

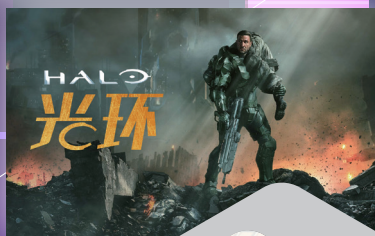


儒意控股
RUYI HOLDINGS

CHINA RUYI HOLDINGS LIMITED

中國儒意控股有限公司

(a company incorporated in Bermuda with limited liability)
(Stock Code: 136)



2024 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

1. ABOUT THE REPORT

The objective of this Environmental, Social and Governance (“**ESG**”) Report is to highlight the ESG performance of China Ruyi Holdings Limited (“**China Ruyi**” or the “**Company**”, together with its subsidiaries, the “**Group**”) for the purpose of assisting all stakeholders in understanding the Group’s ESG concepts and practices in achieving sustainable development for the future.

1.1 Scope of the Report

As for the financial period 2024, the Report complies with the disclosure requirements set out in the ESG Reporting Guide as described in Appendix C2 of the Main Board Listing Rules. The applicability and materiality of the relevant key performance indicators (“**KPIs**”) under the ESG Reporting Guide were assessed.

Unless otherwise stated, this ESG Report includes the businesses of the content production business and online streaming and online gaming businesses during the period from 1 January 2024 to 31 December 2024 (the “**Reporting Period**”). These relate to the overall performance, risks, strategies, measures and commitments of four aspects: quality of the working environment, environmental protection, operating practices and community participation.

1.2 Reporting principles

The Report is prepared in accordance with reporting principles under the ESG Reporting Guide.

Materiality:	Important and relevant information to stakeholders on different ESG aspects is covered in the Report. A materiality assessment was conducted to determine material ESG issues, with results approved by the Board.
Quantitative:	Relevant standards, methodologies and assumptions used to prepare the quantitative information are disclosed, as appropriate. Quantitative information is provided with narrative and comparative figures, where possible.
Balance:	Information is presented without the inappropriate use of selections, omissions or other forms of manipulation that would influence a decision or judgment by the reader.
Consistency:	Consistent methodologies are used to prepare and present ESG data in the Report, unless otherwise specified, to allow for meaningful comparisons.

1.3 Stakeholders’ Feedback

As the Group strives for excellence, stakeholders’ feedback is appreciated, especially on topics listed as of the highest importance in the materiality assessment and its ESG approach and performance. Please give your suggestions or share your views with us at ruyir@ryholdings.com.

2. CHAIRMAN'S STATEMENT

In 2024, amidst a complex and volatile market environment, the Group continued to optimise its diversified business structure by relying on forward-looking strategic layout and actively integrating industry resources, contributing to solid revenue and profit performance during the Reporting Period. For the year ended 31 December 2024, the Group recorded revenue of RMB3,671 million, representing a year-on-year increase of 1.2%, and adjusted net profit of RMB1,251 million, representing a year-on-year increase of 120%, while its adjusted net profit margin reached 34.1%, representing a significant year-on-year increase. These results demonstrate the Group's outstanding abilities in cost control and operations, laying a solid foundation for its sustainable development in the future.

The Group has always carried out its the mission of promoting the core values of socialism and conveying positive energy in society and is committed to creating high-quality literary and artistic excellence. In 2024, in the field of TV dramas, the first Chinese-language long form drama series selected as part of the Official Selection for Competition by CANNESERIES, "To the Wonder" (《我的阿勒泰》) was successfully aired and garnered dual honors at the Third China TV Drama Ceremony, winning both awards of "Outstanding TV Drama of the Year" (年度優秀電視劇) and "Overseas Spreading Drama Series of the Year" (年度海外傳播大劇). "War of Faith" (《追風者》), a Republic of China era espionage drama directed by Yao Xiaofeng and starred by Wang Yibo, etc. also won the "Outstanding TV Drama of the Year" (年度優秀電視劇) at the Third China TV Drama Ceremony and the Beijing TV Literature and Art Innovation Award (北京電視文藝創新推優獎). In the sector of films, the realism-themed film "Upstream" (《逆行人生》), in which the Company was both the investor and main producer, won the "Annual Attention Film" (年度關注影片) award at the 2024 Weibo Movie Night. During the 2025 Spring Festival period, the film "Detective Chinatown 1900" (《唐探1900》), in which the Company participated in production, achieved remarkable results with a box office of more than RMB3.4 billion and created a win-win situation for both business and social values. In the sector of gaming businesses, a number of our games including "Ragnarok ORIGIN" (《仙境傳說：愛如初見》), "Civilization Mobile" (《世界啟元》) and "Haikyuu Flyhigh" (《排球少年：新的征程》) recorded outstanding performance, demonstrating the Group's innovation capacities in the gaming field.

