellectual property owner (IP party) authorizes a business (B1) to produce goods, and the business (B1) then provides these goods or services to consumers (C) through a platform (B2).

<sup>8</sup> Shogakukan Inc., founded on August 8, 1922, is headquartered at 2-3-1 Hitotsubashi, Chiyoda-ku, Tokyo, Japan. Its core business covers books, periodicals, manga, and digital publishing. Representative publications include “*Ranma ½* (亂馬1/2)”, among others.

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

<b>Award recipient</b>	<b>Awarding organization &amp; award name</b>
AliFish	2024 China Licensing Awards – “Agency of the Year”, 2024 CLE Brand Licensing Golden Star Awards – “Outstanding Copyright Service”
Sanrio	2024 Licensing International Asian Awards – “Asian Property of the Year”, 2024 CLE Brand Licensing Golden Star Awards – “IP of Outstanding Commercial Value”
TOPTOY × Sanrio Family collaboration	2024 Licensing International Asian Awards – “Licensee of the Year (Toys)”, 2024 CLE Brand Licensing Golden Star Awards – “Outstanding Licensee (Pop Toys)”
Bosideng × Kuromi collaboration	2024 China Licensing Awards – “Licensee of the Year (Apparel/Footwear/Accessories)”, 2024 CLE Brand Licensing Golden Star Awards – “Outstanding Licensee (Apparel/Accessories)”
LAMY × Pokémon collaboration	2024 China Licensing Awards – “Licensee of the Year (Toys/Gifts)”
MINISO × Sanrio Family collaboration	2024 China Licensing Awards – “Licensee of the Year (Household Chemicals/Beauty Products)”

In the pop toys and cultural innovation sector, Hujing Digital Media & Entertainment’s KOITAKE continues to deepen its IP content development and capabilities in creating original products, thereby establishing a comprehensive pop toys platform that covers the full industry chain from IP operation, design, supply chain, to retail. During the Reporting Period, KOITAKE solidified its presence in emerging fields such as content derivatives and emotional consumption. Its derivative products based on “*Empresses in the Palace* (甄嬛傳)” are wildly popular among fans. Meanwhile, it has launched Sheng Yu Gu (生魚谷), its sub-brand in the anime space, in an effort to expand its IP portfolio by releasing several popular pop toys derivative products based on hit IPs like “*Ashes of the Kingdom* (如鸞)” and “*Mr Love: Queen’s Choice* (戀與製作人)”. Additionally, KOITAKE’s studios operate concurrently to incubate original pop toy characters such as LUNA and PiPi, successfully enhancing the brand’s differentiated competitive edge.

Table: KOITAKE's key products during the Reporting Period



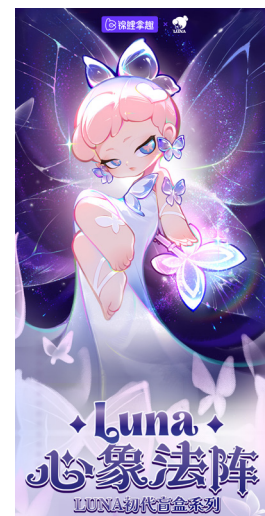
Sheng Yu Gu (生魚谷)  
× "Ashes of the Kingdom (如鳶)"  
collaborative merchandise



"Empresses in the Palace  
(甄嬛傳)" MINI figurines



"Mr Love: Queen's Choice (戀與製作人)"  
derivative products



First-generation mystery box of the "LUNA  
Mind Strategy (LUNA 心象法陣)" Series



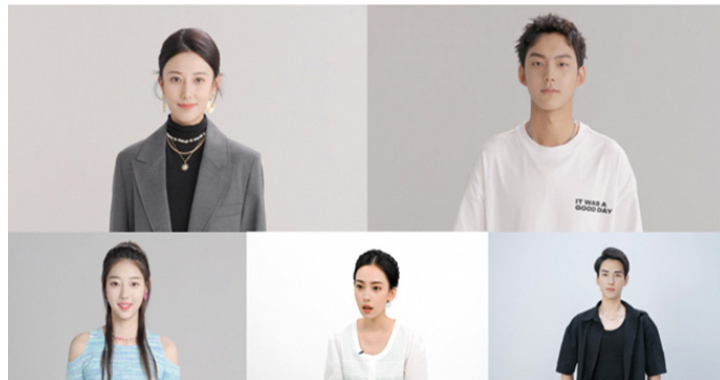
Mystery box of the "PiPi Forestry Party  
(PiPi森林派對)" Warm Encounter Series

In the digital content domain, Damai Entertainment actively invests in cutting-edge areas such as digital humans and digital collectibles, continuously exploring ways to integrate content production with digital technology. Our Lingjing business unit has developed diversified offerings around the hyper-realistic digital human theme. In particular, the digital human “Leah” has been applied across drama series, variety shows, advertisements, and other content productions, driving a transformative shift toward content creation of lower cost and greater efficiency. In 2024, Leah became Damai’s first contracted virtual musician, appearing on CCTV-1’s “China 2024 CCTV AI Gala” and serving as the promotional ambassador for Tmall’s “Double 11” shopping festival, which pioneered new commercialization paths for digital humans. During the Reporting Period, Leah’s commercial collaborations spanned multiple consumer sectors including watches and sports, with advertising placements across 3,500 stores and major national transportation hubs.



Picture: Leah signs with Damai to become Damai’s first contracted virtual musician

Meanwhile, the Group has incubated and launched a group of new generation digital humans. Digital characters such as Meng Zhiyu (孟知雨), Zhang Youchi (張有馳), Dai Lanting (戴蘭汀), and LuLu have begun collaborations in the fast-moving consumer goods space. For example, they have jointly created interactive experiences featuring AI and augmented reality with brands like ChaPanda and Yi He Tang, supporting their digital transformation journeys. Additionally, the Group has also partnered with Alipay, the National Health Commission, and the National Healthcare Security Administration to launch industry-specific digital human solutions such as “Anzhen’er (安診兒)” and “Yibao’er (依保兒)”, promoting the integration and application of AI in healthcare scenarios.



Picture: New generation digital humans



#### Case study: Driving overseas business collaboration for digital humans

In July 2024, Hujing Digital Media & Entertainment Group partnered with Thailand-based T&B Media Global Group to jointly launch “LuLu,” the first digital human created by a Chinese company for overseas markets. This initiative has become a key benchmark in the exploration of large-model digital humans going global, continuously expanding the international influence of Chinese cultural digital expression.



Picture: Unveiling ceremony of hyper-realistic digital human LuLu

In the digital collectibles field, Leah served as the brand ambassador for Ant Group’s Topnod during the Reporting Period. Through the Topnod collaboration, Leah launched a limited-edition NFT single, issuing a total of 6,666 copies. Boasting a GMV exceeding RMB850,000, Leah ranked among the top three in commercial value on China’s secondary digital collectibles market, further solidifying its industry position as a virtual music IP.

