Damai Entertainment Holdings (1060.HK)

FY26 Review and NDR takeaways: Investments weigh on near-term profit; focus on content and IP merchandising

1060.HK	12m Price Target: **HK$0.82**	Price: **HK$0.64**	Upside: **28.1%**

BUY

Lincoln Kong, CFA
+852-2978-6603 | lincoln.kong@gs.com
Goldman Sachs (Asia) L.L.C.

Ronald Keung, CFA
+852-2978-0856 | ronald.keung@gs.com
Goldman Sachs (Asia) L.L.C.

Luqing Zhou
+852-3465-4207 | luqing.zhou@gs.com
Goldman Sachs (Asia) L.L.C.

Damai's FY26 result fell short of our earlier expectations, largely due to: 1) **adj. EBITA miss** (reported adj. EBITA at Rm746mn for FY26; organic adj. EBITA at Rmb850mn if excluding one-off loss from termination of a non-core business (self IP brand), at 30%+ yoy vs. Rmb640mn on a like-for-like basis) **dragged by upfront investment in Damai International and IP merchandising**, which is still ongoing, rather than one-off and likely to continue weighing on near-term profitability; 2) **IP merchandising 2H revenue miss** (+28% yoy, -26%/-22% vs. GSe/VA consensus), with market worries on continuous slowdown amid geopolitical tensions affecting brand/merchant orders and moderated growth of mature IPs such as Sanrio.

We acknowledge the near-term pressure for Damai Entertainment, especially into 1HFY27E (**GSe**: total revenue **+2%** yoy, adj. EBITA **-4%** yoy at Rmb526mn), considering: 1) **topline moderation in IP merchandising**, primarily due to delayed merchant orders for sublicensing amid external uncertainties; 2) **ongoing upfront investment in Damai International and self-developed IP ecosystem** weighing on profitability.

That said, we believe these pressures are **largely priced in** by the market, and expect **re-acceleration from 2HFY27E** (**GSe**: total revenue +14% yoy, adj. EBITA +124% yoy at Rmb439mn), supported by: 1) **unlocking of commercialization potential in live entertainment content**, including more promoter participation, "variety show + performance + commercialization" integration, monetization of offline performance ad slots, and AI-enabled B-end services through Beacon Pro and MySeat system; 2) **gradual recovery of IP merchandising**, driven by new retailing store expansion and potential progress in self-developed IP commercialization.

For the longer term, we see Damai International and IP

Key Data

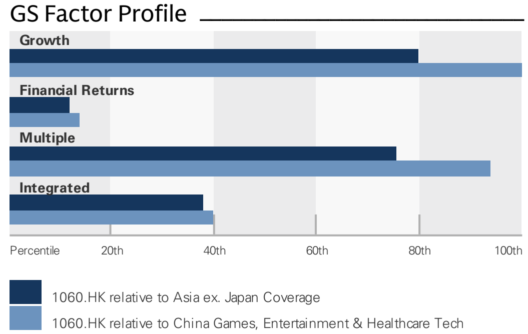
Market cap: HK$19.0bn / $2.4bn
Enterprise value: HK$16.8bn / $2.1bn
3m ADTV: HK$121.3mn / $15.5mn
China
China Games, Entertainment & Healthcare Tech
M&A Rank: 3
Leases incl. in net debt & EV?: Yes

GS Forecast

	3/26	3/27E	3/28E	3/29E
Revenue (Rmb mn) New	**8,024.4**	**8,658.8**	**10,205.0**	**11,732.9**
Revenue (Rmb mn) Old	7,708.7	9,123.0	10,670.3	11,974.4
EBITDA (Rmb mn)	897.6	896.6	1,200.2	1,439.5
EPS (Rmb) New	**0.02**	**0.03**	**0.03**	**0.04**
EPS (Rmb) Old	0.03	0.04	0.04	0.05
P/E (X)	34.5	21.8	17.4	14.7
P/B (X)	1.4	0.9	0.9	0.8
Dividend yield (%)	0.0	0.0	0.0	0.0
CROCI (%)	8.9	6.6	8.9	10.7

	9/25	3/26	9/26E	3/27E
EPS (Rmb)	0.02	0.01	0.02	0.02

GS Factor Profile



Source: Company data, Goldman Sachs Research estimates.
See disclosures for details.

BUY

Damai Entertainment Holdings (1060.HK)

Rating since Aug 12, 2025

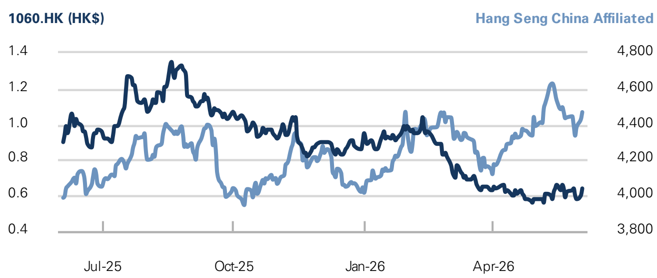
Ratios & Valuation

	3/26	3/27E	3/28E	3/29E
P/E (X)	34.5	21.8	17.4	14.7
P/B (X)	1.4	0.9	0.9	0.8
FCF yield (%)	11.6	(5.5)	7.7	7.5
EV/EBITDAR (X)	28.6	15.1	11.3	9.1
EV/EBITDA (excl. leases) (X)	28.2	14.6	10.7	8.5
CROCI (%)	8.9	6.6	8.9	10.7
ROE (%)	4.3	4.4	5.2	5.8
Net debt/equity (%)	(19.3)	(11.7)	(16.9)	(21.1)
Net debt/equity (excl. leases) (%)	(20.9)	(14.4)	(20.4)	(25.4)
Interest cover (X)	58.3	55.8	76.6	91.9
Days inventory outst, sales	3.6	3.6	2.1	2.2
Receivable days	209.2	194.9	161.2	146.1
Days payable outstanding	433.7	404.7	303.8	280.9
DuPont ROE (%)	4.1	4.2	5.0	5.6
Turnover (X)	0.3	0.3	0.4	0.4
Leverage (X)	1.5	1.4	1.4	1.4
Gross cash invested (ex cash) (Rmb)	9,723.8	11,892.5	11,854.7	12,086.3
Average capital employed (Rmb)	13,933.7	14,501.0	15,364.1	15,226.2
BVPS (Rmb)	0.58	0.61	0.64	0.68

Growth & Margins (%)

	3/26	3/27E	3/28E	3/29E
Total revenue growth	19.7	7.9	17.9	15.0
EBITDA growth	18.7	(0.1)	33.9	19.9
EPS growth	92.9	6.4	25.4	18.3
DPS growth	NM	NM	NM	NM
EBIT margin	9.2	8.2	9.5	9.9
EBITDA margin	11.2	10.4	11.8	12.3
Net income margin	8.8	8.7	9.3	9.7

Price Performance



	3m	6m	12m
Absolute	(16.9)%	(28.9)%	(26.4)%
Rel. to the Hang Seng China Affiliated	(17.4)%	(31.9)%	(35.2)%

Source: FactSet. Price as of 2 Jun 2026 close.