In terms of fulfilling its social responsibility, during the Reporting Period, the Group actively dedicated itself to charitable and public welfare courses and fully supported the development of higher education. Its donations to major dinners organised by The Hong Kong Polytechnic University not only provided financial support for the success of the events, but also promoted in-depth exchanges and cooperation among industry, academia and research institutes, injecting impetus into academic innovation and talent cultivation. Meanwhile, the Group has always been mindful of the underprivileged in society and is concerned about the development of grassroots public welfare undertakings. The Group made donations to the Hand in Hand Caring Association (手拉手愛心協會) in Xingcheng City, Liaoning Province, supporting its various public welfare projects, sending warmth and care to people in need and contributing to the development of local public welfare undertakings.

In the face of natural disasters, the Group also made swift responses. On 7 January 2025, after the earthquake in Shigatse, Tibet, the Group made donations to the affected areas and joined hands with the One Foundation (壹基金) to deploy relief materials, which effectively facilitated the post-disaster reconstruction of the affected areas. In addition, the Group actively participated in the voluntary services organised by China Association of Volunteers for Persons with Disabilities (中國助殘志願者協會), taking solid actions to promote the development of the courses for persons with disabilities and the progress of social welfare undertakings.

Looking ahead, the Group will continue to uphold the development philosophy of "upholding the integrity, taking the righteous path, embracing the innovation, and delivering premium content", adhere to quality content creation, optimise the creation mechanism, introduce cutting-edge technology, explore diversified genres, create more cultural masterpieces with extensive influence, and realise an all-round upgrading from content creation to value transmission.

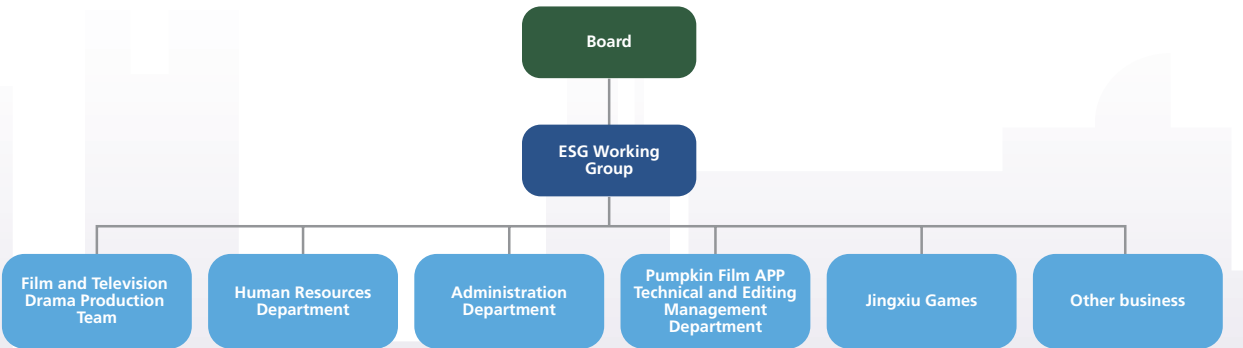
In the meantime, the Group will proactively match with the needs of social development by integrating ESG concepts into all aspects of corporate governance, production and operation, actively exploring innovative public welfare models, and expanding diversified cooperation channels. Leveraging its close collaboration with various principal parties including the government, social organisations and the community, the Group will achieve efficient integration and coordination of resources, injecting a continuous impetus for the harmonious, stable and sustainable development of society and demonstrating its commitments to corporate responsibility.

3. ESG GOVERNANCE

The Board has overall responsibility for the Group’s ESG strategy and reporting. As the highest responsible organization for the management and public disclosure of ESG-related matters, including environmental protection, employment and labour practices, operating practices, and community investment, the Board implements appropriate measures to enhance the ESG performance of the Group. The Board also reviews the ESG strategy, goals, and major ESG risks of Ruyi Holdings, as well as supervises and evaluates the achievement of ESG goals.

The Board is responsible for evaluating and determining the Group’s ESG-related risks and ensuring that appropriate and effective ESG risk management and internal control systems are in place. The Board also reviews ESG affairs regularly.