### 3.2 CONTENT GOVERNANCE AND ADVERTISEMENT COMPLIANCE

Damai Entertainment is committed to creating an online environment featuring civil, healthy, and upright contents. It continuously improves its content governance and advertising review systems, strictly implementing relevant laws and regulations, strengthening review mechanisms and institutional safeguards to provide users with a safe, trustworthy, and compliant experience in content consumption.

#### Content Governance

The Group 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 optimizes its content governance system 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 put in place the *Preceding Safety Evaluation System for Tao Piao Piao Safety Review Team*, the *Internet Rumors and Illegal Supply Chain Information Handling System*, and the *Comments Posting Services Management System*. It has also publicly released the *Management Rules for Tao Piao Piao Community* and the *Management Rules for Damai Community*, creating an open, rational, and orderly community environment for users.

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

Having established a multi-layered, multi-dimensional content review mechanism, the Group has put in place extensive sensitive word libraries and violation identification rules tailored to various content formats such as texts, images, and videos. These are supplemented by algorithmic models that assist in promptly intercepting harmful information including pornography, advertisements, and personal attacks. Furthermore, in line with the development trends of AI technology, the Group has implemented Artificial Intelligence Generated Content (AIGC) review features across multiple platforms and scenarios. This enhances the timeliness and accuracy of content review, providing a solid safeguard for the safety and compliance of an innovative content ecosystem.

Additionally, the Group has established a comprehensive complaint and reporting mechanism for violating content, providing users with multiple reporting channels including email, hotlines, and product pages. To enhance user reporting convenience, prominent labels are placed on key pages such as those for product information, video playback, and comment sections. In accordance with internal regulations, the Group has set response time limits for all reported cases, ensuring that every case is handled and feedback provided within 15 days, thereby effectively safeguarding the platform's healthy ecosystem.

To strengthen internal compliance awareness, we continuously conduct training on content governance and compliance, helping our employees better identify and respond to violating content. In this financial year, we held a total of three specialized training sessions covering topics such as combating online "black PR teams", annual compliance reminders, and content promotion regulations, with an aggregate of 1,367 employees trained.

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

Content of training	Unit	Number of attendees
Specialized training on combating criminal activities by online "black PR teams"	Person	50
"Annual review" compliance reminder	Person	1,297
Training on safety of film promoting content	Person	20



### Advertisement Compliance

The Group 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. Based on its actual business characteristics, the Group has 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*, clarifying advertising content compliance requirements and review procedures. To further regulate platform-based marketing activities, the Group issued the *Compliance Guidelines for Marketing Language Usage* and the *Compliance Guidelines for Interactive Ranking Marketing Activities* during this financial year, strengthening the review and control of risks such as absolute claims and the chaos associated with the “fan circle” culture, thereby contributing to a trustworthy and regulated ecosystem for advertising.

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

The Group has established an advertising compliance governance framework and an advertising review system. The Compliance Governance and Public Affairs Center regularly conducts compliance reviews and training for departments in charge of film and performance products, operations, and marketing. It also performs routine supervision and review of both online and offline advertising content, legal compliance, and security, driving compliance management across the entire marketing value chain. As at the end of this financial year, the Group completed compliance reviews for a total of 132 commercial advertising contents, covering online platform placements and offline promotional scenarios, which ensured the truthfulness and compliance of relevant contents.

To effectively enhance compliance assurance for key-timing marketing campaigns, the Group 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 campaigns, while also adopting smart review tools to strengthen its reviews in terms of thoroughness and efficiency. In this financial year, the Tao Piao Piao and Damai marketing review teams introduced the “Marketing Material AI Review Tool 2.0,” which enabled the automatic identification and flagging of potential compliance risks in uploaded marketing campaign rules, materials, and event pages. This enables smart pre-screening before manual review while significantly boosting review efficiency. For example, during the 2024 Spring Festival campaign review of 67 marketing activities, the average manual review time per case was reduced from 30 minutes to 20 minutes with AI assistance, saving a total of 670 minutes and improving overall efficiency by 34%.

To further enhance employees' compliance awareness, Damai Entertainment has continuously strengthened the regular compliance training mechanism for key business teams, promoting in-depth compliance management of marketing activities at the very frontline. During the Reporting Period, the Group conducted five online training sessions for the Tao Piao Piao and Damai operations teams, focusing on five key occasions of Labor Day, Dragon Boat Festival, school summer vacation, Mid-Autumn Festival, and Spring Festival. Approximately 80 employees from the operations and product departments participated in these sessions, which covered four core topics: compliant design of marketing activities, key compliance points for promotional materials, standards for drafting activity rules, and risk prevention measures for major promotional periods. Sessions included explanations of both typical scenarios and real cases, aimed at improving employees' practical ability to identify and manage compliance risks. Additionally, the Group provided the films performance operations team with a template library for activity rules and a frequently asked questions document repository, ensuring easily accessible, standardized references to strengthen frontline execution standards.

The Group's core businesses (including film and television content production, investment and distribution, and technology services) are not exposed to product quality or safety risks. For IP derivatives, the Group has established a strict quality control system that covers the entire process of quality inspection and product recall mechanisms, effectively ensuring product quality and safety. At the same time, the Group has built a comprehensive after-sales service system to make sure it can promptly respond to and address any product quality-related issues. During the Reporting Period, the Group did not experience any product recalls due to safety or health concerns.

### 3.3 PROTECTION OF INTELLECTUAL PROPERTY RIGHTS AND COPYRIGHT

Damai Entertainment values the protection of intellectual property rights and copyright. It has developed a robust intellectual property management system and copyright protection mechanism to safeguard the legal interests of innovations. The Group strictly complies with relevant laws and regulations, establishing standardized institutional processes to promote regular innovation incentives, advance data ownership confirmation, and digitalize copyright management, thereby enhancing the institutionalization, systematization, and professionalism of its intellectual property governance.

#### *Intellectual Property Rights*

The Group strictly adheres to applicable laws and regulations, including the *Patent Law of the People's Republic of China* and the *Trademark Law of the People's Republic of China*. To ensure comprehensive protection of intellectual property rights throughout business processes such as content development, technological innovation, and brand building, it has established systems such as the *Intellectual Property Management for External Cooperation Projects*, covering key areas including patents, trademarks, copyrights, and domain names. In response to potential infringement, we have an emergency response mechanism in place to take legal actions to defend and safeguard our legitimate rights and interests.

To inspire employees' enthusiasm for innovation, the Group continuously optimizes its intellectual property incentive system by establishing reward mechanisms for patent applications and authorizations. Internal incentive programs such as the "Innovative Proposal Award," "Patent Application Award," and "Patent Authorization Award" have been implemented to foster a culture that encourages research and development and respects originality.

