拉近網娛集團有限公司
LAJIN ENTERTAINMENT NETWORK GROUP LIMITED

2025
ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT
環境、社會及管治報告

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2025

GENERAL

The board of directors (the "Board") of Lajin Entertainment Network Group Limited (collectively, the "Company" or "We") is pleased to present the Environmental, Social and Governance Report for the year ended 31 December 2025 (the "Reporting Year"), which summarizes our initiatives, strategies and objectives relating to environmental, social and governance ("ESG") issues, describes our vision and commitment to the fulfilment of our corporate social responsibilities, and provides an overview on the Group's performance, management policies, mechanisms and measures in relation to the environmental and social related matters.

This Report is prepared in compliance with the mandatory disclosure requirements and the "comply and explain" provisions of the Environmental, Social and Governance Reporting Code as set out in the Appendix C2 to the GEM Listing Rules. The Board considers that the Group has complied with the above requirements and provisions set out in the Environmental, Social and Governance Guidelines.

ESG GOVERNANCE STRUCTURE

The Group recognizes the importance of ESG to the corporate sustainable development and has integrated ESG concepts into our corporate culture and daily operations, with the Board overseeing the ESG practices and assuming the overall responsibilities. The ESG related responsibilities have been further delegated from the Board to the management and the functional departments. Through the adoption of the top-down management approach as mentioned above, the Group will be committed to promoting ecological and environmental protection, thus proving the effectiveness of our ESG management approach.

Roles and responsibilities in managing ESG matters are defined within the Group as follows:

The Board is responsible for:

- overseeing and approving ESG policies and strategies, including the identification, evaluation, prioritization and management of material ESG issues;
- ensuring the establishment of appropriate and effective ESG risk management and internal control systems;
- setting up ESG management approach and strategy;
- conducting continuous review of ESG performance; and
- reviewing and approving the ESG Reports.

The management is responsible for:

- identifying key stakeholders and prioritizing their ESG concerns;
- formulating relevant ESG policies and measures;
- supervising the implementation and reviewing the effectiveness of ESG policies and measures;
- reviewing the achievement of ESG objectives; and
- preparing and submitting the ESG reports to the Board for approval.

The functional departments are responsible for:

- coordinating and implementing specific ESG policies, objectives and measures;
- collecting information and data relating to the Group's ESG performance; and
- assisting the management in preparing the ESG Reports.

GOVERNANCE STRATEGY

The Group is committed to all areas of corporate social responsibility, such as reducing emissions, saving resources, providing employees with a safe and healthy working environment. In order to implement the Group's sustainable development philosophy, our strategy is to comply with all relevant laws and regulations applicable to our scope of business and to continuously improve our environmental management of every aspect towards the industry best practice. We also pay close attention to stakeholders' demands and have established a diversified communication channel to collect and response to their concerns. Through the well-defined governance structure and communication channels, we could identify and prioritize key ESG related-issues that are closely related to our business during the materiality assessment process and to ensure that the ESG strategy is closely aligned with the Group's overall business strategy.

STAKEHOLDER ENGAGEMENT

The Group believes that creating long-term value for stakeholders is important to sustain its business success. We value the intelligence gained from the stakeholders' insights, inquiries and continuous interest in the Group's business activities. During the Reporting Year, the Group has identified key stakeholders that are important to the business. Various communication channels have been established in order to incorporate stakeholders' concerns into our operation and decision-making process in a timely manner and to response to those concerns actively. The following table provides an overview of the Group's key stakeholders, their expectations and requirements and communication channels that have been used to reach, listen and respond to them.

Key stakeholders	Expectations and requirements	Communication channels
Internal key stakeholders		
Employees	• Labour rights and interests • Benefits and welfare • Career development • Health and occupational safety	• Employee activities • Performance appraisal • Employee handbook • Trainings and drills
External key stakeholders		
Investors/shareholders	• Return on investment • Good corporate governance system • Transparency and disclosure of corporate information	• Shareholders' meetings • Interim and annual reports • Announcements and circulars • Official company website • Emails
Government/regulatory authorities	• Compliance with laws and regulations • Fulfillment of corporate legal responsibilities	• Regular reporting • Laws and regulations

Key stakeholders	Expectations and requirements	Communication channels
Customers and potential customers	• Quality products and services • Timely delivery • Reasonable price • Value of services	• Business visits • Email, telephone and communication applications • Customer satisfaction survey
Suppliers/business partners	• Payment schedule • Stable demand	• Business visits • Email, telephone and communication applications • Supplier performance evaluation
Community	• Environmental protection • Community contribution • Economic development	• Direct communication • Official company website • Community involvement • Staff volunteering activities

MATERIALITY ASSESSMENT

In order to identify and consider what ESG-related issues may be material to the Group, the Group has conducted the materiality assessment through the following three steps:

Step 1: Identification

- The key ESG-related issues were identified in accordance with the ESG Reporting Code, peer benchmarking, media monitoring, etc.

Step 2: Prioritization

- Stakeholders' expectations and requirements were collected through the communication channels as mentioned in the "Stakeholder engagement" section. All ESG-related issues were prioritized based on the results of stakeholder engagement process, which incorporated with the industrial trends, peer benchmarking, and the capital market focus.

Step 3: Validation

- Top five issues were identified as the key and material ESG-related issues of the Group, the materiality assessment result was reviewed and confirmed by the Board.

During the Reporting Year, as a result of the materiality assessment, we have prioritized quality control, energy management, procurement and supply chain management, employee development and training, corporate governance and risk management as key ESG issues. The Group will pay more attention on the above areas and focus on strengthening the discussion of material issues, in order to respond to the concerns of stakeholders. Key initiatives and activities are summarized in the following sections.