The Board guides and directs management by establishing ESG policies and initiatives, overseeing their implementation, and monitoring ESG performance. To promote and execute ESG work effectively, the Board has formed an ESG Working Group to aid in developing strategic policies, goals, and ESG management approaches for Ruyi Holdings. This group also coordinates with relevant departments to carry out specific ESG tasks. Progress and outcomes of ESG efforts are monitored and assessed to ensure the Group’s ESG-related matters are effectively implemented. Regular reports on ESG work development and goal achievement are provided to the Board. The Board is actively seeking ways to enhance the Group’s ESG governance further.



3.1 Stakeholder engagement

The Company values our stakeholders and their feedback in regard to our businesses and ESG aspects. With the goal of strengthening the sustainability approach and performance of the Group, we put effort into maintaining close communication with our key stakeholders, including but not limited to government and regulatory authorities, shareholders, employees, customers, suppliers, and the general public. The Group takes stakeholders' expectations into consideration in formulating our businesses and ESG strategies by utilising diversified engagement methods and communication channels, shown as below:

Stakeholders	Expectations and demands	Response and/or communications
Government and other regulatory agencies	<ul style="list-style-type: none"> • Compliance with laws and regulations • Business ethics 	<ul style="list-style-type: none"> • Compliance operation • Supervision and inspection • Regular and timely reporting
Investors and shareholders	<ul style="list-style-type: none"> • Financial performance • Stable business development • Information disclosure 	<ul style="list-style-type: none"> • Disclosure of financial and operational information • Shareholders' meeting • Company website
Audiences and users	<ul style="list-style-type: none"> • Content quality • Service experience • Information security and privacy protection • Diversification of production • Protection of minors 	<ul style="list-style-type: none"> • Production innovation and service upgrade • User information and privacy protection • Youth mode and anti-addiction mechanism
Employees	<ul style="list-style-type: none"> • Occupational health and safety • Career development • Employees' compensation and benefits 	<ul style="list-style-type: none"> • Remuneration package and benefits • Ongoing staff training • Regular meetings
Suppliers and commercial partners	<ul style="list-style-type: none"> • Open and fair • Contract compliance • Credibility and integrity 	<ul style="list-style-type: none"> • Cooperation agreement • Business communication • Business review meetings
Community and public	<ul style="list-style-type: none"> • Charity film and television • Charity activities • Environmental protection 	<ul style="list-style-type: none"> • Participate in charity activities • Minimise the disturbance to public and surrounding during outdoor shooting

3.2 Materiality Assessment

During the Reporting Period, the Group evaluated a number of environmental, social, and operating items and assessed their importance to stakeholders and the Group through various channels. This assessment helps to ensure that the Group's business objectives and development direction satisfy the stakeholders' expectations and requirements. The materiality assessment mainly involves the following:

Step 1: Identify and formulate ESG issues

Based on the business development of the Group and the previous year's assessment of the materiality of ESG issues, taking into account industry characteristics and making a reference to ESG guidelines, the Group has updated and formulated the ESG issue list.

Step 2: Assess the materiality

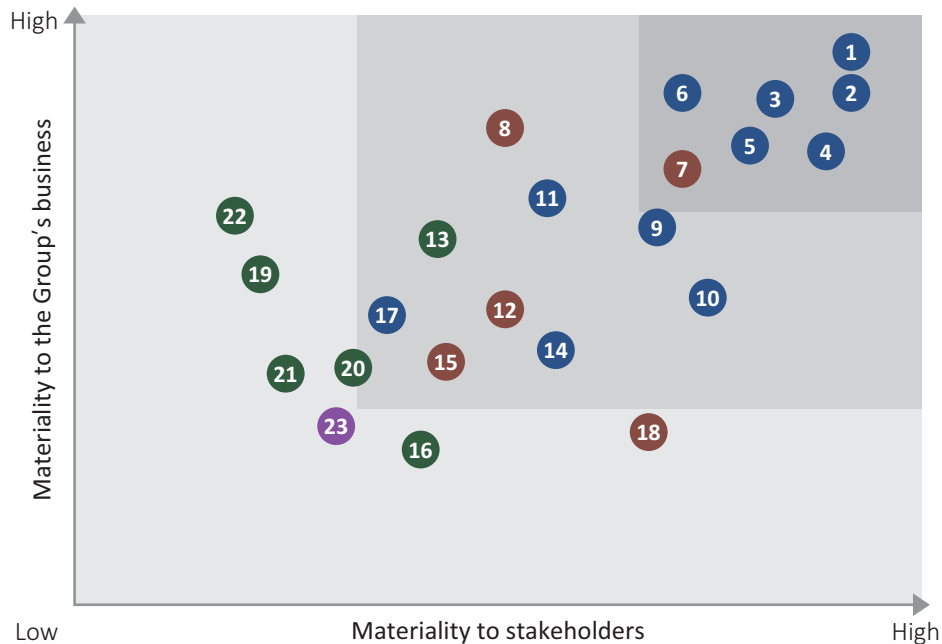
To determine the materiality of the ESG issues, the view of the Group's senior management as well as our key stakeholders was sought. The relevance/importance of each of the ESG issues was assessed and those in the top right corner are the most material to the business and stakeholders.