Income Statement (Rmb mn)

	3/26	3/27E	3/28E	3/29E
Total revenue	8,024.4	8,658.8	10,205.0	11,732.9
Cost of goods sold	(5,259.2)	(5,593.4)	(6,688.1)	(7,766.9)
SG&A	(2,246.9)	(2,405.7)	(2,594.2)	(2,849.5)
R&D	–	–	–	–
Other operating inc./(exp.)	219.9	46.4	46.4	46.4
EBITDA	**897.6**	**896.6**	**1,200.2**	**1,439.5**
Depreciation & amortization	(159.5)	(190.5)	(231.1)	(276.5)
EBIT	**738.2**	**706.1**	**969.1**	**1,163.0**
Net interest inc./(exp.)	245.9	265.6	249.0	281.0
Income/(loss) from associates	–	–	–	–
Pre-tax profit	**955.6**	**943.1**	**1,189.6**	**1,415.5**
Provision for taxes	(263.4)	(188.6)	(237.9)	(283.1)
Minority interest	13.0	–	–	–
Preferred dividends	–	–	–	–
Net inc. (pre-exceptionals)	**705.2**	**754.5**	**951.7**	**1,132.4**
Post-tax exceptionals	7.8	259.3	234.3	214.3
Net inc. (post-exceptionals)	**713.0**	**1,013.8**	**1,186.0**	**1,346.8**
EPS (basic, pre-except) (Rmb)	**0.02**	**0.03**	**0.03**	**0.04**
EPS (diluted, pre-except) (Rmb)	**0.02**	**0.03**	**0.03**	**0.04**
EPS (basic, post-except) (Rmb)	**0.02**	**0.03**	**0.04**	**0.04**
EPS (diluted, post-except) (Rmb)	**0.02**	**0.03**	**0.04**	**0.04**
DPS (Rmb)	–	–	–	–
Div. payout ratio (%)	0.0	0.0	0.0	0.0

Balance Sheet (Rmb mn)

	3/26	3/27E	3/28E	3/29E
Cash & cash equivalents	3,573.6	2,606.1	3,907.0	5,172.7
Accounts receivable	4,875.0	4,373.0	4,643.7	4,752.3
Inventory	117.4	54.4	65.1	75.6
Other current assets	6,835.0	6,705.7	6,551.7	6,572.1
Total current assets	**15,401.0**	**13,739.3**	**15,167.4**	**16,572.6**
Net PP&E	870.7	1,264.6	1,567.3	1,904.5
Net intangibles	4,252.2	4,383.9	4,433.8	4,491.2
Total investments	735.8	735.8	735.8	735.8
Other long-term assets	4,620.2	4,780.7	4,907.3	5,032.5
Total assets	**25,879.9**	**24,904.3**	**26,811.7**	**28,736.7**
Accounts payable	7,090.9	5,313.7	5,818.7	6,135.8
Short-term debt	0.0	0.0	0.0	0.0
Short-term lease liabilities	45.5	210.4	365.7	530.4
Other current liabilities	1,301.7	849.4	993.2	1,135.2
Total current liabilities	**8,438.1**	**6,373.5**	**7,177.5**	**7,801.4**
Long-term debt	–	–	–	–
Long-term lease liabilities	232.8	277.6	305.4	335.9
Other long-term liabilities	124.2	156.4	184.3	211.9
Total long-term liabilities	**357.0**	**434.0**	**489.7**	**547.8**
Total liabilities	**8,795.1**	**6,807.5**	**7,667.2**	**8,349.2**
Preferred shares	–	–	–	–
Total common equity	16,832.4	17,844.3	18,892.1	20,135.0
Minority interest	**252.5**	**252.5**	**252.5**	**252.5**
Total liabilities & equity	**25,879.9**	**24,904.3**	**26,811.7**	**28,736.7**
Net debt, adjusted	(3,573.6)	(2,606.1)	(3,907.0)	(5,172.7)

Cash Flow (Rmb mn)

	3/26	3/27E	3/28E	3/29E
Net income	955.6	943.1	1,189.6	1,415.5
D&A add-back	159.5	190.5	231.1	276.5
Minority interest add-back	–	–	–	–
Net (inc)/dec working capital	2,200.4	(1,352.6)	623.6	435.1
Other operating cash flow	(8.6)	(208.2)	(159.7)	(190.3)
Cash flow from operations	**3,306.9**	**(427.3)**	**1,884.5**	**1,936.7**
Capital expenditures	(459.0)	(495.2)	(583.7)	(671.1)
Acquisitions	–	–	–	–
Divestitures	–	–	–	–
Others	(1,370.1)	(45.0)	–	–
Cash flow from investing	**(1,829.1)**	**(540.2)**	**(583.7)**	**(671.1)**
Repayment of lease liabilities	–	–	–	–
Dividends paid (common & pref)	–	–	–	–
Inc/(dec) in debt	0.0	0.0	0.0	0.0
Other financing cash flows	0.0	0.0	0.0	0.0
Cash flow from financing	**0.0**	**0.0**	**0.0**	**0.0**
Total cash flow	**1,477.8**	**(967.5)**	**1,300.9**	**1,265.7**
Free cash flow	2,847.9	(922.5)	1,300.9	1,265.7

Source: Company data, Goldman Sachs Research estimates.

retailing/self-operated IP as potential incremental growth drivers, which could scale up and improve profitability through operating leverage and enhanced monetization once investment cycles mature.