OBJECTIVES AND REVIEW

While developing its business, the Group is committed to improving its business operation management. The Group's business is generally divided into "artiste management segment", "movies, TV programmes and internet contents segment" and "new media segment". The resources we use are mainly electricity, water and paper. We always aim to reduce emissions and resources consumption so as to reduce the impact on the surrounding environment where we operate. At the same time, we have a sound employment system to create a diverse, inclusive, healthy and safe working environment, and maintain close communication with employees to understand their needs. The table below summarizes our key objectives.

Our objectives		
1.	Strict compliance with regulations	• Legal compliance – ensuring that the Group's business operations are in compliance with applicable laws and regulations • Ethics – adhering to ethical standards of business integrity and establishing a culture of compliance
2.	Quality assurance	• Product and service quality – ensuring quality of goods and services in satisfying customers' requirements
3.	Environmental protection	• Environmental management – regularly monitoring various environmental parameters to minimize the relevant environmental impact, saving resources and reducing emissions • Climate change strategy – identifying and assessing potential impacts of climate-related risks and opportunities through regular risk assessments and reviewing the Group's relevant countermeasures to climate change
4.	People-oriented	• Diversity and inclusion – respecting the labour rights and human rights of all employees, maintaining high ethical standard and promoting a culture of inclusion within the company • Working environment – providing employees with a supportive, happy and healthy working environment
5.	Giving back to society	• Using our expertise and resources to serve the communities in which we operate

The management evaluates the ESG performance through regular reports provided by each functional department and reports the evaluation results to the Board. The Board reviews the achievement of objectives and reviews the progress and effectiveness of the related governance matters. Meanwhile, the Board will continue to monitor the risks brought by these material ESG-related issues to the Group. As the business continues to develop, the Board has been paying attention to new ESG-related issues and will continue to oversee ESG-related work to keep abreast of the latest ESG disclosure requirements of the Stock Exchange. The Company also ensures that all departments work closely together to achieve the objectives of operational compliance and social responsibility, and will continue to formulate corresponding ESG objectives in response to the development of the Group's business.

REPORTING PRINCIPLES

This Report is prepared in accordance with the ESG Reporting Code and based on the following four reporting principles – materiality, quantitative, balance and consistency.

Materiality: The Group has engaged stakeholders in the process of identifying, prioritizing and determining important ESG-related issues that reflect the Group's significant impacts on the economy, environment and society. More details can be found in the section "Stakeholder engagement" and "Materiality assessment".

Quantitative: The ESG key performance indicators ("KPIs") disclosed in this Report are supported by quantitative data and measurable criteria. The sources of all applicable data, calculation tools, methodologies, references and conversion factors used are disclosed in the presentation of emission data, where applicable.

Balance: This Report provides a complete, fair, clear and comparable overview of the Group's ESG policies and performance.

Consistency: To facilitate stakeholders' comparisons of the ESG performance of the Group from year to year, the same reporting and calculation methodologies are used as reasonably practicable in the preparation of this Report and material changes in the methodologies are set out in the relevant sections in detail. The Group will also add a note in the corresponding contents of the report to indicate any changes that may affect the comparison with previous reports.

REPORTING BOUNDARY

The Group is principally engaged in the provision of artiste management services, investment in movies, TV programmes and internet contents services and new media business. This Report focuses on the operations of all segments.

As in prior years, the Group has established offices in Beijing of the People's Republic of China (the "PRC") and in Hong Kong to carry out its businesses. During the third quarter of the Reporting Year, the Group established a new office in Hangzhou, PRC (the "Expansion"), which is principally engaged in the new media business. As a result of the Expansion, the Reporting Boundary of this Report has been updated to include the newly established Hangzhou office, leading to higher levels of emissions and resource consumption during the Reporting Year.

A. Environmental

A1: Emissions

Based on the principal activities of the Group, management believes that the emission of exhaust gas, the discharge of pollutants into water and soil, and the generation of hazardous and non-hazardous wastes from the Group's operations have an insignificant impact on the environment.

In compliance with the Environmental Protection Law of the People's Republic of China, the Group has been encouraging and conducting business in an environmentally responsible manner and has integrated environmental protection awareness into our daily operations. For example, we had issued instructions to employees to educate them on pollution and waste reduction especially during outdoor filming, for example, behaviors which destroy the natural environment and national heritage are strictly prohibited and approvals must be obtained from respective governmental departments before outdoor filming at national heritage or conservation areas. The Group has also promoted initiatives to mitigate environmental impacts among the Group by using energy-efficient products such as equipment carrying China Energy Labels.

A2: Use of Resources

The Group's use of resources is mainly associated with to the consumption of electricity, water and paper in the PRC offices. Due to the limited office area and operations in Hong Kong, resource utilization there is negligible and has been excluded from ESG reporting.

At the PRC offices, the Group has placed great emphasis on the "green office" concept and have promoted the 3R's concept – "Reduce, Reuse and Recycle" throughout daily operations.

We remind our employees to switch off all idle lights, computers, air-conditioners and other office equipment during holiday breaks, to print and photocopy on both sides of paper, to promote paperless office which encourages them to send documents electronically, and using equipment carrying China Energy Labels. In respect of water conservation, management office conducts regular inspections and maintenance of water supply networks and equipment, promptly repairing leaks and drips to prevent unnecessary waste.

The volume of resources consumed by the Group, together with the respective area of offices and intensity figures, are presented in the table below:

	2025	2024
Resources consumption		
Electricity consumption (kWh)	**48,251**	46,180
Water consumption (m^3)	**20**	57
Office paper consumption (piece)	**45,000**	57,407
Area of offices		
PRC offices (m^2)	**3,502**	2,847
Use of resources per unit of area		
Electricity consumption (kWh/m^2)	**14**	16
Water consumption (m^3/m^2)	**0.01**	0.02
Office paper consumption ($piece/m^2$)	**18**	20

Despite the Expansion contributing to additional resource consumption, the changes in consumption levels of electricity, water, and office paper during the Reporting Year were +4%, –65%, and –22% respectively. The slight increase in electricity consumption and the decreases in both water and paper consumption were attributable to the Group's continuous resource-saving efforts and the ongoing implementation of a more prudent strategy in the market of internet movie content and theatrical movies. As the office area increased following the Expansion, the intensity levels of resource consumption in electricity, water, and paper recorded a general decrease.