Step 3: Priority

Based on the materiality assessment result, the Group prioritised the issues in two dimensions. The ESG Working Group discussed and determined the disclosure priorities for the ESG report. ESG issues that fall within the top right-hand quadrant are of the greatest importance.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

In accordance with the results of the materiality assessment conducted by the stakeholders, the ESG materiality matrix for the Group in 2024 is as follows:



Environmental management

- 13 Green operation
- 16 Natural resources consumption
- 19 Waste production and treatment
- 20 Greenhouse gas emissions
- 21 Water resource consumption and sewage treatment
- 22 Respond to climate change

Operational management

- 01 Compliance with laws and regulations
- 02 Protection of intellectual property rights
- 03 Privacy protection and data security
- 04 Product and service quality management
- 05 Content review
- 06 Protection of minors and prevention of addiction
- 09 Customer satisfaction and handling of complaints
- 10 Product quality and innovation
- 11 Business ethics and anti-corruption
- 14 Advertising and promotion
- 17 Supply chain management and sustainable development

Employment management

- 07 Legal employment
- 12 Remuneration and benefits
- 15 Staff training and career development
- 08 Occupational health and safety
- 18 Talent recruitment and team building

Social contribution

- 23 Participation of social charity activities

4. ENVIRONMENTAL

The Group understands and appreciates the key aspects of the PRC government's environmental protection efforts, such as reduction in pollution, utilisation of resources and social education on environmental issues. The Group has an obligation to minimise the environmental impact of daily operations and be accountable for the consumption of resources and materials.

The Group adheres to an environmentally friendly and sustainable development approach, enhances environmental management and reduces the environmental impact during operation. Our major operations are film and TV-drama production which do not cause significant negative environmental impact.

As we expand our business, we prioritise conserving resources and protecting the environment. We adhere to the Environmental Protection Law of the People's Republic of China《中華人民共和國環境保護法》and other relevant regulations by managing emissions, setting energy conservation goals, and implementing measures to reduce pollution and waste. This approach allows us to operate in an environmentally friendly manner.



Based on environmental issues, the Board attaches great importance to changes in regulatory requirements and strengthens related work, continuously enhancing governance over the environment, particularly climate-related issues. Under the overall ESG governance framework, the ESG Working Group under the Board places high emphasis on the governance of environmental and climate issues. With the ESG Working Group as the core, the Board constantly tracks

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

changes in regulatory laws and regulations, as well as industry development trends, actively identifies climate-related risks and opportunities, and formulates strategic goals, policies, and management approaches. Meanwhile, through regular work reports, the Board seeks to further strengthen the governance methods for environmental and climate issues of the Group. The following are the targets we have set for environmental work:

Environmental targets

Aspect	Target
Emissions	
Air pollutants and greenhouse gas emissions	By 2032, reduce greenhouse gas emissions (Scope 1 and 2) intensity (tCO ₂ e/million dollars of revenue) by 10%, compared to the base year of FY2022.
Waste	Maintain the total production of hazardous waste and non-hazardous waste intensity below 0.1 kg/employee.
Use of resources	
Water	Using FY2022 as the base year, reduce water consumption density by 3% by FY2025.

In order to achieve these targets, the management of the Company has, with the ESG Working Group as the core, designed specific energy saving and emission reduction measures. Meanwhile, the effectiveness of the measures is constantly tracked, and based on feedback on environmental issues, timely follow-ups and further adjustments are made to these management measures for ensuring the fulfilment of these targets. The major management measures are set out below:

Energy saving and emission reduction measures

Measure	
Emissions	
Greenhouse gas and gas emissions	<ul style="list-style-type: none">Regular inspection and maintenance of the Company's vehiclesPromote carpooling and use public transport during business travels
Waste	<ul style="list-style-type: none">Reduce waste by adopting the 3R (Reduce, Reuse and Recycle) principle in operationsReuse non-confidential single-sided printing paper to save office resourcesStore filming props and equipment for reuse and upgrading
Use of resources	
Energy	<ul style="list-style-type: none">Maintain optimal indoor temperature, humidity and air qualityChoose environmental-friendly, energy-efficient lighting and appliancesSwitch off lighting and appliances when not in use
Water	<ul style="list-style-type: none">Regularly inspect taps or pipes for leakage problemsPost notices at conspicuous places to raise employees' awareness