Following the YTD price correction, the stock is currently trading at 7X fwd EV/EBITDA, at the low end of its historical range, vs. topline at 14% and adj. EBITDA at 23% 3-yr CAGR. Stay **Buy**. We also hosted Damai and AliFish management post results; detailed takeaways are within.

Positives (+)

1. **Film segment continues to narrow losses and approach breakeven**, supported by the low-budget movie *Dear You* (《给阿嬷的情书》) emerging as a massive sleeper hit, and disciplined investment strategy focusing on low-cost, higher-certainty projects.
2. **Clear roadmap to unlock live entertainment content monetization potential**, with multiple new revenue streams and profit contribution from “Variety show + performance + commercialization” integrated model, AI-driven B-end solutions (e.g. Beacon Pro) and SaaS (eg. MySeat) monetization, and ad inventory monetization of Damai offline performances.

Negatives (-)

1. **Upfront investment in Damai International and IP ecosystem** (incl. venue signing, overseas ticketing platform launches, securing overseas offline events resources, team buildup, tech infra, etc.) continues to weigh on near-term profitability.
2. **Moderation in IP merchandising growth**, with China-Japan tensions impacting brand/merchant order timing for sublicensing and cadence of new IP retailing stores opening.

What to do with the stock: We lower our FY27-28E revenue estimates by -4~-5% to mainly reflect weaker-than-expected IP merchandising business, partially cushioned by higher live entertainment content revenue within Damai segment. We also revise down our FY27-28E reported net profit forecasts by -16%~-17% ccordingly to factor in additional investments around Damai International and IP segments. We now apply an unchanged 15X FY27E P/E to the Damai segment, a lowered 15X FY27E P/E for IP merchandising segment (vs. prior 18X FY27E P/E, considering slower topline, lower-margin IP offline retailing business and peers’ lower valuation), and unchanged 8X P/E for Film and Drama segment with 5% net margin assumption. In light of above, our 12m SOTP-based target price for Damai Entertainment is lowered to **HK$0.82** (from prior HK$0.92). Stay **Buy**.

Exhibit 1: Damai Entertainment: key changes to GSe

Damai Entertainment Rmb mn	New FY27E	% Diff.	New FY28E	% Diff.	New FY29E
Total revenues	**8,659**	**-5%**	**10,205**	**-4%**	**11,733**
Operating profit, non-GAAP	741	-34%	1,019	-27%	1,227
Adj. EBITA	965	-19%	1,203	-16%	1,377
Net income to shareholders, GAAP	**754**	**-17%**	**952**	**-16%**	**1,132**
Margin %					
Gross margin %	35.4%	1.1	34.5%	0.7	33.8%
Operating margin %, non-GAAP	8.6%	(3.8)	10.0%	(3.1)	10.5%
Adj. EBITA margin %	11.1%	(1.9)	11.8%	(1.6)	11.7%
Net margin %, GAAP	8.7%	(1.2)	9.3%	(1.3)	9.7%

Source: Company data, Goldman Sachs Global Investment Research

NDR takeaways

Separately, we present the key takeaways from our NDR with Damai Entertainment below.

Damai segment: Domestic ticketing stabilizing with live entertainment content and Damai International emerging as a new growth driver
Damai domestic ticketing business

Management indicated that **domestic ticketing revenue** remained broadly **flat yoy in FY26**, despite continued expansion in service scale, market share and GMV growth.

- The company notably expanded its operational scale, with no. of large-scale events served reaching c. 5.8k (+50% yoy), no. of total serviced ticketing events reaching c. 0.4mn, and overall ticketing share improving to c. **70%**. Meanwhile, **GMV continues to grow**, driven by category expansion (sports, tourism perormances, etc.) and rich event supply.
- Management clarified that the **perceived decline in take rate is mainly driven by industry cost inflation rather than competitive pressure**, specifically:
  - Rising costs across artists, venues, and production (lighting/staging) have compressed event promoters' profitability, and **all service providers across the value chainace profit compression** as a result, leading to loweree capture per project.
  - Despite these pressures, management **does not expecturther structural decline**, viewing the current level as a post-COVID equilibrium state where industry economics have normalized.
- Asor **YTD trend**, management noted: 1) **concert pipeline is slightly better** vs. last year, supported by the return of some top-tier artists and more consistent touring schedules, though growth remains at **single-digit levels**; 2) other categories are broadly flat yoy.
- From a competitive perspective, management reiterated Damai's **advantages**

beyond pure ticketing, highlighting its **integrated service capabilities** (venue signing, on-site operations, underlying system infrastructure, etc.), which underpin its high project acquisition rate at c. 97%~98%.

Damai domestic live entertainment content

Management highlighted **content-side expansion as a core strategic focus**, with multiple monetization levers emerging:

- **Continue to expand its promoter/co-investor role in concerts** by increasing participation in **top-tier artist tours** as event promoter or investor, enabling greater value capture across the value chain.
- **"Variety show + performance + commercialization" integrated model,** which leverages variety show impact to extend into related artists' offline performances and synchronized commercialization (e.g., artist touring + fan events), including variety shows from both Alibaba ecosystem and third-party platforms.
- **Monetization of Damai ad slots in offline events.** Management sees meaningful upside in underutilized commercial inventory, especially for large-scale and self-produced offline performances.
- **AI-driven commercialization. 1)** The **Beacon Pro** platform, historically a free C-end tool, is being upgraded into a **B-end service offering** leveraging AI capabilities, providing customized solutions for event promoters and creating incremental revenue streams; **2) MySeat** (麦座) **system commercialization.** The company's venue management SaaS MySeat, currently largely provided to domestic venues for free, is expected to gradually monetize through enhanced AI-enabled functionality and partnerships with venues.

Damai International business

Management indicated Damai overseas expansion remains a core strategic initiative, albeit with **near-term margin dilution** to Damai segment.