The Group's primary packaging material consumption comes from the production of physical AMBER PASS Card, a physical digital content carrier embedded with a chip, is a product of the new media business. Its packaging materials include plastic boxes and coated paper for the product itself. To minimize the risk of damage during transportation, the product is placed in corrugated boxes. In order to reduce packaging material usage, the Group has implemented a practice of reusing corrugated boxes for product transportation. During daily operations, the Group collects packaging boxes from downstream material suppliers and repurposes them for transporting products to upstream customers. This recycling practice helps to significantly minimize the consumption of packaging materials.

The volume of packaging materials used by the Group, the respective sales volume of AMBER PASS Card and intensities are listed in the table below:

	2025	2024
Packaging Material Used		
Plastic used (kg)	**3,091**	1,584
Coated Paper used (kg)	**150**	102
Sales volume		
PASS Card Sold (units)	**338,700**	156,000
Packaging material used per 1,000 units of product sold		
Plastic used (kg/1,000 units sold)	**9.13**	10.15
Coated Paper used (kg/1,000 units sold)	**0.44**	0.65

Since the Group focused on the development of its new media business and achieved significant collaborations and breakthroughs in 2025, the sales volume of the AMBER PASS Card increased substantially, leading to a higher overall consumption of packaging materials during the Reporting Year. Nevertheless, the intensity of packaging material usage remained stable compared with the previous year.

A3: The Environment and Natural Resources

The existing business of the Group is not expected to pose a material threat on the environment, especially during outdoor filming, no damages shall be made to the environment. Throughout our planning of business activities, we have performed comprehensive assessments and considered minimizing potential impacts on the environment as one of our key assessment criteria. For example, we will consider the potential impacts caused to the environment during the selection of filming locations, no filming shall take place near any conservation areas which may bring negative impacts to them. As our attempt to raise the environmental protection awareness of our business partners (including media production outsourcing contractors, suppliers, production teams), we have shared our views with them on aspects of environmental protection such as efficient use of resources. The Group hopes that continuous improvement will make a contribution to the global ecological environment.

A4: Climate Change

Climate change is a pressing global challenge that demands urgent action. The global consensus on promoting green development, energy conservation, and low-carbon practices drives the trend towards sustainability.

The Group acknowledges the potential risks that climate change poses to its business operations. While the new media segment is generally less affected, the production of movies and TV programmes involves outdoor activities susceptible to extreme weather conditions, disrupting filming schedules and threatening staff safety.

To address these challenges, the Group has established a business emergency plan ("BEP") in its staff handbook to provide strategic responses to extreme weather, and the Group closely monitors relevant climate change information, adjusting the BEP as needed based on the intensification or mitigation of climate change issues.

The Group remains focused on key areas like climate change, energy conservation, and greenhouse gas emission reduction, actively promoting sustainable development. This section outlines our efforts and future direction in tackling climate change, categorized by "Governance," "Strategy," "Risk Management," and "Metrics", making reference to the disclosure framework recommended by the Task Force on Climate-related Financial Disclosures ("TCFD") and certain sections of the Guidance on Climate Disclosures and the Implementation Guidance for Climate Disclosures under HKEX ESG Reporting Framework, published by the Hong Kong Stock Exchange in November 2021 and April 2024, respectively, in overseeing Climate-related matters as well as preparing relevant disclosures.

Governance

Our ESG Governance Bodies cover climate-related matters within the oversight of Environmental, Social and Governance issues, with details set out in the "Governance Structure" section. In supervising climate-related matters, the key responsibilities and duties of the ESG Governance Bodies include the following:

Board of Directors

- Holds overall responsibility for the Group's sustainable development
- Oversees the ESG practices, including the formulation of the Group's climate-related strategies, objectives, risks and opportunities, monitoring measures and procedures
- Ensures the Group maintains effective risk management and internal control systems and implements effective environmental, social and governance initiatives

Management

- Identifies key climate-related risk and opportunities through regular risk assessment processes, provides recommendations to the Board on corresponding mitigation and adaption plans measures and reports to the Board on the progress and achievement of the established plans
- Leads subsidiaries and functional departments in implementing ESG strategies and policies approved by the Board

Functional Departments

- Implements ESG strategies and policies approved by the Board and reports on implementation progress to the management
- Collects climate-related information and data to support the preparation of the ESG report

In ensuring that our ESG Governance Bodies possess the appropriate skills and competencies in overseeing climate-related matters, our directors and management maintain continuous dialogue with external advisors to stay abreast of the latest requirements in climate-related disclosures and regulations.

Strategy

Our ESG Governance Bodies identify climate-related risks and opportunities relevant to the Group through regular risk assessments (as disclosed in the Corporate Governance Report under the section "Internal Control and Risk Management". Through conducting risk assessments, we assess the potential impacts of these risks and opportunities, thereby formulating appropriate response strategies and measures. These include considering and establishing KPIs applicable to the Group to monitor the impacts of climate change. By regularly comparing the achievement of current and prior KPIs, the Group evaluates the effectiveness of its climate change mitigation measures.

In the context of climate-related risks and opportunities, physical risks refer to the direct impacts of climate change, including acute risks triggered by extreme weather events and chronic risks arising from long-term shifts in climate patterns; transition risks refer to the potential risks that may emerge during the process of transitioning to a low-carbon economy; climate-related opportunities represent the potential benefits arising from proactive responses to climate change.