4.1 Emissions and pollution management

The Group attaches great importance to the management of emissions and pollutants and has set up control and management targets for the total density of greenhouse gas emissions and waste. In the meantime, the Group is committed to protecting the environment and has adopted a series of effective measures to strengthen the management of office resources, vehicles and equipment and props and to actively promote the concepts of mobility by public transport and reducing the use of disposable products. We are committed to implementing a sustainable development strategy in order to promote a win-win situation between business growth and environmental protection.

Compliance with laws and regulations

The Group constantly updated itself with the local legislation and standards for environmental protection and assessed whether these legislations and standards are related to the Group's business and compliance status. During the Reporting Period, the Group strictly complied with the relevant national environmental laws and regulations, including but not limited to the followings:

- Environmental Protection Law
- Solid Waste Pollution Prevention and Control Law
- Law on Prevention and Control of Water Pollution

Air emissions and Greenhouse gas ("GHG") emissions

The Group recognises the importance of reducing our GHG emissions to drive sustainable growth of our operations as well as the society. The Group's GHG sources are primarily attributed to electricity consumption in the office and the machines for outdoor shooting and filming, and the use of company vehicles. By implementing energy-saving measures and introducing guidelines for the use of motor vehicles in our daily operations, the emissions from our operations would be reduced.

Electricity used on the business premises is the major contributor to the greenhouse gas footprint. Apart from electricity consumption, the use of motor vehicles for local commutation also led to indirect emissions of greenhouse gas. The table below shows the emissions of air pollutants and GHG for the Reporting Period:

	Units	Emissions 2024	2023
Air pollutants			
Nitrogen oxides	kg	130.59	162.55
Sulphur oxides	kg	0.40	0.42
Particulate matters	kg	12.09	14.32
GHG emissions			
Scope 1 — fuel combustion	tCO ₂ e	72.62	79.62
Scope 2 — electricity consumption	tCO ₂ e	165.77	190.27
Total emission	tCO ₂ e	238.39	269.89
Emission intensity (per million dollars of revenue)	tCO ₂ e per million dollars of revenue	0.06	0.07

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

In 2024, the emissions of air pollutants such as nitrogen oxides, sulphur oxides and particulate matters decreased significantly. Notably, with the implementation of electricity saving measures, the electricity consumption recorded a significant drop, resulting in a decrease of 12.9% in the carbon dioxide emission equivalent from electricity consumption. This achievement is conducive to reducing energy expenditure and plays an important role in the control of GHG emissions, demonstrating our efforts and results in promoting sustainable development.

Solid wastes

Since the operations of the Group do not involve any production or manufacturing processes, there are limited environmental impacts related to waste production. Our offices generate a limited amount of non-hazardous and hazardous wastes in daily operation. Non-hazardous wastes primarily include domestic wastes and office wastes, while hazardous wastes primarily include electronic equipment, batteries ink cartridges, etc.

Non-hazardous wastes are collected and handled by the property management office of the industrial park after categorisation. Hazardous wastes are recycled regularly by suppliers of related equipment, and are collected and recycled by qualified waste disposal contractors regularly.

	Generation (Tonne)		Intensity (Tonne/millions dollar of revenue)	
	2024	2023	2024	2023
Non-hazardous waste	0.003	0.004	8.2×10^{-7}	9.9×10^{-7}
Hazardous waste	0.016	0.029	4.5×10^{-6}	8.0×10^{-6}

We pay particular attention to the environmental protection of the filming site and reduce the negative impact of the filming process on the environment by cleaning up the garbage on the filming site in a timely manner and cherishing the flowers and trees.

4.2 Uses of resources

The Group has implemented various and sustainable initiatives to promote responsible resource consumption in its operations. To raise awareness of environmental issues, employees are encouraged to use environmentally friendly services and products that drive the Group's operations and services in a more sustainable direction. Based on the characteristics of its business, the Company's operations mainly involve water and energy resources.

Water resources

The Group's major water consumption is derived from the daily water use by office staff. We encourage staff to report all leaking faucets or pipes to the relevant department and turn off all taps when not in use. During the Reporting Period, the Group did not have any issues in sourcing water and sewage discharge.