- **Upfront investment** in Damai International including strategic signing of overseas venues and user acquisition spending for international app launches are key drivers of short-term gross margin dilution, given high cold-start costs across new markets.
    - New platforms (e.g. MySeat International and overseas secondary ticketing platform) are still in investment phase, with strong data ramp-up but high upfront costs.
- On **growth strategy**, Damai International is pursuing multiple parallel pathways:
    - **Tpo-tier Chinese artists going global**, where Damai has early access to certain artist pipelines backed by strong domestic relationships, enhancing project acquisition;
    - **Participation in global tours of top-tier international artists**, through investment, joint operation, or stand-alone operation of some specific legs;
    - **Investment into overseas companies**, particularly in K-pop-related assets;
    - **Development of proprietary boy/girl groups** with global positioning.

- Management also suggested potential future collaboration (instead of competition) with global leaders such as Live Nation, which could represent a longer-term upside catalyst if realized.

IP merchandising: short-term disruption driven by geopolitics, but underlying demand remains solid

Management highlighted that segment profitability was distorted by one-off shutdown of non-core businesses, while **core IP platform (AliFish) delivered 70%+** yoy revenue growth in FY26.

- **Sublicensing**: temporary slowdown driven by external factors
  - Management noted the **soft performance in 2HFY26** was primarily attributable to geopolitical tensions impacting merchant behavior, leading to order delays rather than cancellations. Importantly, management views this as **temporary**, with underlying C-end user demand intact and expected normalization over time.
  - **IP portfolio**: **Sanrio** growth is transitioning into a **steady phase**, following a period of rapid expansion, yet management highlighted AliFish's advantage as a leading IP licensing platform with 200~300 signed IPs, and expects future growth will be driven by the comprehensive and diversified IP portfolio, with other top-tier IPs such as **Chiikawa yet to fully ramp up commercialization**.
- **Retailing**: asset-light expansion with margin trade-off
  - Offline retailing continues to adopt an asset-light, outsourced operation model, resulting in **lower gross margin**, but with limited balance sheet risk.
  - The company plans **new store openings (e.g. Chiikawa)** this year, although the cadence and marketing intensity are partially constrained by external geopolitical factors.
- **Margin dynamics**: mix-driven dilution rather than operational factors
  - Management reiterated that **gross margin decline** in IP segment in FY26 is primarily **mix-driven** due to faster growth of lower-margin retailing business and one-off drag from termination of a non-core business;
  - Importantly, **underlying gross margins for both sublicensing and retailing business themselves are stable yoy**.

Shareholder return

Management acknowledged strong balance sheet (Rmb10.8bn net cash) and increasing investor focus on shareholder return, indicating that **buyback and dividend are both under consideration**, although no decision has been made yet.

Exhibit 2: Damai Entertainment: financial summary

RMB mn (March YE)	FY24	FY25	FY26	FY27E	FY28E	FY29E	1HFY25	2HFY25	1HFY26	2HFY26	1HFY27E	2HFY27E
Revenue	**5,036**	**6,702**	**8,024**	**8,659**	**10,205**	**11,733**	**3,051**	**3,652**	**4,047**	**3,977**	**4,136**	**4,523**
Film segment	2,999	2,712	2,178	2,326	2,386	2,435	1,255	1,457	1,064	1,114	1,188	1,138
Drama series production	596	578	1,401	721	735	750	61	517	484	917	180	540
IP merchandising	828	1,356	2,170	3,007	4,148	5,304	565	790	1,160	1,009	1,275	1,732
Damai	613	2,057	2,276	2,605	2,936	3,244	1,169	888	1,339	937	1,493	1,112
yoy %	**44%**	**33%**	**20%**	**8%**	**18%**	**15%**	**17%**	**51%**	**33%**	**9%**	**2%**	**14%**
Film segment	38%	-10%	-20%	7%	3%	2%			-15%	-24%	12%	2%
Drama series production	-24%	-3%	142%	-49%	2%	2%			693%	77%	-63%	-41%
IP merchandising	52%	64%	60%	39%	38%	28%			105%	28%	10%	72%
Damai		236%	11%	14%	13%	11%			15%	5%	12%	19%
Adjusted EBITA	**504**	**809**	**746**	**965**	**1,203**	**1,377**	**642**	**169**	**550**	**196**	**526**	**439**
Film segment	299	(227)	(53)	31	83	86	(3)	(225)	(153)	99	56	(25)
Drama series production	29	20	4	11	11	14	(8)	29	(14)	17	(11)	22
IP merchandising	157	209	170	219	302	363	111	97	174	(4)	70	150
Damai	18	808	626	704	807	914	542	266	542	84	412	292
Margin %	**10%**	**12%**	**9%**	**11%**	**12%**	**12%**	**21%**	**5%**	**14%**	**5%**	**13%**	**10%**
Film segment	10%	-8%	-2%	1%	3%	4%	0%	-15%	-14%	9%	5%	-2%
Drama series production	5%	3%	0%	2%	1%	2%	-14%	6%	-3%	2%	-6%	4%
IP merchandising	19%	15%	8%	7%	7%	7%	20%	12%	15%	0%	5%	9%
Damai	3%	39%	28%	27%	27%	28%	46%	30%	40%	9%	28%	26%
YoY %	**61%**	**61%**	**-8%**	**29%**	**25%**	**14%**			**-14%**	**16%**	**-4%**	**124%**
Net profit (IFRS)	**335**	**364**	**705**	**754**	**952**	**1,132**	**337**	**27**	**520**	**186**	**394**	**360**
% Net margin (IFRS)	7%	5%	9%	9%	9%	10%	11%	1%	13%	5%	10%	8%
% yoy	*N.M.*	*9%*	*94%*	*7%*	*26%*	*19%*	*-27%*	*N.M.*	*54%*	*588%*	*-24%*	*94%*

Source: Company data, Goldman Sachs Global Investment Research

Exhibit 3: Damai Entertainment: our 12m-TP is revised to HK$0.82

Rmb mn SOTP	Revenue FY27E	EBITA FY27E	NOPAT FY27E	P/E FY27E	Valuation Rmb mn
Damai	2,605	704	598	15x	8,972
IP merchandising	3,007	219	186	15x	2,797
Film segment & Drama	3,046	42	36	8x	1,218
Subtotal	**8,659**	**965**	**821**	**17**	**12,987**
Net Cash					10,838
Total					**23,826**
Discount %					**10%**
Equity value					**21,443**
12-m target price (HK$)					**0.82**

Source: Company data, Goldman Sachs Global Investment Research

Price Target Risks and Methodology - Damai Entertainment Holdings

Our 12m SOTP-based target price for Damai Entertainment is **HK$0.82**, derived from a 15X FY27E P/E for the Damai segment, 15X FY27E P/E for the IP merchandising segment and 8X P/E for the Film and Drama segment with 5% net margin assumption. We have a **Buy** rating. **Key downside risks** include: **1)** Lower-than-expected growth on live entertainment ticketing: supply constraints especially for music concerts due to capacity of quality stadiums and intense competition; **2)** Weaker than expected IP merchandising growth and adjustment of IP licensing contracts from key IP owners; **3)** Execution and operational risk in the movie business.