We are implementing environmental protection measures to align our business with global sustainable development policies and international commitments (such as the "Hong Kong Climate Action Plan 2050" and the Paris Agreement), thereby reducing greenhouse gas emissions and enhancing climate resilience. However, given the Group's existing resources and business impact on ESG, we have not yet conducted climate scenario analyses. In due course, we will undertake climate scenario analyses, as necessary and in line with the Exchange's ESG guidance, to formulate long-term plans and business strategies that will enhance the Group's sustainable development.

Based on the definitions of physical risks, transition risks and opportunities, we have categorized the existing climate-related risks and opportunities we primarily face, the affected assets and business activities, the relevant time horizons, the potential impacts, as well as the strategies we adopt to mitigate or adapt to these risks and opportunities, as set out below:

Category	Affected asset or business activities – Amount and Percentage	Time Horizon	Description and Potential Impact	Mitigation/Adaptation Measures
Physical Risks				
Extreme Weather Events (e.g., Tropical Cyclones and Heavy Rainfall)	All business segments – approximately HK$129 million (100%)	Short Term	Extreme weather events represent acute physical risks arising from climate change, which may directly affect the Group and disrupt daily business operations. For example, storms and heavy rainfall may cause traffic congestion, resulting in employee absenteeism and reduced working hours, while also disrupting the supply chain of key materials and goods. Fallen trees may endanger employee safety during commutes and severe storms may damage buildings, including office premises and critical data stored within, as well as interrupt energy and water supply. These impacts could reduce productivity and revenue, disrupt supply chains and increase maintenance, repair and insurance expenses	• Develop employee health and safety programs, including regular identification of workplace hazards and removal of safety risks (e.g., excessive stacking of files), regular disaster drills • Provide remote work and flexible work arrangements for employees • Enhance building and equipment protection designs, adjust the distribution of key assets, or expand insurance coverage • Strengthen data backup (including off-site backup) • Establish disaster recovery and business continuity plans
Chronic Climate Change, including rising average temperatures, changing rainfall patterns and increasing severity of floods	All business segments – approximately HK$129 million (100%)	Long term	Chronic climate change represents chronic physical risks, which over time may create deteriorating working environments and affect employee health, while posing challenges to the storage, transportation and operation of temperature and humidity-sensitive inventories and equipment, accelerating their damage, depreciation and aging. Over the long term, these impacts will increase the Group's costs of safeguarding employees and assets, such as higher electricity expenses from intensified air-conditioning use, which also indirectly raises greenhouse gas emissions and exacerbates global warming. In addition, increases in rainfall magnitude and intensity may easily cause flooding that damages goods and facilities, requiring enhanced waterproofing, moisture-resistant and drainage designs for buildings, as well as expanded insurance coverage. These could lead to higher operating and insurance costs and may even adversely affect asset valuation	• Establish and maintain effective asset protection policies and procedures • Implement environmental and energy-saving measures (including those disclosed in the "Use of Resources" section) • Upgrade air-conditioning systems and improve building ventilation and heat dissipation to enhance energy efficiency • Strengthen waterproofing, moisture-resistant and flood-protection designs at key locations (such as offices, production lines and warehouses) • Conduct regular maintenance and timely upgrades of climate-resilient equipment • Review and adjust asset insurance coverage

Category	Affected asset or business activities – Amount and Percentage	Time Horizon	Description and Potential Impact	Mitigation/Adaptation Measures
Transition Risks				
Policy and legal risks, including strengthened emission reporting requirements, the introduction of new environmental policies by the government, regulation of products and services and potential carbon pricing mechanisms	All business segments – approximately HK$129 million (100%)	Medium term or long term	Policy and legal risks represent transition risks, referring to potential challenges arising from changes in the regulatory environment during the process of transitioning to a low-carbon economy. As policies and regulations become more stringent, compliance costs may rise, including the gradual enhancement of ESG data collection mechanisms to meet the latest disclosure requirements, as well as increased consultancy fees to stay abreast of regulatory updates and compliance obligations. Failure to meet requirements could result in penalties or fines. The development of high-emission products and services may also be adversely affected, as mandatory measures may require reductions in their production and provision, or compulsory changes to product and service specifications. These impacts could lead to demand reduction, render certain industries no longer profitable and force accelerated transition involving early asset retirement, financing activities and significant capital expenditures. In addition, carbon taxes or related fees may raise operating costs, further intensifying financial pressures	• Closely monitor articles and circulars issued by regulators on policy developments • Establish dedicated roles for monitoring and internal review, or engage professional external advisors, to identify regulatory changes early and ensure compliance • Plan business transformation initiatives in advance to refine products and services in line with future standards, while addressing capital requirements for transition • Strengthen ESG data collection and disclosure processes to enhance transparency • Conduct compliance training to improve employee awareness of policy and legal requirements
Technology Risk, including substitution of existing products and services with lower-emission alternatives	All business segments – approximately HK$129 million (100%)	Medium term or long term	Technology risk is a type of transition risk, referring to challenges that may arise during the shift to a low-carbon economy due to technological improvements. If the technologies adopted by the Group become outdated, there is a potential risk of substitution by lower-emission alternatives. As a result, the Group may need to increase capital expenditure to invest in and introduce new technologies and assets, while retiring existing assets earlier than expected. During the process of technological improvement, productivity may temporarily decline as operations adapt to new technologies and business processes, affecting efficiency. In addition, if technology investments fail or remain immature, this could lead to resource misallocation and financial losses	• Strengthen research and development investment to reduce the risk of substitution by new technologies • Conduct comprehensive feasibility studies prior to investment to ensure capital expenditure is justified and aligned with long-term strategy • Develop phased asset renewal plans to gradually retire high-emission assets • Provide employee training to accelerate adaptation to new technologies and processes