Energy

The Group's major energy consumption is derived from the air-conditioning system of offices and equipment for filming and shooting. We are committed to improving the efficiency of energy use by adopting the following energy-saving management measures, aiming at reducing energy consumption and avoiding waste of resources.

Consumption statistics

Resources	Unit	2024	2023
Energy			
Electricity	kWh	271,704	311,873
Electricity consumption intensity	kWh/employee	611	1,016
Fuel	L	27,312	28,908
Fuel consumption intensity	L/employee	61	94
Natural gas	M ³	6,226	4,956
Natural gas consumption intensity	M ³ /employee	14.0	16.1
Water	M ³	2,916	1,977
Water consumption intensity	M ³ /employee	6.6	6.4
Packaging material	kg	—	—
Packaging material consumption intensity	kg	—	—

During the Reporting Period, various measures for energy saving and emission reduction had shown preliminary results, especially in electricity and fuel consumption. During the Reporting Period, the consumption of electricity and fuel decreased by 12.9% and 5.5% respectively compared to the last year. It reflects our efforts in resource conservation and also have us witnessed improved overall operational efficiency and reduced costs. During the Reporting Period, with the development of our gaming business, the number of our employees increased by more than 40%, resulting in an increase in the consumption of natural gas and water resources. However, in terms of the consumption intensity per employee, the consumption of natural gas decreased, while the consumption of water resources remained basically flat. We will continue to strengthen the management of resources such as water resources, conduct regular inspection, and increase the promotion of conservation. We will further consolidate the existing achievements to ensure the ongoing implementation and optimization of various measures.

4.3 Environment and Natural Resources

Due to the nature of the business, the Group does not have any direct and significant impacts on the environment and natural resources during its operation. In order to mitigate the adverse effects to the environment, the Management of the Group evaluates and implements policies to reduce the effects, especially outdoor filming and shooting. Our employees would clean up the filming site during shooting and before leaving the site. Further, we avoid trampling the flowers and grassland, avoid causing noise and light pollution which may affect the ecological environment and the living environment of animals.

4.4 Responding to Climate Change

Addressing climate change has become a global priority, and governments around the world have introduced and implemented policies related to energy conservation and emission reduction in succession. China's dual-carbon policy requires all industries to undergo low-carbon transformation, vigorously develop a green economy, and create an eco-friendly society. As a industrial leader in film and television and streaming media, the Group shoulders the responsibility and obligation to drive the industry in green and sustainable development. While seeking for business expansion, the Group will actively respond to the country's call to support the implementation of Carbon Peaking and Carbon Neutrality goals.

Climate risk management

In order to properly respond to climate change, the Group refers to the recommendations of the Task Force on Climate-Related Financial Disclosures (“TCFD”) to identify and assess climate change risks related to our business and their potential impact on the Group’s business performance. At the same time, we constantly update the measures related to physical risks and transition risks in response to climate change, so as to ensure the stable and orderly development of the Group’s business.

Types	Climate-related risks	Potential impacts	Responsive measures
Physical risk			
Acute	<ul style="list-style-type: none"> Extreme weather events such as high temperature, typhoon and floods occur frequently 	<ul style="list-style-type: none"> Filming was delayed due to casualties at the location Damage to filming facilities led to an increased cost of the film 	<ul style="list-style-type: none"> Forecast priority: establish a coordination and communication mechanism with the local meteorological department which adjusts the shooting plan in time according to the weather changes in the next 24 hours, 48 hours and one week, and try to avoid the impact of extreme weather on the shooting schedule from the source.
Chronic	<ul style="list-style-type: none"> Changes in climate patterns intensify, such as ocean acidification, rising sea level and average temperature 		<ul style="list-style-type: none"> Take precautions: formulate emergency plans for location shooting, and ensure that the crew always prepares emergency supplies, such as tents, raincoats, umbrellas, electric heaters, electric fans, heat stroke prevention medicines, wind-cold and wind-heat medicines, etc. Safety education: for shooting locations such as mountainous areas, seashores, and forest areas that are susceptible to extreme weather, the film crew is required to designate a responsible person for internal safety to carry out safety training on the team in response to extreme weather and other related content.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