Disclosure Appendix

Reg AC

We, Lincoln Kong, CFA, Ronald Keung, CFA and Luqing Zhou, hereby certify that all of the views expressed in this report accurately reflect our personal views about the subject company or companies and its or their securities. We also certify that no part of our compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in this report.

Unless otherwise stated, the individuals listed on the cover page of this report are analysts in Goldman Sachs' Global Investment Research division.

Contributing Authors: Lincoln Kong, CFA Goldman Sachs (Asia) L.L.C., Ronald Keung, CFA Goldman Sachs (Asia) L.L.C., Luqing Zhou Goldman Sachs (Asia) L.L.C..

Unless otherwise stated, the individuals listed in the Contributing Authors disclosure of this report are analysts in Goldman Sachs' Global Investment Research division.

GS Factor Profile

The Goldman Sachs Factor Profile provides investment context for a stock by comparing key attributes to the market (i.e. our universe of rated stocks) and its sector peers. The four key attributes depicted are: Growth, Financial Returns, Multiple (e.g. valuation) and Integrated (a composite of Growth, Financial Returns and Multiple). Growth, Financial Returns and Multiple are calculated by using normalized ranks for specific metrics for each stock. The normalized ranks for the metrics are then averaged and converted into percentiles for the relevant attribute. The precise calculation of each metric may vary depending on the fiscal year, industry and region, but the standard approach is as follows:

Growth is based on a stock's forward-looking sales growth, EBITDA growth and EPS growth (for financial stocks, only EPS and sales growth), with a higher percentile indicating a higher growth company. **Financial Returns** is based on a stock's forward-looking ROE, ROCE and CROCI (for financial stocks, only ROE), with a higher percentile indicating a company with higher financial returns. **Multiple** is based on a stock's forward-looking P/E, P/B, price/dividend (P/D), EV/EBITDA, EV/FCF and EV/Debt Adjusted Cash Flow (DACF) (for financial stocks, only P/E, P/B and P/D), with a higher percentile indicating a stock trading at a higher multiple. The **Integrated** percentile is calculated as the average of the Growth percentile, Financial Returns percentile and (100% - Multiple percentile).

Financial Returns and Multiple use the Goldman Sachs analyst forecasts at the fiscal year-end at least three quarters in the future. Growth uses inputs for the fiscal year at least seven quarters in the future compared with the year at least three quarters in the future (on a per-share basis for all metrics).

For a more detailed description of how we calculate the GS Factor Profile, please contact your GS representative.

M&A Rank

Across our global coverage, we examine stocks using an M&A framework, considering both qualitative factors and quantitative factors (which may vary across sectors and regions) to incorporate the potential that certain companies could be acquired. We then assign a M&A rank as a means of scoring companies under our rated coverage from 1 to 3, with 1 representing high (30%-50%) probability of the company becoming an acquisition target, 2 representing medium (15%-30%) probability and 3 representing low (0%-15%) probability. For companies ranked 1 or 2, in line with our standard departmental guidelines we incorporate an M&A component into our target price. M&A rank of 3 is considered immaterial and therefore does not factor into our price target, and may or may not be discussed in research.

Quantum

Quantum is Goldman Sachs' proprietary database providing access to detailed financial statement histories, forecasts and ratios. It can be used for in-depth analysis of a single company, or to make comparisons between companies in different sectors and markets.

Disclosures

The rating(s) for Damai Entertainment Holdings is/are relative to the other companies in its/their coverage universe: 37 Interactive Entertainment, Alibaba Health, Bilibili Inc. (ADR), Bilibili Inc. (H), Damai Entertainment Holdings, Focus Media Information Tech, G-Bits, JD Health International, Kuaishou Technology, Mango Excellent Media, NetEase Inc. (ADR), NetEase Inc. (H), Perfect World, Tencent Music Entertainment Group (ADR), Tencent Music Entertainment Group (H), XD Inc., Zhihu Inc. (ADR), Zhihu Inc. (H), iQIYI Inc.

Company-specific regulatory disclosures

The following disclosures relate to relationships between The Goldman Sachs Group, Inc. (with its affiliates, "Goldman Sachs") and companies covered by Goldman Sachs Global Investment Research and referred to in this research.

Goldman Sachs has received compensation for investment banking services in the past 12 months: Damai Entertainment Holdings (HK$0.64)

Goldman Sachs expects to receive or intends to seek compensation for investment banking services in the next 3 months: Damai Entertainment Holdings (HK$0.64)

Goldman Sachs has received compensation for non-investment banking services during the past 12 months: Damai Entertainment Holdings (HK$0.64)

Goldman Sachs had an investment banking services client relationship during the past 12 months with: Damai Entertainment Holdings (HK$0.64)

Goldman Sachs had a non-investment banking securities-related services client relationship during the past 12 months with: Damai Entertainment Holdings (HK$0.64)

Goldman Sachs had a non-securities services client relationship during the past 12 months with: Damai Entertainment Holdings (HK$0.64)