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

Patent category	Amount (piece) of patents
Trademarks	39
Patents	6
Copyrights (software)	3
Copyrights (works)	13
Domain names	6
Data intellectual property	0

The Group continues to explore pathways for data property protection. During this financial year, it preliminarily established a commercialization protection mechanism for high-value performance data, focusing on data ownership confirmation, transactional compliance, and leakage prevention technologies. Within the Reporting Period, we formulated the *Guidelines for the Protection of High-Value Performance Data*, implementing security measures such as watermarking of seating charts, font-based encryption of sensitive products, and interception of outbound office documents. Meanwhile, we also actively advanced intellectual property registration for key performance data, achieving confirmed ownership management over data assets like box office figures and seating charts.

#### **Protection of Copyright**

Damai Entertainment consistently adheres to the principles of legal compliance. In its content development and IP derivative product businesses, the Group strictly follows copyright licensing procedures. In compliance with laws 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 established management systems including the *Derivatives Business Management Process of Integrated Development Department*, which covered multiple categories such as models, toys, mystery box, derivative food products, derivative cosmetics, derivative audio-visual products. This ensures that all merchandise operates only after obtaining legitimate authorization.

The Group actively promotes the construction of a digital copyright management system in response to the Copyright Protection Center of China's call for innovation in the internet copyright governance mode. It has 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 enhanced its ability to trace and protect copyrights, providing a solid foundation for subsequent rights enforcement and verification.

### 3.4 CUSTOMER SERVICE

Damai Entertainment consistently upholds the core value of “customer first”. It continuously optimizes products and service experiences to enhance customer satisfaction and loyalty. The Group has established a comprehensive customer service system covering the entire lifecycle. Through the Net Promoter Score (NPS) management mechanism, it gains deep insights into users’ genuine needs, focuses on key service scenarios, and drives improvements in both service capability and user experience.

#### ***Tao Piao Piao***

As the Group’s film ticketing platform, Tao Piao Piao strictly follows the *SOP Manual for Customer Feedback Handling* to regulate its customer service processes, continuously optimizing the service mechanism to enhance the overall user experience. After receiving a customer complaint, Tao Piao Piao will first verify the situation and contact the customer to confirm their concerns. Subsequently, based on the customer’s needs and business rules, relevant departments will be coordinated to propose a solution. Finally, the solution will be discussed with the customer, confirmed, and implemented. During the Reporting Period, Tao Piao Piao updated its customer service handling mechanism by strengthening four key modules: scenario-based tiered response, emergency response, closed-loop follow-up, and training assessment, which effectively improved service efficiency and customer satisfaction.

In terms of service channel development, Tao Piao Piao publicly displays its customer service hotline within the App and has established a dedicated customer service team for black diamond members to provide more professional and personalized support. On the system functionality side, Tao Piao Piao focuses on optimizing the ticket purchasing process by further streamlining operational steps while also offering users an “account information download” feature to actively facilitate convenient access to information services.

Tao Piao Piao continuously conducts user experience research, systematically collecting user feedback through a satisfaction evaluation mechanism, and constantly optimizes product features and service experience based on data analysis results. For this financial year, Tao Piao Piao drove targeted improvements by focusing on key issues such as refund processing, ticket cancellation fees, and ticket collection procedures through its NPS analysis mechanism. During the Reporting Period, Tao Piao Piao’s average NPS increased by 1.1% year-on-year, customer satisfaction rose by 12.73% compared to the previous year, the platform’s service answer rate exceeded 98%, up 1.75% year-on-year, with 19,155 customer complaints received and a 100% resolution rate.

#### ***Damai***

As a professional performance ticketing platform, Damai continuously strengthens its service capabilities, enhances platform experience, and reinforces risk control mechanisms, aiming to provide audiences with convenient and secure ticket purchasing and event attendance services. For customer complaints, Damai handles the process by verifying the situation, confirming the concerns, formulating a solution, and obtaining the customer’s confirmation for the execution plan. During the Reporting Period, Damai carried out in-depth optimizations across multiple dimensions including service mechanisms and resource allocation, establishing a closed-loop service system covering pre-sale, in-sale, and post-sale stages.

In terms of service mechanisms, Damai has established a scenario-based tiered service system. For high-risk situations such as event postponements, content defects, and user emergencies, the platform proactively implements flexible compensation policies to protect user rights. Within daily operations, it effectively reduces disputes by enhancing refund rules and displaying information in a prominent manner. Additionally, it has adopted a prioritized external and tiered internal complaint response mechanism for greater handling efficiency. During the Reporting Period, Damai comprehensively optimized functions including ticket purchase, refund, and invoice issuance, introducing flexible mechanisms such as “conditional refunds by event/session”, “refunds at any time”, and “split refunds,” significantly improving the convenience and timeliness of refund processing. Damai’s overall refund processing efficiency increased by 70% year-on-year during the Reporting Period.

In terms of resource allocation, Damai has continuously expanded its customer service team, establishing a multi-functional service system comprising frontline customer service, second-line support, and special case handling units to promote flexible scalability and closed-loop management of service capabilities. Meanwhile, the platform has integrated AI technology to empower customer service processes, optimizing summarization and delegation functions to enhance smart service capabilities.

During the Reporting Period, Damai’s call answer rate increased 4% year-on-year to over 98%. On a year-on-year basis, its NPS rose by 8.3%, and customer satisfaction improved by 18.22%, while the rate of support requests per 10,000 orders dropped by 50.1%. A total of 222,513 customer complaints were received and all were properly handled, achieving a 100% resolution rate.

### **Maizuo**

Maizuo is a ticketing management platform under the Group that focuses on digitalized operations in the performance industry. Drawing on over 20 years of experience in ticketing systems and operations, it provides comprehensive ticketing solutions for event organizers and ticket agents, covering the full process from event listing, multi-channel sales, membership marketing, on-site ticket exchange and verification, to data analysis. In addition to supporting quick event listing with a simple three-step process, the platform also offers practical features such as graphical seat mapping and ticket template presets, enabling efficient ticketing configuration for merchants. By integrating multiple channels including Douyin, WeChat, and Alipay, and combining short video POI placements and live-stream product exposure, Maizuo has built an integrated closed loop of “content-driven traffic – ticket conversion – user service.”

In this financial year, Maizuo launched an international version of its system with support for multiple languages and currencies, enabling overseas deployment. The platform adopts a responsive web architecture and utilizes a unified technology middle platform to adapt to various terminal devices, thereby reducing maintenance costs. Featuring a modular architecture, the platform offers page customization capabilities and leverages technologies such as a mini-program factory to shorten the average launch cycle for merchant-specific mini-programs to three working days, significantly improving launch efficiency and operational convenience.

As of the end of this financial year, the Maizuo system served over 1,000 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.