Types	Climate-related risks	Potential impacts	Responsive measures
Transition risk			
Policy and legal	<ul style="list-style-type: none"> Increased pricing on GHG emissions Reinforced emission disclosure obligations such as scope 3 Environmental supervision over existing shooting business or energy consumption supervision over game servers 	<ul style="list-style-type: none"> Increasing compliance cost 	<ul style="list-style-type: none"> Pay attention to the changes in laws, regulations and policies related to the Group's business in real time, formulate countermeasures and publicise the same to employees in a timely manner.
Technological	<ul style="list-style-type: none"> Cost of transition to low emission shooting/operation & maintenance technology 	<ul style="list-style-type: none"> Early elimination of energy-intensive shooting equipment/game servers 	<ul style="list-style-type: none"> Identify facilities of high energy consuming and make comprehensive statistics on the Group's own carbon emission data, and reduce equipment energy consumption through energy-saving operation modes and regular maintenance. Purchase cloud servers for game business to avoid the energy consumption impact of local servers.
Market	<ul style="list-style-type: none"> Increased cost of original equipment Increased stakeholder attention or negative feedback 	<ul style="list-style-type: none"> Increase in production costs due to changes in prices of original equipment (such as purchased shooting equipment/props, etc.) Negative impacts arising from talent management and planning (e.g., brain drain), leading to lower company profitability 	<ul style="list-style-type: none"> Extend the life of filming equipment with regular maintenance. Reduce costs by recycling and reusing filming props. Regularly carry out employee satisfaction surveys, analyse the survey results and optimise talent management policies in a timely manner.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

In addition, we are actively looking for more opportunities brought about by climate change to promote and improve the Group's transformation toward a green and low-carbon development model, with a view to grasping the business opportunities in the era of sustainable development.

Types	Climate-related opportunities	Potential impacts
Resilience for business development	<ul style="list-style-type: none">• Adopt a green and low-carbon development model• Increase the promotion of environmental protection and climate change issues in film and television works/game products	<ul style="list-style-type: none">• Through scientific and technological innovation and digital development to reduce the Group's carbon emissions in film and television production, streaming media operations and game business. Starting from film and television equipment, shooting props, on-site environmental management and, Group office energy consumption, etc., formulate energy-saving and consumption reducing operation and maintenance measures. On the basis of efficient operation, ensure the resilience of business development and achieve cost reduction and efficiency improvement.• Through film and television creation and streaming media operation platforms to broadcast films themed by environmental protection and public welfare, so as to disseminate knowledge related to climate change and sustainable social development, or add themed activities related to environmental protection and climate change in game promotion, with a view to raising social attention to climate issues and awareness of climate risk management.

5. EMPLOYMENT AND LABOUR PRACTICES

The Group regards employees as one of the most valuable assets of the Group and regards the personal development of its employees as highly important. Our staff handbook not only provides a clear outline of company policy, but also guidelines on employee behaviours and rights and responsibilities of employees.

5.1 Employment

Diversity and equality practices

The Group promotes equal opportunity and opposes any form of discrimination in the hiring process, promotion and daily working environment. Personal attributes like race, religion, nationality, age or gender are not considered in recruitment, training and development, promotion, and compensation and staff benefits. Besides discrimination, any act of sexual harassment is also strictly prohibited.

Our employees are welcomed to provide feedback and lodge complaints through online and offline channels. Complaints which potentially caused any kind of discrimination would be handled by their superiors and/or the human resources department. A final report will be made after communication with corresponding employees and internal investigators.

Recruitment and dismissal

We recruit talents through various online channels and internal referral channels to support the rapid development of the Group. Our recruitment process includes the application for recruitment, description of the position, collection of job applications, interview, selection, approval, and job offers. The whole recruitment process is conducted in a fair and transparent manner by considering their education qualifications, abilities, attitude, knowledge, experience and performance.

Employees may resign freely with proper notice according to the procedures specified in the Staff Handbook. Special consideration would be given to employees facing emergencies or difficulties. We only terminate the employment relationship with our employee when the performance of the employee is not up to standard or breaching the code of conduct.

Promotion and remuneration

The Group offers competitive remuneration to attract and retain talented staff members. Remuneration packages are reviewed periodically to ensure consistency with the employment market. Laws and regulations on minimum wage and statutory social benefits are required to be followed.

- **Implementation of comprehensive assessment:** Promotion is based on review results, which include quality of work, ability, work performance and comprehensive and all-round discussion among the management of the department. The performance of employees is reviewed and evaluated regularly through a standard mechanism for discretionary bonuses and promotion opportunities.
- **Formulation of promotion plan:** According to the annual performance plan indicators of each business department, the department structure design and the demand for talents in phased goals, we customise the promotion training plan and performance goal setting for the employees who are proposed to be promoted.
- **Promotion:** Employees with satisfactory assessment results will be given promotion opportunities and receive further relevant training if applicable.