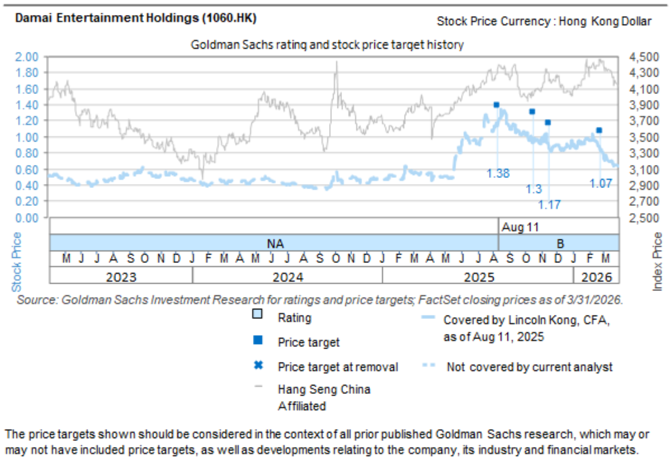
Distribution of ratings/investment banking relationships

Goldman Sachs Investment Research global Equity coverage universe

	Rating Distribution			Investment Banking Relationships		
	Buy	Hold	Sell	Buy	Hold	Sell
Global	50%	34%	16%	65%	60%	45%

As of April 1, 2026, Goldman Sachs Global Investment Research had investment ratings on 3,074 equity securities. Goldman Sachs assigns stocks as Buys and Sells on various regional Investment Lists; stocks not so assigned are deemed Neutral. Such assignments equate to Buy, Hold and Sell for the purposes of the above disclosure required by the FINRA Rules. See 'Ratings, Coverage universe and related definitions' below. The Investment Banking Relationships chart reflects the percentage of subject companies within each rating category for whom Goldman Sachs has provided investment banking services within the previous twelve months.

Price target and rating history chart(s)



Target price history table(s)

Damai Entertainment Holdings (1060.HK)

Date of report	Target price (HK$)	Closing price (HK$)
04-May-26	0.92	0.58
25-Feb-26	1.07	0.83
18-Nov-25	1.17	0.86
19-Oct-25	1.30	0.93
11-Aug-25	1.38	1.17

Price targets shown in table(s) are unadjusted for corporate actions.

Regulatory disclosures

Disclosures required by United States laws and regulations

See company-specific regulatory disclosures above for any of the following disclosures required as to companies referred to in this report: manager or co-manager in a pending transaction; 1% or other ownership; compensation for certain services; types of client relationships; managed/co-managed public offerings in prior periods; directorships; for equity securities, market making and/or specialist role. Goldman Sachs trades or may trade as a principal in debt securities (or in related derivatives) of issuers discussed in this report.

The following are additional required disclosures: **Ownership and material conflicts of interest:** Goldman Sachs policy prohibits its analysts, professionals reporting to analysts and members of their households from owning securities of any company in the analyst's area of coverage. **Analyst compensation:** Analysts are paid in part based on the profitability of Goldman Sachs, which includes investment banking revenues. **Analyst as officer or director:** Goldman Sachs policy generally prohibits its analysts, persons reporting to analysts or members of their households from serving as an officer, director or advisor of any company in the analyst's area of coverage. **Non-U.S. Analysts:** Non-U.S. analysts may not be associated persons of Goldman Sachs & Co. LLC and therefore may not be subject to FINRA Rule 2241 or FINRA Rule 2242 restrictions on communications with a subject company, public appearances and trading in securities covered by the analysts.

Distribution of ratings: See the distribution of ratings disclosure above. **Price chart:** See the price chart, with changes of ratings and price targets in prior periods, above, or, if electronic format or if with respect to multiple companies which are the subject of this report, on the Goldman Sachs website at https://www.gs.com/research/hedge.html.

Additional disclosures required under the laws and regulations of jurisdictions other than the United States

The following disclosures are those required by the jurisdiction indicated, except to the extent already made above pursuant to United States laws and regulations. **Australia:** Goldman Sachs Australia Pty Ltd and its affiliates are not authorised deposit-taking institutions (as that term is defined in the Banking Act 1959 (Cth)) in Australia and do not provide banking services, nor carry on a banking business, in Australia. This research, and any access to it, is intended only for "wholesale clients" within the meaning of the Australian Corporations Act, unless otherwise agreed by Goldman Sachs. In producing research reports, members of Global Investment Research of Goldman Sachs Australia may attend site visits and other the companies and other entities which are the subject of its research reports. In some instances the costs of such site visits or m part or in whole by the issuers concerned if Goldman Sachs Australia considers it is appropriate and reasonable in the specific cir the site visit or meeting. To the extent that the contents of this document contains any financial product advice, it is general advic prepared by Goldman Sachs without taking into account a client's objectives, financial situation or needs. A client should, before advice, consider the appropriateness of the advice having regard to the client's own objectives, financial situation and needs. A c Goldman Sachs Australia and New Zealand disclosure of interests and a copy of Goldman Sachs' Australian Sell-Side Research Ind Statement are available at: https://www.goldmansachs.com/disclosures/australia-new-zealand/index.html. **Brazil:** Disclosure in to CVM Resolution n. 20 is available at https://www.gs.com/worldwide/brazil/area/gir/index.html. Where applicable, the Brazil-r primarily responsible for the content of this research report, as defined in Article 20 of CVM Resolution n. 20, is the first author n of this report, unless indicated otherwise at the end of the text. **Canada:** This information is being provided to you for information purposes only and is not, and under no circumstances should be construed as, an advertisement, offering or solicitation by Goldman Sachs & Co. LLC for purchasers of securities in Canada to trade in any Canadian security. Goldman Sachs & Co. LLC is not registered as a dealer in any jurisdiction in Canada under applicable Canadian securities laws and generally is not permitted to trade in Canadian securities and may be prohibited from selling certain securities and products in certain jurisdictions in Canada. If you wish to trade in any Canadian securities or other products in Canada please contact Goldman Sachs Canada Inc., an affiliate of The Goldman Sachs Group Inc., or another registered Canadian dealer. **Hong Kong:** Further information on the securities of covered companies referred to in this research may be obtained on request from Goldman Sachs (Asia) L.L.C. **India:** Further information on the subject company or companies referred to in this research may be obtained from Goldman Sachs (India) Securities Private Limited, Research Analyst - SEBI Registration Number INH000001493, 10th Floor, Ascent-Worli, Sudam Kalu Ahire Marg, Worli, Mumbai-400 025, India, Corporate Identity Number U74140MH2006FTC160634, Phone +91 22 6616 9000, Fax +91 22 6616 9001. Goldman Sachs may beneficially own 1% or more of the securities (as such term is defined in clause 2 (h) the Indian Securities Contracts (Regulation) Act, 1956) of the subject company or companies referred to in this research report. Investment in securities market are subject to market risks. Read all the related documents carefully before investing. Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. Goldman Sachs (India) Securities Private Limited compliance officer and investor grievance contact details can be found at: https://www.goldmansachs.com/worldwide/india/documents/Grievance-Redressal-and-Escalation-Matrix.pdf, and a copy of the annual audit compliance report can be found at this link: https://publishing.gs.com/content/site/india-annual-compliance-report.html. **Japan:** See below. **Korea:** This research, and any access to it, is intended only for "professional investors" within the meaning of the Financial Services and Capital Markets Act, unless otherwise agreed by Goldman Sachs. Further information on the subject company or companies referred to in this research may be obtained from Goldman Sachs (Asia) L.L.C., Seoul Branch. **New Zealand:** Goldman Sachs New Zealand Limited and its affiliates are neither "registered banks" nor "deposit takers" (as defined in the Reserve Bank of New Zealand Act 1989) in New Zealand. This research, and any access to it, is intended for "wholesale clients" (as defined in the Financial Advisers Act 2008) unless otherwise agreed by Goldman Sachs. A copy of certain Goldman Sachs Australia and New Zealand disclosure of interests is available at: https://www.goldmansachs.com/disclosures/australia-new-zealand/index.html. **Russia:** Research reports distributed in the Russian Federation are not advertising as defined in the Russian legislation, but are information and analysis not having product promotion as their main purpose and do not provide appraisal within the meaning of the Russian legislation on appraisal activity. Research reports do not constitute a personalized investment recommendation as defined in Russian laws and regulations, are not addressed to a specific client, and are prepared without analyzing the financial circumstances, investment profiles or risk profiles of clients. Goldman Sachs assumes no responsibility for any investment decisions that may be taken by a client or any other person based on this research report. **Singapore:** Goldman Sachs (Singapore) Pte. (Company Number: 198602165W), which is regulated by the Monetary Authority of Singapore, accepts legal responsibility for this research, and should be contacted with respect to any matters arising from, or in connection with, this research. **Taiwan:** This material is for reference only and must not be reprinted without permission. Investors should carefully consider their own investment risk. Investment results are the responsibility of the individual investor. **United Kingdom:** Persons who would be categorized as retail clients in the United Kingdom, as such term is defined in the rules of the Financial Conduct Authority, should read this research in conjunction with prior Goldman Sachs research on the covered companies referred to herein and should refer to the risk warnings that have been sent to them by Goldman Sachs International. A copy of these risks warnings, and a glossary of certain financial terms used in this report, are available from Goldman Sachs International on request.