### **Beacon**

Beacon is the Group's smart promotion, distribution, and data platform dedicated to the entertainment industry. It continuously empowers marketing for film, television, and live performance content through big data and AI capabilities.

The platform has institutionalized a customer service mechanism, in accordance with the *SOP for Beacon Customer Services*, it collects, sorts out, and evaluates customer feedback in a systematic manner. User interview reports are generated regularly through follow-up calls and online surveys. Meanwhile, dedicated service personnel are assigned to corporate customers to maintain daily communication and ensure that customer requests are addressed within 24 hours.

Beacon routinely conducts market forecasting before film releases, integrating popularity metrics from major platforms such as Douyin and Weibo alongside box office trends. By factoring in film genre, release schedule, and competitive landscape, Beacon provides clients with professional analytical support including box office forecasts, daily box office estimates during the presale period, and screening schedule predictions, helping them develop scientific and effective promotion strategies. During the Reporting Period, Beacon further upgraded its "Beacon AI" product by integrating the Qwen large language model, enhancing its public opinion analysis module. This significantly improved real-time monitoring and analysis of both positive and negative film reviews across the internet, enabling project teams to swiftly respond to market feedback and formulate strategies for reputation management of greater precision.

As at the end of the Reporting Period, Beacon served 1,203 film and drama series projects, with a cumulative box office of RMB138.2 billion, further consolidating its industry-leading position. 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 that includes wish counts, interest multipliers, and sold-out registrations. This model generates scientific estimates of potential audience size, sell-out probabilities, and additional show potential, offering additional guidance on setting tour dates and venue ticketing strategies, as well as more effective data-driven decision support for the live performance industry.

### **Yunzhi**

Yunzhi is the Group's open platform focused on the digital operation of cinemas. It is committed to providing cinemas with advanced technologies and quality products through smart solutions. During this financial year, the platform continued to increase its R&D investment with a more up-to-date and open mindset, concentrating on product upgrades and system integration to fully support cinemas in achieving digital transformation and refined operations.

During the Reporting Period, Yunzhi launched three new product lines, thereby forming a closed-loop cinema service ecosystem covering marketing, data, and cashier management. Among these, Yunzhi mini program 2.0 focuses on driving traffic and building private domains, not only deepening membership systems and interactive platforms but also helping cinemas expand business and cultivate highly engaged users, significantly enhancing overall operational efficiency. The data operations middle platform integrates Beacon data, public and private domain resources, and Alibaba Cloud's computing power to provide visualized smart data support for cinema finance, operations, and marketing roles. The smart POS system for cinemas has been fully upgraded with cross-platform compatibility, now supporting PC, mobile, and tablet interfaces, while enhancing offline processing and local network data sharing to improve cashier efficiency and business continuity.

As at the end of the Reporting Period, Yunzhi had covered over 5,400 cinemas nationwide, continuously empowering cinemas to 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 Group, dedicated to deeply integrating 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 achieved dual upgrades in its service system and hardware/software capabilities. By connecting data across the entire chain from on-set shooting to post-production, it effectively improved editing efficiency and overall production effectiveness. Leveraging modules such as "CloudTake", the platform has realized pre-editing and metadata interoperability in many pilot projects, resulting in an 8% efficiency increase during shooting period and a 50% improvement in editing and production efficiency, significantly optimizing production schedules and resource allocation for film and TV projects.

As at the end of the Reporting Period, Cloud Production had served nearly 150 production crews, providing them with customized process management and risk control support, continuously enabling the film and television industry to achieve professional, digital, and scalable quality development in content production.



## 4 JOINT EFFORTS IN PROTECTING THE ECOLOGICAL ENVIRONMENT

Damai Entertainment actively fulfills its social responsibilities and has established a fair and just 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 focuses on promoting the sustainable development of its supply chain and actively embeds ESG principles into its operations. In strict compliance with the *Supplier Management Guidelines of Hujing Digital Media & Entertainment*, the *Tendering and Bidding Rules of Hujing Digital Media & Entertainment*, and other general management rules at the Group level, the Company standardizes supplier management processes and criteria. It continuously strengthens end-to-end supplier management, which covers supplier admittance, evaluation, daily management, and exit procedures, while also implementing a “supplier management” accountability mechanism to ensure a compliant, transparent, green, and robust supply chain.

**Table: End-to-end supplier management**

Admittance stage	<ul style="list-style-type: none"><li>• Information submission: Information submission is required to be completed either by suppliers independently or by the Company’s procurement personnel. The validity of the supplier information is verified and categorized accordingly to ensure compliance throughout the admittance process;</li><li>• Qualification review: Before admittance, all suppliers will undergo a qualification review. The review covers, but is not limited to, overall business scale, bank account opening permit, and records of administrative penalties. Only suppliers who pass the review may be added to the system;</li><li>• Risk screening: The causes of medium-and high-risk supplier ratings are identified, effective risk control measures are implemented, and detailed risk information is recorded in the system. Risk reports are submitted in accordance with the relevant procedures.</li></ul>
Evaluation stage	<ul style="list-style-type: none"><li>• Evaluation dimensions: Suppliers undergo a comprehensive evaluation covering multiple dimensions such as technology, quality, responsiveness, delivery, cost, and ESG management, with a view to ensuring that they meet the Company’s quality and standard requirements;</li><li>• Evaluation methods: Suppliers are assessed through dynamic, periodic, and annual comprehensive evaluations, the results from which are incorporated into the supplier overall rating system.</li></ul>

Daily management	<ul style="list-style-type: none"> <li>Hierarchical management: Supplier scores are displayed on the procurement platform, and a hierarchical supplier management system is implemented to identify and select strategic suppliers, ensuring a thorough understanding of supplier status;</li> <li>Penalty management: For breaches or non-compliance by suppliers, including but not limited to violations of integrity and compliance requirements, causing direct financial loss, or generating negative impacts, the Company determines the severity level and then applies corresponding penalties.</li> </ul>
Exit stage	<ul style="list-style-type: none"> <li>Based on supplier ratings, evaluation results, and records of breaches or non-compliance, suppliers that fail to meet requirements – such as those with poor delivery performance, low transaction volume, or significant negative impact – are promptly removed from the supplier system.</li> </ul>

To ensure the standardization of its end-to-end supply chain management, the Company continuously improves its institutional management mechanisms. During the Reporting Period, we revised the *Tendering and Bidding Rules of Hujing Digital Media & Entertainment*, introducing new supplier shortlisting and bid evaluation rules, and clarifying conflict-of-interest principles to ensure integrity in supply chain management. At the same time, we further strengthened supplier evaluation management by conducting health assessments for suppliers across different categories. These assessments covered aspects such as office premises, factories, organizational structure, business qualifications, and operating status, with all assessed suppliers meeting the Company's management requirements. 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 384 suppliers, including 379 in Mainland China and 5 in Hong Kong, Macau, Taiwan, and overseas markets.