Category	Affected asset or business activities – Amount and Percentage	Time Horizon	Description and Potential Impact	Mitigation/Adaptation Measures
Market and Reputation Risk, including shifts in consumer preferences	All business segments – approximately HK$129 million (100%)	Medium term or long term	Market and reputation risks are transition risks that arise from changes in market demand and reputational impacts. As consumers, investors and other stakeholders place increasing emphasis on ESG performance, failure to adapt products and services to meet low-carbon and sustainability requirements may result in reduced demand and loss of market share, particularly as consumer demand for high-emission products and services declines, directly impacting revenue. In addition, if environmental performance falls short of public or investor expectations, reputational damage may occur, leading to industry stigmatization that affects talent recruitment and retention and potentially causing loss of investor confidence or divestment. These outcomes undermine brand value and financing capacity, resulting in revenue reduction, higher financing costs and intensified transition pressures	• Closely monitor consumer preferences and market trends to adjust product and service positioning and specifications in advance • Strengthen brand management and stakeholder communication • Enhance ESG disclosure transparency and promote adopted low-carbon and environmental policies • Establish reputation crisis response mechanisms • Explore new markets
Opportunities				
Use of new technologies or low-emission energy	All business segments – approximately HK$129 million (100%)	Medium term or long term	Technology and energy transition present opportunities for the Group. The use of new technologies or low-emission energy can reduce emissions, improve energy efficiency, enhance sustainability performance and strengthen brand image and reputation. These measures not only support compliance with regulatory and market expectations but also deliver cost savings that improve operational efficiency and long-term competitiveness	• Identify opportunities and invest in adopting low-emission energy and new technologies • Strengthen promotion of adopted low-carbon technologies to enhance market recognition and consumer trust
Access to new markets	All business segments – approximately HK$129 million (100%)	Medium term or long term	Market transition brings positive impact to the Group. Entering new markets can expand the customer base and revenue streams, enhancing the Group's profitability. Such transition also drives business growth and strengthens overall competitiveness	• Strengthen market research to understand demand for low-carbon products and services (including consumer preferences and regulatory requirements) • Develop products and services that meet low-carbon standards • Obtain policy support and incentive schemes • Establish or expand partnerships

Category	Affected asset or business activities – Amount and Percentage	Time Horizon	Description and Potential Impact	Mitigation/Adaptation Measures
Brand image and reputation	All business segments – approximately HK$129 million (100%)	Medium or long term	Consistently supporting and advancing low-carbon and sustainability strategies creates reputational opportunities for the Group. These actions enhance market recognition, attract more investors and top talent, while a strong corporate image also helps broaden customer and supplier partnerships, further supporting the Group's business expansion and long-term development	• Consistently promote low-carbon and sustainability strategies • Strengthen ESG disclosure and promote the Group's environmental initiatives to enhance transparency • Obtain government or authoritative certifications where appropriate
Resilience	All business segments – approximately HK$129 million (100%)	Medium term or long term	Enhancing preparedness for climate change in advance creates resilience opportunities for the Group. By identifying climate risks in advance, closely monitoring changes and taking appropriate actions, the Group can better withstand climate impacts, reduce operational disruptions, minimize asset losses and transition risks and provide greater stability for sustainable business development	• Closely monitor climate change developments • Strengthen climate risk identification and assessment • Invest in infrastructure and technology to enhance disaster resilience • Expand insurance coverage in susceptible areas • Develop disaster recovery and business continuity plans

Current and Expected Financial Impacts and Transition Plan

Taking into account the climate-related risks and opportunities identified above, as well as the Group's existing resources and operations, the Board and management have not, at this stage, identified any risks or opportunities that could result in significant and readily quantifiable financial impacts on the Group. Accordingly, the response and adaptation measures outlined above only reflect the Group's anticipated response to climate-related risks and opportunities. The Group will closely monitor and regularly review the existing climate-related risks, opportunities and strategies through ongoing risk assessments and will formulate and implement transition plans as necessary to address risks and strengthen its competitiveness and sustainability.

Climate-related Risk Assessment

The Group has been maintaining effective risk management and internal control systems as part of good corporate governance. Under the existing systems, risk assessment is conducted annually, led by the Audit Committee and submitted to the Board for approval upon completion. The scope of risk assessment covers all major business segments of the Group, including those defined under the "Reporting Boundary" above. Details of the risk assessment are disclosed in the "Internal Control and Risk Management" section of the Corporate Governance Report.

Climate change has been incorporated into our risk management framework as one of the items in the risk assessment. The risk coordinator designated by the Audit Committee, with the assistance of an external professional consultant, collects evaluations from risk owners of each major business segment (typically department heads or management) through questionnaires and/or interviews. The process includes risk identification, assessment of the nature, likelihood and impact of risks, consideration of existing mitigation measures and internal controls, as well as recommendations from risk owners on further mitigating the identified risks (if any). These risks are consolidated at the Group level, comprehensively assessed and analyzed, and ranked by nature and materiality. Due to data and resource constraints, we have not yet conducted climate scenario analysis. During the Reporting Year, we conducted risk assessments using the same procedures as those applied in the previous year. The detailed results of the assessment are disclosed in the "Strategy" section above.

Through regular risk assessments conducted using a consistent methodology, management is able to track significant changes in the nature and extent of each risk item and evaluate the effectiveness of mitigation efforts.

Metrics

To ensure sustainable development, the Group has established KPIs to monitor progress on environmental protection initiatives. During the preparation of annual ESG reports in accordance with Listing Rule requirements, data is gathered through our established data collection system to measure the achievement status of each KPI, with a view to reviewing the Group's effort on environmental protection. The KPIs are then reported to the Board for review and approval prior to disclosure. We strongly believe that conducting regular assessments of metrics and disclosing the results to the public is the most direct and effective way to fulfill our environmental responsibilities.

The existing KPIs of the Group relate to resource utilization (as set out in the "Use of Resources" section above) and greenhouse gas emission (as set out below). These KPIs have been determined with reference to the nature of our business, as well as the relevance and materiality of the subject being monitored. Looking forward, we will take into account peer ESG disclosures and the latest regulatory requirements to update and establish KPIs applicable to the Group.