European Union and United Kingdom: Disclosure information in relation to Article 6 (2) of the European Commission Delegated Regulation (EU) (2016/958) supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council (including as that Delegated Regulation is implemented into United Kingdom domestic law and regulation following the United Kingdom's departure from the European Union and the European Economic Area) with regard to regulatory technical standards for the technical arrangements for objective presentation of investment recommendations or other information recommending or suggesting an investment strategy and for disclosure of particular interests or indications of conflicts of interest is available at https://www.gs.com/disclosures/europeanpolicy.html which states the European Policy for Managing Conflicts of Interest in Connection with Investment Research.

Japan: Goldman Sachs Japan Co., Ltd. is a Financial Instrument Dealer registered with the Kanto Financial Bureau under registration number Kinsho 69, and a member of Japan Securities Dealers Association, Financial Futures Association of Japan Type II Financial Instruments Firms Association, and Investment Management Association of Japan. Sales and purchase of equities are subject to commission pre-determined with clients plus consumption tax. See company-specific disclosures as to any applicable disclosures required by Japanese stock exchanges, the Japanese Securities Dealers Association or the Japanese Securities Finance Company.

Ratings, coverage universe and related definitions

Buy (B), Neutral (N), Sell (S) Analysts recommend stocks as Buys or Sells for inclusion on various regional Investment Lists. Being assigned a Buy or Sell on an Investment List is determined by a stock's total return potential relative to its coverage universe. Any stock not assigned as a Buy or a Sell on an Investment List with an active rating (i.e., a stock that is not Rating Suspended, Not Rated, Early-Stage Biotech, Coverage Suspended or Not Covered), is deemed Neutral. Each region manages Regional Conviction Lists, which are selected from Buy rated stocks on the respective region's Investment Lists and represent investment recommendations focused on the size of the total return potential and/or the likelihood of the realization of the return across their respective areas of coverage. The addition or removal of stocks from such Conviction Lists are managed by the Investment Review Committee or other designated committee in each respective region and do not represent a change in the analysts' investment rating for such stocks.

Total return potential represents the upside or downside differential between the current share price and the price target, including all paid or anticipated dividends, expected during the time horizon associated with the price target. Price targets are required for all covered stocks. The total return potential, price target and associated time horizon are stated in each report adding or reiterating an Investment List membership.

Coverage Universe: A list of all stocks in each coverage universe is available by primary analyst, stock and coverage universe at https://www.gs.com/research/hedge.html.

Not Rated (NR). The investment rating, target price and earnings estimates (where relevant) are removed pursuant to Goldman Sachs policy when Goldman Sachs is acting in an advisory capacity in a merger or in a strategic transaction involving this company, when there are legal, regulatory or policy constraints due to Goldman Sachs' involvement in a transaction, and in certain other circumstances. **Early-Stage Biotech (ES).** An investment rating and a target price are not assigned pursuant to Goldman Sachs policy when this company has neither a drug, treatment or medical device that has passed a Phase II clinical trial nor a license to distribute a post-Phase II drug, treatment or medical device. **Rating Suspended (RS).** Goldman Sachs Research has suspended the investment rating and price target for this stock, because there is not a sufficient fundamental basis for determining an investment rating or target price. The previous investment rating and target price, if any, are no longer in effect for this stock and should not be relied upon. **Coverage Suspended (CS).** Goldman Sachs has suspended coverage of this company. **Not Covered (NC).** Goldman Sachs does not cover this company.