#### Case study: Health assessment of labor service providers in the entertainment ecosystem

In 2024, the Company conducted a comprehensive, deep-dive review and assessment on labor service providers in the entertainment ecosystem. Through on-site inspections, document reviews, staff interviews, among other methods, we evaluated suppliers' overall capabilities and verified their service locations and service quality. These efforts provided valuable information for determining collaboration mechanisms going forward and the allocation of resources, thereby effectively enhancing the operational efficiency and competitiveness of ecosystem labor providers.

As a sustainability-oriented business, Damai Entertainment is committed to building an honest and environmentally friendly supply chain ecosystem. Our suppliers are required to comply with the *ESG Code of Conduct for Suppliers of Alibaba*, uphold the highest standards of business ethics, and continuously enhance their environmental and social responsibility performance. Through systematic evaluation of our suppliers' ESG performance and potential risks, we closely monitor issues such as corruption and environmental pollution, fully implementing supply chain risk management requirements to ensure that our supply chain operations remain compliant and robust.

**Table: ESG Code of Conduct for suppliers**

ESG topic	Code of conduct
Environmental protection	<ul style="list-style-type: none"> <li>To integrate environmental protection and responsibility as core operational principles by developing, implementing, and maintaining environmentally responsible business practices;</li> <li>To comply with environmental permits and requirements, and obtain and renew all relevant environmental certifications and documentation;</li> <li>To prevent pollution and conserve resources by minimizing emissions and waste generation at the source;</li> <li>To identify and manage hazardous substances and waste to ensure their safe and proper disposal.</li> </ul>
Labor rights and benefits	<ul style="list-style-type: none"> <li>To uphold employees' human rights and ensure equal treatment for all employees, including full-time, temporary, outsourced, and dispatched workers;</li> <li>To ensure voluntary employment and free choice of work, strictly prohibit forced labor and the employment of child labor.</li> </ul>
Business ethics	<ul style="list-style-type: none"> <li>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;</li> <li>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;</li> <li>To require suppliers to sign documents such as the <i>ESG Code of Conduct for Suppliers of Alibaba</i>, the <i>Undertaking on Honesty and Integrity</i> and the <i>Non-Disclosure Agreement</i>.</li> </ul>
Health and safety	<ul style="list-style-type: none"> <li>To embed health and safety management into business operations to protect employees' physical and mental wellbeing, and reduce work-related injuries and illnesses;</li> <li>To identify and assess occupational health and safety risks, implement corresponding management measures to minimize workplace hazards;</li> <li>To develop and implement contingency plans and response procedures.</li> </ul>

The Company actively fulfills its environmental responsibilities by strictly complying 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*. We advocate for green procurement practices and integrate environmental standards into our supplier evaluation system, including the *China Compulsory Certification* (3C Certification) and the *Restriction of Hazardous Substances* (RoHS). In the procurement process, we give priority to suppliers holding 3C and RoHS certifications when establishing business partnerships.

To cultivate suppliers' awareness and capabilities in ESG management and promote shared long-term, healthy cooperation, we regularly conduct training and awareness campaigns for suppliers and other partners through offline sessions and email communications. These cover business process guidance, integrity and ethics education, as well as occupational safety and health regulations. Meanwhile, we provide regular internal training for our procurement teams, including studying the Group's anti-corruption notices and taking exams on the code of business conduct, to prevent corruption in the supply chain and foster a supplier cooperation environment of integrity, transparency, and sustainability.

**Case study: "Entertaining Together, Building Procurement Excellency (娛你同行，共築精採)" Hujing Digital Media & Entertainment supplier communication conference**

In 2024, the Company held communication conferences with its suppliers focusing on procurement rules and processes, as well as integrity promotion, which were conducted through on-site training sessions. By communicating our supplier management requirements, sustainability concepts, and integrity culture, we managed to deepen our suppliers' understanding of related policies and procedures, which effectively enhanced business collaboration efficiency, promoted sustainable development of the supply chain, thereby laying a solid foundation for long-term, friendly cooperation. During the Reporting Period, we organized a total of two major supplier training sessions, covering 40 suppliers with 65 participants.



Picture: Hujing Digital Media & Entertainment supplier communication conference

## 4.2 SOCIAL CHARITY

Damai Entertainment upholds the philosophy of “engaging in charity through a commercial approach” to promote social harmony and progress. We spread the warmth of our corporate culture to diverse social groups by actively organizing a variety of public welfare activities, including charity film screenings, volunteer services, and the “Creating More Possibilities (創造更多可能)” campaign supporting people with disabilities, bringing cultural care and spiritual strength to disabled individuals and communities in remote areas. From rural cultural revitalization, environmental cause, to partner support, we drive social equity and welfare to build a better social ecosystem. During the Reporting Period, a total of 1,752 employees at Damai Entertainment participated in our public welfare initiatives, contributing a total of 22,500 hours, including 9,400 hours in volunteer services.

In actively executing the rural revitalization strategy and adhering to the philosophy of creating contents about ordinary people performing heroic deeds that promote strong sentiment and positive values, Damai Entertainment has launched the “Tao Piao Piao Starlight (星光點點)” charity screening project. Since its inception, this project has partnered with 16 films including “*Mozart from Space* (外太空的莫扎特)”, “*Moon Man* (獨行月球)”, “*Five Hundred Miles* (交換人生)”, “*Born to Fly* (長空之王)”, “*Chang'an* (長安三萬里)”, “*Super Wings: Maximum Speed* (超級飛俠：樂迪加速)”, “*Backkom Bear: Mars Mission* (貝肯熊：火星任務)”, “*Be My Family* (無價之寶)”, “*Galaxy Writer* (銀河寫手)”, “*Time Still Turns the Pages* (年少日記)”, “*Gold or Shit* (走走停停)”, “*Into the Mortal World* (落凡塵)”, “*Upstream* (逆行人生)”, “*Out of the Nest* (蛋寶大營救)”, “*Cesium Fallout* (焚城)”, and “*Molly* (莫莉的冒險)”. These films have brought the project to rural areas across 24 provinces, municipalities, and autonomous regions nationwide, with over 2,300 screenings held and more than 230,000 beneficiaries. By enriching the cultural life of rural communities, the project promotes the advancement of rural cultural revitalization and the pursuit of shared spiritual prosperity.

### Case study: The “Tao Piao Piao Starlight (星光點點)” charity screening project comes to Shengsi

In November 2024, the “Tao Piao Piao Starlight (星光點點)” charity screening project initiated the construction of and officially launched the first “Starlight Cinema” on Huaniao Island, Shengsi. To date, four “Starlight Cinemas” have been completed. Moving forward, these cinemas will serve as permanent screening venues under the “Tao Piao Piao Starlight (星光點點)” initiative, continuously showcasing outstanding films for those living on the island. This effort aims to enhance the wellbeing of communities in remote rural areas by enriching villagers’ lives.