The Group's KPIs on absolute gross greenhouse gas emissions (presented in metric tonnes of CO_2 equivalent, tCO_2e) and emission intensity (presented in metric tonnes of CO_2 equivalent per unit of office area, tCO_2e/m^2) are as follows:

Greenhouse gas emission	**2025**	2024
Scope 2 emissions (tCO_2e)	**25.60**	24.78
Scope 3 emissions (tCO_2e)	**12.17**	7.37*
Total greenhouse gas emissions (tCO_2e)	**37.77**	32.15*
Greenhouse gas emission intensity (tCO_2e/m^2)	**0.0108**	0.0113*

* Restated after including Scope 3 emission arising from paper consumption

Electricity remains the principal source of the Group's greenhouse gas emissions. The Group strictly controls and aims to minimize emissions through a series of measures. For example, switching off the power in unused rooms, reducing standby energy consumption and adopting energy-saving lamps. The Group expects that the greenhouse gas emissions to stabilize with effective implementation of energy conservation measures.

During the Reporting Year, the Group's total greenhouse gas emissions increased by 17% compared with 2024, primarily due to the increase in business travel.

In measuring the KPIs, the Group reviews past business activities during the preparation of annual ESG reports. In addition to greenhouse gas emissions, this ESG report sets out in the "Use of Resources" sections the details and performance of our efforts in emission reduction and energy efficiency.

Greenhouse gas emissions are measured in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004). Under this standard, greenhouse gas emissions are categorized into three scopes:

- Scope 1 – Direct emissions from company operations, including stationary sources, mobile combustion sources (covering land, air and marine transport), refrigerants (including hydrofluorocarbons (HFCs) and perfluorocarbons (PFCs)), and deductions for removals from newly planted trees.

- Scope 2 – Indirect emissions from energy use, primarily arising from electricity and town gas consumption.

- Scope 3 – Other indirect emissions generated by the entity's business activities but from sources not directly controlled by the entity.

The greenhouse gases covered include carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF_6) and nitrogen trifluoride (NF_3).

Due to the nature of the Group's principal businesses, the Group does not have significant direct greenhouse gas emissions under Scope 1. The Group's greenhouse gas emissions consist primarily carbon dioxide, generated mainly from electricity consumption under Scope 2, and from paper consumption and employee business travel under Scope 3.

The measurement involves multiplying activity data from each emission source (e.g., energy consumption under Scope 2, and paper consumption and flight distances for employee business travel (category 6) under Scope 3, by the corresponding emission factors and global warming potential (GWP) values, where applicable. Activity data is obtained through the Group's data collection system, while emission factors and GWP values are sourced from international and local regulators, academic institutions and public utility organizations, and are updated as necessary. We have assumed that activity data, emission factors and GWP values remain consistent during the preparation of the ESG report, and that the ESG report preparers apply consistent methodologies and principles, thereby ensuring the comparability of emissions across reporting years and among different companies. In compliance with the ESG Reporting Code, we quantified Scope 2 emissions using a location-based method and disclosed Scope 3 emissions in accordance with the Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).

Intensity values are calculated by dividing the total emissions by the total area of office of applicable business. The total office area was 3,502 m^2 in the Reporting Year and 2,847 m^2 in 2024, respectively.

With reference to the Implementation Guidance for Climate Disclosures under HKEX ESG Reporting Framework, the Greenhouse Gas Protocol is one of the most commonly used global frameworks to measure and manage GHG emissions from private and public sector operations, value chains and mitigation actions. It establishes five key principles – Relevance, Completeness, Consistency, Transparency and Accuracy – to ensure a true and fair representation of greenhouse gas emissions. Adoption of the Greenhouse Gas Protocol enables us to meet Listing Rule requirements and enhances the quality of our ESG reporting.

For Scope 2 emissions, the Group has not entered into any contractual instruments or arrangements with electricity suppliers. Therefore, supplier-specific emission factors are not applicable, and our measurement is based on emission factors commonly adopted in the regions where we operate.

For this Reporting Year, we followed the latest ESG requirements and enhanced our disclosures by presenting the Group's greenhouse gas emissions under the three scopes, together with the methodologies, inputs, and assumptions applied in measurement. These represent changes in presentation format rather than in measurement basis.

B. Social

(i) Employment and Labour Practices

B1: Employment

The Group aims to provide employees with a comfortable and healthy working environment and ensure that their rights and interests are protected. The Group has established a sound system of human resources management covering various aspects of employment.

Recruitment

During our recruitment process, employees have been hired based on consideration of their experience, qualifications and knowledge. All employees have entered into written employment contracts prior to employment to ensure job title, job duties, working hours, holidays, remuneration, termination process and benefit are agreed.

Promotion, compensation and dismissal

We motivate employees by promotion and salary increments based on the results of regular performance appraisals. Staff dismissals are based on the relevant local laws and regulations, as well as the requirements stipulated in the employment contracts.

Working hours, rest periods and benefits

Five-day work week arrangement has been adopted to facilitate work-life balance. In addition to all rest days and statutory holidays as specified in local laws and regulations, employees are entitled to paid annual leaves, maternity leaves, paternity leaves, marriage leaves and compassionate leaves. Employees are also entitled to benefits such as medical benefits and other benefits subject to the Group's human resources policies.

Equal opportunity, diversity and anti-discrimination

In accordance with our human resources policies and regulations, no discrimination on the grounds of age, gender, marital status, family status, sexual orientation, disability, race, nationality or religion, etc. shall be considered in any of our decision-making processes and during our daily operations. We believe that our employees should be treated equally and our employees or job applicants during the recruitment process should not be subject to any form of discrimination. As at 31 December 2025, the percentage of male and female employees (including Board members) we employed were approximately 72% (2024: 73%) and 28% (2024: 27%) respectively to promote the diversity of employees.