Global product; distributing entities

Goldman Sachs Global Investment Research produces and distributes research products for clients of Goldman Sachs on a global basis. Analysts based in Goldman Sachs offices around the world produce research on industries and companies, and research on macroeconomics, currencies, commodities and portfolio strategy. This research is disseminated in Australia by Goldman Sachs Australia Pty Ltd (ABN 21 006 797 897); in Brazil by Goldman Sachs do Brasil Corretora de Títulos e Valores Mobiliários S.A.; Public Communication Channel Goldman Sachs Brazil: 0800 727 5764 and / or contatogoldmanbrasil@gs.com. Available Weekdays (except holidays), from 9am to 6pm. Canal de Comunicação com o Público Goldman Sachs Brasil:

0800 727 5764 e/ou contatogoldmanbrasil@gs.com. Horário de funcionamento: segunda-feira à sexta-feira (exceto feriados), das 9h às 18h; in Canada by Goldman Sachs & Co. LLC; in Hong Kong by Goldman Sachs (Asia) L.L.C.; in India by Goldman Sachs (India) Securities Private Ltd.; in Japan by Goldman Sachs Japan Co., Ltd.; in the Republic of Korea by Goldman Sachs (Asia) L.L.C., Seoul Branch; in New Zealand by Goldman Sachs New Zealand Limited; in Russia by OOO Goldman Sachs; in Singapore by Goldman Sachs (Singapore) Pte. (Company Number: 198602165W); and in the United States of America by Goldman Sachs & Co. LLC. Goldman Sachs International has approved this research in connection with its distribution in the United Kingdom.

Goldman Sachs International ("GSI"), authorised by the Prudential Regulation Authority ("PRA") and regulated by the Financial Conduct Authority ("FCA") and the PRA, has approved this research in connection with its distribution in the United Kingdom.

European Economic Area: Goldman Sachs Bank Europe SE ("GSBE") is a credit institution incorporated in Germany and, within the Single Supervisory Mechanism, subject to direct prudential supervision by the European Central Bank and in other respects supervised by German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin) and Deutsche Bundesbank and disseminates research within the European Economic Area.

General disclosures

This research is for our clients only. Other than disclosures relating to Goldman Sachs, this research is based on current public information that we consider reliable, but we do not represent it is accurate or complete, and it should not be relied on as such. The information, opinions, estimates and forecasts contained herein are as of the date hereof and are subject to change without prior notification. We seek to update our research as appropriate, but various regulations may prevent us from doing so. Other than certain industry reports published on a periodic basis, the large majority of reports are published at irregular intervals as appropriate in the analyst's judgment.

Goldman Sachs conducts a global full-service, integrated investment banking, investment management, and brokerage business. We have investment banking and other business relationships with a substantial percentage of the companies covered by Global Investment Research. Goldman Sachs & Co. LLC, the United States broker dealer, is a member of SIPC (https://www.sipc.org).

Our salespeople, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients and principal trading desks that reflect opinions that are contrary to the opinions expressed in this research. Our asset management area, principal trading desks and investing businesses may make investment decisions that are inconsistent with the recommendations or views expressed in this research.

The analysts named in this report may have from time to time discussed with our clients, including Goldman Sachs salespersons and traders, or may discuss in this report, trading strategies that reference catalysts or events that may have a near-term impact on the market price of the equity securities discussed in this report, which impact may be directionally counter to the analyst's published price target expectations for such stocks. Any such trading strategies are distinct from and do not affect the analyst's fundamental equity rating for such stocks, which rating reflects a stock's return potential relative to its coverage universe as described herein.

We and our affiliates, officers, directors, and employees will from time to time have long or short positions in, act as principal in, and buy or sell, the securities or derivatives, if any, referred to in this research, unless otherwise prohibited by regulation or Goldman Sachs policy.

The views attributed to third party presenters at Goldman Sachs arranged conferences, including individuals from other parts of Goldman Sachs, do not necessarily reflect those of Global Investment Research and are not an official view of Goldman Sachs.

Any third party referenced herein, including any salespeople, traders and other professionals or members of their household, may have positions in the products mentioned that are inconsistent with the views expressed by analysts named in this report.

This research is not an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Clients should consider whether any advice or recommendation in this research is suitable for their particular circumstances and, if appropriate, seek professional advice, including tax advice. The price and value of investments referred to in this research and the income from them may fluctuate. Past performance is not a guide to future performance, future returns are not guaranteed, and a loss of original capital may occur. Fluctuations in exchange rates could have adverse effects on the value or price of, or income derived from, certain investments.

Certain transactions, including those involving futures, options, and other derivatives, give rise to substantial risk and are not suitable for all investors. Investors should review current options and futures disclosure documents which are available from Goldman Sachs sales representatives or at https://www.theocc.com/about/publications/character-risks.jsp and https://www.goldmansachs.com/disclosures/cftc_fcm_disclosures. Transaction costs may be significant in option strategies calling for multiple purchase and sales of options such as spreads. Supporting documentation will be supplied upon request.

Differing Levels of Service provided by Global Investment Research: The level and types of services provided to you by Goldman Sachs Global Investment Research may vary as compared to that provided to internal and other external clients of GS, depending on various factors including your individual preferences as to the frequency and manner of receiving communication, your risk profile and investment focus and perspective (e.g., marketwide, sector specific, long term, short term), the size and scope of your overall client relationship with GS, and legal and regulatory constraints. As an example, certain clients may request to receive notifications when research on specific securities is published, and certain clients may request that specific data underlying analysts' fundamental analysis available on our internal client websites be delivered to them electronically through data feeds or otherwise. No change to an analyst's fundamental research views (e.g., ratings, price targets, or material changes to earnings estimates for equity securities), will be communicated to any client prior to inclusion of such information in a research report broadly disseminated through electronic publication to our internal client websites or through other means, as necessary, to all clients who are entitled to receive such reports.

All research reports are disseminated and available to all clients simultaneously through electronic publication to our internal client websites. Not all research content is redistributed to our clients or available to third-party aggregators, nor is Goldman Sachs responsible for the redistribution of our research by third party aggregators. For research, models or other data related to one or more securities, markets or asset classes (including related services) that may be available to you, please contact your GS representative or go to https://research.gs.com.

Disclosure information is also available at https://www.gs.com/research/hedge.html or from Research Compliance, 200 West Street, New York, NY 10282.