Picture: Launch ceremony of the “Tao Piao Piao Starlight (星光點點)” charity screening project in Shengsi

To promote broad social awareness and support for vulnerable groups, Damai Entertainment actively implements multiple initiatives caring for disadvantaged individuals and people with disabilities. These include launching the “Wheelchair-friendly Hall” feature and offering accessible screenings, ensuring that the actual needs of people with disabilities are met and providing effective assistance. In doing so, the Company contributes to the inclusive dissemination of accessible information and the construction of barrier-free environments.

#### Case study: Tao Piao Piao launches the “Wheelchair-friendly Hall” prime seat viewing event

In 2024, ahead of the 34th National Disability Day, Tao Piao Piao partnered with Alibaba Foundation to launch the “Wheelchair-friendly Hall” labeling feature across more than 60 cinemas in Beijing, Shanghai, and Hangzhou. Through effective information labeling and guidance, this initiative better addresses the real needs of people with disabilities during both online ticket purchasing and in-theater viewing. It provides significant convenience for those with disabilities to purchase tickets and enjoy movies independently, truly enabling them to enjoy barrier-free “prime seat” viewing experiences. At the same time, this design’s unique product innovation and user-friendliness also earned it the title of a National Model Achievement in Barrier-Free Environment Construction.



Picture: Ticketing guidance for the “Wheelchair-friendly Hall”



On the path of driving environmental and charitable causes, Damai Entertainment focuses on raising public environmental awareness and promoting a green and sustainable lifestyle, embedding the concept of “green” deeply into people’s mindset. We have partnered with public welfare and environmental organizations to launch multiple green initiatives covering waste sorting, water conservation, marine protection, and other issues. While creating diverse lifestyle experiences for our customers, including art, environmental stewardship, and community culture, we also contribute actively to the protection of our planet.

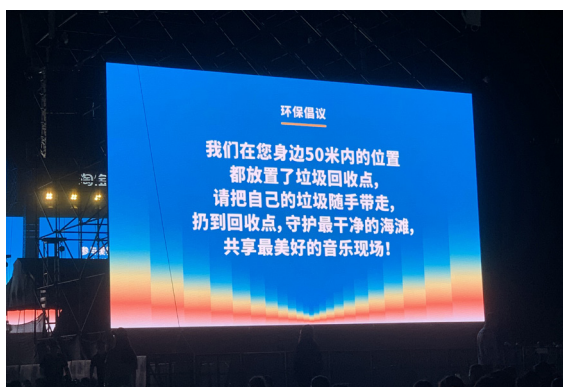
#### Case study: Damai Entertainment initiates the “Eco-friendly Music Festival” campaign

In 2024, the Xiami Music & Arts Festival in Aranya (阿那亞蝦米音樂節), in partnership with Alibaba Foundation and Novaloop, launched an environmental campaign encouraging attendees to dispose of waste at designated locations, actively participate in waste sorting, and help maintain a clean and orderly festival site. During the three-day event, a total of 150 waste sorting stations were set up onsite, recycling hundreds of thousands of plastic bottles, with approximately 140,000 participants responding to the initiative. This effort strengthened social cohesion while also promoting green lifestyles.



Picture: “Eco-friendly Music Festival” public welfare campaign

Additionally, the Xiami Music & Arts Festival in Aranya (阿那亞蝦米音樂節) collaborated with its philanthropic partner “related” to advocate for marine protection and water conservation, calling on society to embrace sustainable practices, jointly create a better life, and raise public awareness about public welfare and environmental protection.



Picture: Environmental advocacy at the music festival



Damai Entertainment upholds the philosophy of shared technology and mutual development, implementing various support measures to foster the growth and development of partners and industry talent. In terms of creator support, we provide funding and resource assistance to outstanding screenwriters and directors by establishing the “Damai Entertainment Scholarship” and launching initiatives such as the “Spring Seedling Screenwriters Program (春苗編劇計劃)” and the “HINA International Young Director Program (海納國際青年導演發展計劃).” We regularly organize screenwriting training and exchange events, inviting renowned screenwriters and directors to share their experiences, thereby promoting sustainable and quality development within the film and television industry. On the merchant support front, Damai has introduced a preferential policy for theatre merchants, reducing platform service fees for small-and medium-sized merchants in theatre categories. This policy benefits nearly a thousand organizers for dramas, musicals, stand-up comedies, and other performances, helping drive sustainable business growth and jointly exploring sustainable industry development models.

#### Case study: The “Spring Seedling Screenwriters Program (春苗編劇計劃)” of Hujing Digital Media & Entertainment

In January 2025, Hujing Digital Media & Entertainment held the kick-off roadshow for its “Spring Seedling Screenwriters Program (春苗編劇計劃)” in Beijing. This program is its support initiative targeting young creators and original scriptwriters across the industry. With the mission to “cultivate a generation of great screenwriters,” the program utilizes multiple rounds of screening to select outstanding young creators, providing them with financial support. Hujing Digital Media & Entertainment also organizes recurring events on film and television creation, such as the “Spring Seedling Tea Talks (春苗茶話會)” and the “Spring Seedling Screenwriters Masterclass (春苗編劇大師班)”, attracting numerous young creators who possess international perspectives, innovative visions, and modern audiovisual thinking to jointly explore pathways for creating original content of premium quality. During the Reporting Period, three roadshows were completed, and creative funding was granted to 28 young screenwriters.



Picture: The “Spring Seedling Screenwriters Program (春苗編劇計劃)” roadshow in Beijing

Centering its content strategy on “breaking boundaries, affordability and inclusivity,” while focusing on three main business operations through self-production, co-production, and investment, Damai Entertainment has founded “Hao Xi Lian Tai (好戲連台)”, its budget-friendly brand for cultural performances. For theatrical productions targeting lower-tier markets, we develop affordable plays that combine established IP, regional characteristics, and innovative experiences, bringing art closer to ordinary people. We continue to deepen our efforts in reimagining traditional cultural theater by uncovering compelling stories, preserving classic texts, and exploring innovative ways to present traditional culture in medium and large theaters. In parallel, we focus on nurturing young theatrical talent by providing comprehensive support to outstanding performance groups from higher-education institutions and the wider society, thereby fostering the market-oriented development of professional artists.