Human resources policies have been established to ensure the Group has strictly complied with all applicable laws and regulations of labor practices, particularly the Labor Law of the People's Republic of China and the Hong Kong Employment Ordinance.

As at 31 December 2025, the Group had a total of 68 (2024: 48) employees, and 40 (2024: 14) employees resigned during the Reporting Year. The distributions are as follows:

Total Workforce

By gender:

Gender	**Number of employees**	
	2025	2024
Female	**19**	13
Male	**49**	35
Total	**68**	48

By employee category:

Employee category	**Number of employees**	
	2025	2024
Senior management	**14**	5
Mid-level management	**10**	6
Non managerial employees	**44**	37
Total	**68**	48

By age groups:

Age	Number of employees	
	2025	2024
under 30	**16**	8
30-50	**42**	33
over 50	**10**	7
Total	**68**	48

By geographical area:

Region	Number of employees	
	2025	2024
Beijing	**47**	44
Hangzhou	**17**	0
Hong Kong	**4**	4
Total	**68**	48

Resigned employees

Total turnover

Employee turnover	Percentage	
	2025	2024
Total turnover	**59%**	29%

By gender:

Gender	Percentage	
	2025	2024
Female	**68%**	38%
Male	**55%**	26%

By age groups:

Age	Percentage	
	2025	2024
under 30	**69%**	75%
30-50	**64%**	24%
over 50	**20%**	0%

By geographical area:

Region	Percentage	
	2025	2024
Beijing	**34%**	32%
Hangzhou	**141%**	0%
Hong Kong	**0%**	0%

B2: *Health and Safety*

During our daily operations, one of our major concerns is to ensure health and safety of our employees, actors and production crews, we believe that a safe working environment can uphold the adherence to our people-oriented principles, and to protect our employees from any occupational diseases or injuries. During the Reporting Year, the Group did not encounter any lost days due to occupational diseases, injuries or work-related fatalities throughout the past three years.

At the office and filming locations, safety guides for preventing employees/actors from occupational hazards have been placed in observable area or made available to stuntman in the work places to address health and safety issues, especially during dangerous shooting scenes. Besides, we encourage our contractors and business partners to place a strong emphasis on employees' health and safety issues, in terms of occupational hazards.

More attention has been given to the psychological safety of employees after the pandemic, the mental health among them was prioritized and space for open conversations was created. These measures make employees more comfortable to seek support in handling work-related stress or in the occurrence of mental health problems, which positively shape the working culture in the long run.

During the Reporting Year, the Group ensures full compliance with the applicable laws and regulations such as the Law of the People's Republic of China on Prevention and Control of Occupational Diseases and relevant occupational health and safety laws and regulations. The Group has maintained a healthy and safe working environment and there is no occurrence of work-related fatalities or work injury during the Reporting Year. As the Group is principally engaged in cultural and entertainment-related businesses, we believe that the risk of occupational hazards is relatively low.

The Group has established several infection preventive measures to protect the health and safety of staff during the pandemic of coronavirus disease 2019 (COVID-19), which further enhanced the employees' awareness of personal hygiene. The Group continues to maintain their effect after the pandemic:

– Performed office cleaning and disinfection on a timely basis;

– Reminded the employees to maintain good personal hygiene such as the need to wear surgical masks properly in office and washing hands frequently;

– Employees are advised to report and seek medical advice as soon as possible if they feel unwell.

B3: Development and Training

Apart from providing reading materials for directors to ensure that they keep updated with the latest regulatory requirements and corporate governance practices, employees are also recommended to participate in continuous learning activities. Subsidies are offered to our employees for attending training courses or seminars organized by professional institutions to enhance their professional and technical skills. Furthermore, we provide onboarding training for new employees and consistently offer opportunities to our employees with learning experience gained through work assignments to build up their ongoing job skills and soft skills which benefit their career development.

The Group provides appropriate training according to the requirements and needs of various departments to staff, including skills training to senior management, system and quality training to all staff. During the Reporting Year, we continuously provide tailored training and career guidance to our staff with technical knowledge and skillsets in respective of their job position.

A summary on relevant training related KPIs of the Group in the Reporting Year is disclosed as follows:

The percentage of employees trained:

KPI	**2025**		2024	
	Number	**Percentage**	Number	Percentage
Total number of employees	**68**	**–**	48	–
Total number of trained employees	**49**	**72%**	18	38%
By gender				
Female	**18**	**37%**	8	44%
Male	**31**	**63%**	10	56%
By employee category				
Senior management	**1**	**2%**	5	28%
Middle level management	**13**	**27%**	0	0%
Non managerial employees	**35**	**71%**	13	72%

The average training hours:

KPI	**2025**		2024	
	Hours	**Average (hours)**	Hours	Average (hours)
Total training hours	**98.0**	**1.44**	27.5	0.57
By gender				
Female	**36.0**	**1.89**	7.5	0.58
Male	**62.0**	**1.27**	20.0	0.57
By employee category				
Senior management	**2.0**	**0.14**	8.0	1.60
Middle level management	**26.0**	**2.60**	0.0	0.00
Non managerial employees	**70.0**	**1.59**	19.5	0.53

B4: Labour Standards

Child labour and forced labour are strictly prohibited within the Company. Laws and regulations regarding the hiring of child actors (including the Provisions on the Prohibition of Using Child Labor and the Provisions on Special Labor Protection of Underage Laborers of the Labor Law of the People's Republic of China) are also strictly followed if necessary. Recruitment requirements, especially regarding the prohibition of recruitment of child and forced labour are set out in our human resources policies. During the recruitment process, review of job applicant's identity information is required, background checks and reference checks of potential employees may also be conducted. Applicants who fail to meet the legal requirements would not be hired.

If any cases related to child and forced labour are discovered, we will immediately investigate the causes to ensure no child labour exists and no employees work overtime on an involuntary basis.