Picture: Logo of “Hao Xi Lian Tai (好戲連台)”, a budget-friendly brand for cultural performances

### Case study: Delivering quality plays at affordable prices under the “Hao Xi Lian Tai (好戲連台)” brand

In February 2025, Damai founded “Hao Xi Lian Tai (好戲連台)”, its budget-friendly brand for cultural performances. The brand has already curated a diverse slate of projects spanning genres such as Chinese-style suspense, Bashu regional culture, and traditional acrobatics, all aimed at developing affordable, premium plays. To promote theatrical arts among the general public, ticket sales are now open for the brand’s inaugural production, “*Forensic Detective Team: Echoes in the Mist* (法醫探案團之迷霧迴響)”, which will soon tour lower-tier cities including Yuyao, Wenzhou, Jingjiang, Nantong, and Wenling.



Picture: Poster of “*Forensic Detective Team: Echoes in the Mist* (法醫探案團之迷霧迴響)” – the first “Hao Xi Lian Tai (好戲連台)” production

### 4.3 GREEN OPERATION

Damai Entertainment has always adhered to its sustainable development philosophy with a focus on taking eco-friendly measures. It deepens environmental management in daily operations, and minimizes the negative impact of its operating activities on the ecological environment. The Group actively responds to the national goals of “carbon peaking and carbon neutrality,” aligns with Alibaba Group’s carbon reduction strategy, and is advancing the development of Damai Entertainment’s carbon emission targets. By collaborating with upstream and downstream partners in the film and television industry to build a green cooperative network, it takes concrete actions to explore new paradigms for an eco-friendly cultural and entertainment industry.

#### *Responding to Climate Change*

To proactively address the global challenge of climate warming, Damai Entertainment has fully integrated climate risk management into its corporate operations, embedding it throughout strategic planning and the entire risk control process. We systematically assess the impacts of climate changes on our business development, while also accurately identifying potential risks and opportunities. By continuously optimizing climate risk mitigation strategies, we aim to build a more resilient business system while effectively enhancing our overall capacity to respond to climate changes.

Our film and television business is exposed to multiple climate risk challenges throughout its operations. Natural disasters and extreme weather events such as typhoons and heavy rains pose direct threats to shooting schedules and personnel safety. These physical climate risks not only force production teams to halt work and result in economic losses, but may also endanger the safety of both cast and crew members. Meanwhile, the IP derivatives business faces risks of supply chain disruptions caused by extreme weather, which in turn affect product inventory and sales performance. To effectively tackle these challenges, we have established a comprehensive climate risk early warning mechanism that combines meteorological monitoring with emergency response plans, thereby minimizing risks and losses. In terms of protective measures, we provide all production team members with comprehensive property and personal insurance coverage.

In seizing transition opportunities, we actively embrace digital innovation by leveraging technologies such as AI virtual filming and cloud platform collaboration. These advances significantly reduce the environmental impact of traditional production methods and promote the low-carbon upgrading of film and television production processes. Additionally, by building digital marketing and distribution models and promoting electronic ticketing, we accelerate the transition of our business toward greener, low-carbon models. In addition to achieving energy savings and emission reductions, we also aim to open up broader avenues for market growth.

To mitigate the deteriorating climate trend, 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% of carbon intensity reduction by 2030, using 2020 levels as 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 the emissions apportioned according to Damai Entertainment's share of total employees.

In terms of energy management, Damai Entertainment strives to achieve the energy utilization efficiency target, continuously optimizing the energy structure of its office facilities to increase the proportion of renewable energy usage, aiming to build a smarter, low-carbon energy management system. At the group-owned facilities where Damai Entertainment operates, we utilize green electricity and photovoltaic energy, with green electricity accounting for 46% of the total energy consumption. Furthermore, we have integrated smart energy management systems at the design stage of our newly constructed facility in Beijing, using IoT technology to achieve precise control over electrical equipment. For existing facilities, we regularly engage third-party organizations to conduct energy efficiency audits for continuous optimization of energy utilization efficiency. These initiatives have not only significantly reduced the carbon emission intensity of our facilities but also serve as exemplary cases for the green transformation of the entire film and television industry chain.

#### Green Office

Damai Entertainment emphasizes green environmental protection and energy conservation throughout its corporate operations. It continuously enhances employees' awareness and proactive engagement in sustainability, while earnestly fulfilling its commitment to green office practices.

The Group strictly complies 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, the Group has deeply integrated environmental management requirements into daily operations, ensuring that the principles of green, low-carbon, and environmental friendliness are faithfully implemented across office work and daily business activities. Due to the nature of Damai Entertainment's business, the Group's operations do not involve activities that cause significant environmental or natural resource impacts, such as air and greenhouse gas emission, wastewater discharge, generation of hazardous or non-hazardous waste, use of finished product packaging materials, or raw material consumption. During the Reporting Period, the Group did not record any environmental violations.

In terms of water resource management, Damai Entertainment responds to Alibaba Group's scientific and reasonable water conservation targets and has established specific goals tailored to its own operations.

**Damai Entertainment's water conservation target**

To reduce the per-unit water consumption of self-owned facilities by 15% compared to 2021 by 2025.

Damai Entertainment actively responds to water resource protection initiatives and systematically promotes the implementation of water-saving targets. In the construction of our new facility in Beijing, we strictly adhere to LEED Gold certification standards, fully equipping the premise with first-class water-saving fixtures to maximize water efficiency. At the same time, the facility has established a water resource recycling system that significantly improves water reuse rates through the three measures of rainwater collection, air-conditioning condensate recovery, and recycling wastewater for drinking.

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.

In terms of waste management, Damai Entertainment continuously improves its waste management system and strictly fulfills its commitment to 100% compliant waste disposal. The Group has now implemented waste sorting at the source. Recyclable waste is thoroughly recovered through designated sorting bins, while non-recyclable waste is uniformly handed over to municipal authorities for harmless treatment, with a view to ensuring emissions comply with relevant regulations and achieving scientific and standardized waste management. Furthermore, during the Reporting Period, Damai Entertainment's Beijing facility achieved 100% on-site biological fermentation treatment for kitchen waste. The cumulative volume of biologically fermented kitchen waste reached 1,200 tons, producing approximately 120 tons of organic fertilizer.

Damai Entertainment has implemented various green office initiatives to promote eco-friendly operations.