Besides, we will give our major contractors, especially outsourced contractors and production crews, a reminder regarding the prohibition of child labour and forced labour. If reporting of such cases is identified, we will conduct investigations in detail.

The Group ensures full compliance with relevant labour legislation of Hong Kong and the PRC. During the Reporting Year, we did not engage child actor and did not receive any complaints or reporting of a child labour or forced labour.

(ii) Operating Practices

B5: Supply Chain Management

During business activities, we encourage our contractors and business partners to uphold a high standard of ethics that is similar to us. During the selection phase of our business partners, assessments are based on a variety of criteria. In addition to the quality of services, criteria such as attitude towards environmental and social issues are also taken into consideration in evaluating our potential contractors and business partners. Priority will be given to potential business partners who are actively fulfilling environmental and social responsibilities. In the meantime, management oversees the on-going business projects in preventing and mitigating any environmental and social impacts.

During the Reporting Year, the Group had a total of 11 key suppliers, which they were all located in China.

The Group has formulated policies and procedures to standardize the selection, evaluation and monitoring procedures of suppliers in a fair, open and impartial manner. With the establishment of the joint supplier review team, all departments and subsidiaries are required to submit approval forms to the joint supplier review team for the procurement of various items or the leasing of equipment. To ensure fairness and independence of the procurement workflow, procurement can only proceed after the review and approval from the joint supplier review team.

The Group concerns the environmental and social risks along the supply chain. Before corporation, a preliminary survey on new suppliers should be conducted, and all the existing suppliers should be subject to an annual assessment. Suppliers are selected based on several key indicators, including suppliers' credibility, quality of service or products, as well as their environmental and social practices. The responsible employees will assess the performance of suppliers throughout the year against defined assessment criteria. Those with poor performance will be excluded from the supplier list.

Environment is an essential element that needs to be considered in the process of procurement and has been incorporated in practices of selecting suppliers. For every procurement, recyclable products with great durability will be given priority. Besides, the Group prefer suppliers that utilize clean technology and generate fewer emissions with a view to developing a long-term strategic relationship with them to sustain business growth of the Group.

B6: Product Responsibility

Movies and television are one of the Group's core businesses, which are required to comply with Mainland China's Provisions on the Administration of Radio and Television Program Production, Regulations on the Administration of Movies, Film Industry Promotion Law, permits, licenses and approval, as well as the relevant regulations in relation to movies and television businesses.

The Group emphasizes the importance of proper advertising and compliance with relevant requirements of media advertisements, such as posters, trailers, online advertising material and the timely response to audiences or the public. To meet different needs of the audience, we strive to build long-term relationships with existing and potential audience and suppliers, understand their needs and concerns, and accept and respond to their comments and requests. During the Reporting Year, the Group has not received any complaints from audiences or the public or encountered any litigation regarding the movies released. The Group strictly complies with all relevant regulations regarding the movie advertisements as well as the released movie itself.

For the new media business, the Group complies with the Law on the Protection of Consumer Rights and Interests, Advertising Law, Product Quality Law, Electronic Commerce Law of the People's Republic of China and other relevant laws and regulations, by ensuring that there are no false and misleading messages in our promotion and advertising contents. During the Reporting Year, the Group did not identify any material non-compliance of the laws and regulations related to the quality of products for the new media business.

Besides, we stress the importance of safeguarding and protecting our intellectual property rights, i.e. movies and other copyrights, trademarks, domain names, and we strictly comply with Personal Information Protection Law of the People's Republic of China, Copyright Law of the People's Republic of China, Civil Code of the People's Republic of China, Contract Law of the People's Republic of China and relevant laws and regulations related to the protection of intellectual property rights. For the strict prevention of copyright infringements, the Group signs non-disclosure agreements with all contractors and business partners. The confidentiality clause includes provisions prohibiting unauthorized use of movie copyrights.

B7: Anti-Corruption

The Group is committed to and prohibits any form of corruption such as bribery, money laundering, extortion and fraud. We believe that our employees, contractors and business partners have maintained a strong ethical conduct during operations. Terms have been included in employment or service contracts to ensure that all parties act in accordance with our requirements on anticorruption. The management has also signed the Letter of Commitment to Integrity (《高管廉潔履職承諾函》).

During the Reporting Year, we have strictly complied with relevant laws and regulations including the Prevention of Bribery Ordinance of Hong Kong, the Criminal Law of the PRC, and the Interim Provisions on Prohibiting Commercial Bribery, and there were no litigation nor complaints regarding corruption, bribery, money laundering, extortion and fraud.

The Group has established whistle-blowing procedures to encourage employees to report corruption incident through a confidential channel. Every report will be sent to the Audit Committee for follow up and conducting evidence-based investigations.

With the establishment of the anti-corruption mechanism as mentioned above, the Group is committed to maintaining a high level of ethical culture. Relevant training will be arranged when necessary.

(iii) Community

B8: Community Investment

We provide opportunities for our employees to be a part of our local communities. We encourage our employees to actively participate in public conventions, conferences, exhibitions and events, with a particular focus on promoting the development of media industries and community investment.

We encourage our employees to volunteer their time and skills in contributing to the society, and at the same time enriching their knowledge of environmental and social issues, to prevent and mitigate any potential and actual negative impacts on the community.

The Group has expanded its new media business into the cultural tourism and cultural innovation industries. The AMBER PASS Card, an innovative product that integrates culture and technology, not only serves as a carrier for artistic works but also demonstrates broad application prospects across cultural tourism and cultural innovation. By skillfully combining art with scenic attractions, culture, brands, and other elements, and leveraging AR technology, the product provides tourists and users with unique and immersive cultural experiences. Looking ahead, through continuous innovation in technological and cultural creative products and by enhancing the digital experience for visitors, the AMBER PASS Card is expected to take a leading position in the cultural tourism and cultural innovation industries, promoting the dissemination and development of local cultural brands.

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