Table: Green office initiatives at Damai Entertainment

Energy-saving renovation	<ul style="list-style-type: none"> <li>Optimizing the lighting scenarios by adopting a smart lighting system to achieve smart switching;</li> <li>Switching the electronic equipment, such as printers, to the energy-saving mode;</li> <li>Self-adjusting the lighting and the air-conditioning temperature of the office spaces by scanning the QR code with a mobile phone.</li> </ul>
Paperless operations	<ul style="list-style-type: none"> <li>Smart daily office solutions used for online conference room reservation, collaboration and discussion at meetings and automatic post-meeting shutdown of electronic equipment in the conference room.</li> </ul>
Recycling and reuse	<ul style="list-style-type: none"> <li>Printers are set to double-sided printing by default;</li> <li>Setting a site for small post office carton box collection to facilitate reuse;</li> <li>Establishing a stationery corner to gather reusable paper and office supplies for second use.</li> </ul>
Nurturing and practicing environmental awareness	<ul style="list-style-type: none"> <li>Encouraging environmental protection behavior, such as turning off lights and air conditioners, taking the stairs instead of using elevators, bringing your own cup, to increase the employees' environmental awareness;</li> <li>Encouraging green packaging, organizing low carbon campaigns and discouraging the use of disposable chopsticks, spoons and plastic bags;</li> <li>Promoting the "Clear Your Plate" campaign, continuing to organize the "Clear Your Plate and Be Food Wise" (有心光盤·量力而食) activities to reduce food wastage;</li> <li>Encouraging low-carbon travel. For daily commute, increasing the number of charging stations in the facility. For business travel, reward points are provided based on four types of low-carbon business travel, including taking trains instead of planes, carpooling, taking the company shuttle bus and taking the subway, to guide and encourage our employees to go on business trips in a more low-carbon fashion.</li> </ul>
Environmental activities	<ul style="list-style-type: none"> <li>Launching a carbon reduction rewards program to encourage the integration of carbon-saving actions into daily life, where participants can exchange used coffee cups and milk tea cups for storage boxes and desk plants.</li> </ul>

**Table: Energy Consumption and Greenhouse Gas Emission of Alibaba Pictures during the Reporting Period**

Indicator	Unit	Data during the Reporting Period
Fuel gas consumption	m <sup>3</sup>	338,300.00
Fire extinguisher consumption	kg	1,677.28
Refrigerant consumption	kg	4,094.02
Purchased power	MWh	6,318.23
Comprehensive energy consumption	tce	1,186.58
Comprehensive energy consumption per capita	tce/person	0.67
Total greenhouse gas emissions	tCO <sub>2</sub> e	5,804.74
Total greenhouse gas emissions (Scope 1)	tCO <sub>2</sub> e	2,104.78
Total greenhouse gas emissions (Scope 2)	tCO <sub>2</sub> e	3,699.96
Density of CO <sub>2</sub> emissions per capita	tCO <sub>2</sub> e/person	3.29
Water consumption	tons	49,134.94
Density of water consumption per capita	tons/person	27.81

Notes:

1. The Group leases work stations in Alibaba Group's parks in Beijing, Hangzhou, Shanghai, Guangzhou 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 2022 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 in December 2024, which is 0.5856 kgCO<sub>2</sub>e/KWh.
5. This year, Dama Entertainment has continuously improved the statistical scope of its emission data. Due to the relocation of the Beijing office to the new headquarters park, the statistical scope of some energy usage and emission data has been adjusted, resulting in an increase in gas, fire extinguishers, refrigerants, purchased electricity, greenhouse gas emissions, and water consumption. The new headquarters park uses the park's boilers for heating, so no purchased heat was involved in this Reporting Period.

**Green Cast and Crew**

Damai Entertainment actively leads the green transformation of the film and television industry by thoroughly integrating innovative technologies with operational models to promote sustainability across the entire value chain. In building green production crews, the Company has significantly improved resource utilization efficiency by actively promoting the adoption of virtual filming technology, achieving paperless operations on set, and ensuring the circular use of crew assets. Meanwhile, Damai has broadly applied paperless solutions to various large live performances and exhibitions, effectively turning low-carbon, eco-friendly concepts into concrete actions. On the Tao Piao Piao platform, we continue to promote the use of "electronic commemorative tickets", replacing traditional paper tickets with digital ones, with the electronic commemorative ticket now covering 99% of films on the platform.

**Case study: Digitalization solutions provided by Cloud Production**

Damai Entertainment, leveraging its Cloud Production product matrix, provides tailored digitalization solutions for the film and television industry. During the pre-production stage, Cloud Production supports online operations, enabling teams to monitor financial status and workflow progress in real time. When it comes to filming, CloudTake fully digitizes tasks such as on-set monitoring, playback, and script supervision. In post-production, the Cloud Eyes online screening tool replaces traditional hard drive shipping and DVD screenings. By offering digitalized services throughout the entire production cycle, Cloud Production significantly reduces resource consumption and drives the industry toward greener, more efficient practices.

**Case study: Crew asset reuse**

Damai Entertainment actively promotes a crew asset reusing system, reallocating props, costumes, and other resources from completed shoots to other ongoing projects, thereby significantly reducing the environmental burden of waste disposal. At the same time, the Group organizes charity auctions for costumes used in films and series to further unlock the value of idle resources and prevent waste. Since its launch, the crew asset reusing initiative has supported a wide range of productions, including drama series, variety shows, films, and commercials, contributing to a low-carbon, sustainable industrial chain and driving the industry's transition toward greener and more circular practices.

**Case study: Zreal digitalized production solution**

In order to solve the problems of time-consuming and energy-consuming traditional live-action filming, as well as the inability to recycle resources, the Group has launched Zreal digitalized production solution, which underwent a comprehensive upgrade from version 1.0 to 2.0 in 2022.

In May 2023, Zreal completed the shooting of an experimental film "*Lighthouse* (燈塔)" in the virtual production studio in Qingdao in only 11 days. A total of 13 scenes and 2,700 shots were included, which is equivalent to the scale of a 5-episode drama series. Compared to the conventional 16-day filming cycle for a similar drama series, this marked cost savings and efficiency improvement of over 30%.

Zreal provided the end-to-end digital production solution for "*Riverside Code at Qingming Festival* (清明上河圖密碼)", a large-scale costume drama that commenced production on October 18, 2023. The series featured a total of eight major sets created through virtual production, including snowy forest, lakeside sunset, and culverts. For scenes filmed using virtual production, filming efficiency was expected to increase by 30%, while human resource efficiency was set to grow sixfold.

As at the end of 2023, Zreal virtual production studios were established in various places such as Beijing, Hengdian and Qingdao, providing advanced software and hardware for project services, testing by cast and crew, technological research and development.

\* For identification purposes only

## ESG INDEX

Environmental, Social and Governance Aspects, General Disclosures and Key Performance Indicators (KPIs)			Sections
<b>Environmental</b>			
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 and greenhouse gas 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
	A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	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

Environmental, Social and Governance Aspects, General Disclosures and Key Performance Indicators (KPIs)			Sections
<b>Environmental</b>			
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
A4: Climate Change	General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	4.3 Green Operation
	A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	4.3 Green Operation
<b>Social</b>			
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

Environmental, Social and Governance Aspects, General Disclosures and Key Performance Indicators (KPIs)			Sections
<b>Social</b>			
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
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



Environmental, Social and Governance Aspects, General Disclosures and Key Performance Indicators (KPIs)			Sections
<b>Social</b>			
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.	1.4 Data Security and Privacy Protection  3.2 Content Governance and Advertisement Compliance
	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  3.4 Customer Service
	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
B7: Anti-corruption	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

## 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?