Working hours, rest periods and benefits

The Group encourages our employees to have a balance between work and life, hence standard working hours and rest days are stipulated in the employment contracts. We advocate for employees to work efficiently during their work hours and discourage working overtime in principle.

Due to the possibility of facing accidents, personal accident insurance and medical insurance are provided for cast members.

5.2 Training and Development

Recognising the importance of continuous talent development, the Group is committed to unleashing the potential of its employees through professional training and staff development. We provide a variety of internal and external training for our employees based on evaluations of their needs and the latest market trends, including innovation on technology, professional skills, industry-wide practices and regulations, occupational health and safety, and management skills. The Group will continue to evaluate and update its policies related to occupational health and safety, employment practices and development and training to enhance the capability and build the career development path for the employees.

Induction training is arranged for every newly joined employee to understand the duties and responsibilities and corporate culture. Due to the nature of our business, “apprenticeship” is more applicable for coaching new employees. An experienced senior employee would lead the freshman individually. Through apprenticeship, the seniors would share his experiences with the freshmen and gain leadership experience. On the other hand, new employees can receive practical training and support from the seniors.

The Group believes that continuous growth of employees is the key for an enterprise to succeed. The Group is willing to provide resources, such as subsidies and flexible working arrangements, to encourage them to obtain higher academic qualifications. The Group will continue to optimise the employee training plan, and strive to provide employees with diversified learning and development opportunities at multiple levels.

5.3 Health and Safety

The Group places a high priority on the health, safety and wellness of our staff and visitors during our operations. To avoid and minimise occupational risks and hazards, occupational health and safety have also been integrated into operational guidelines to help identify workplace hazards, raise employee awareness about related risks and guide improvement or corrective actions. Regular physical examination is provided to all employees.

Shooting site health and safety management

Preventive measures:

- Formulation of the filming plan before shooting.
- Safety Production Responsibility Statements 《安全生產責任書》 has to be signed by corresponding personnel of the blasting department and action department before shooting any scenes that involve blasting and the use of wires and hangers.
- Fire Safety Responsibility Statements 《消防安全責任書》 has to be jointly signed by the filming crew and the responsible officer of the shooting site to clarify the fire safety responsibilities of each party.
- Conduct regular inspections over the protective equipment such as wires, hangers, cushions, knee pads, elbow guards and helmets used in action shooting to ensure that such equipment meets the safety standards for use.
- Upon formulation of the filming plan before shooting, a coordination meeting is organised for the camera crew and cast members to finalise the filming plan, especially those scenes with blasting and dangerous actions.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

On-site measures:

- Strict implementation of the shooting plan, and arranging the corresponding vehicles and personnel of fire, first aid and other departments to be on standby.
- The health observation zone is available at the filming site for the clue members and cast members to rest and receive basic medical treatment when they feel unwell or injured.

5.4 Labour Standards

The Group strictly prohibits the use of forced and child labour. The Group complies with relevant regulations and laws to safeguard the rights of our employees, and will not tolerate labour exploitation. During the recruitment process, all job applicants are required to provide valid personal identification documents for verification purposes, while background checks may also be carried out whenever necessary. The Group's Human Resources Department would review the recruitment practices regularly to ensure that the measures against child and forced labour in place are effective.

To prevent child labour and forced labour, the Group has formulated clear policies and measures to ensure that all employees and suppliers understand and comply with relevant laws and regulations. Firstly, a team of professional lawyers is engaged to conduct a comprehensive audit of the employment process and labour contracts to ensure the Company's legal and compliant operations. Secondly, we have established an internal audit mechanism to regularly inspect our workplaces and supply chain for ensuring zero violation of any regulations.

In case any child labour or forced labour-related practices have been identified, we will take immediate action to terminate the practices and impose severe penalties on those responsible. Meanwhile, we strengthen employee trainings and explain to all employees the relevant laws and regulations to enhance their understanding of child labour and forced labour issues so as to create a safe, compliant working environment.

The labour contract is signed during orientation and the employee has to provide relevant identification materials for final verification. The Group resolutely prohibits illegal incidents such as child labour and forced labour, the occurrence of which, once discovered, shall be prosecuted strictly according to law. During the Reporting Period, China Ruyi did not have any illegal acts related to the employment of child labour and forced labour.

5.5 Compliance with Laws and Regulations

During the Reporting Period, the Group has been constantly in strict compliance with various laws and regulations in relation to employment and safe working environment, which mainly include but not limited to the following:

- the Labor Law of the People's Republic of China《中華人民共和國勞動法》;
- the Labor Contract Law of the People's Republic of China《中華人民共和國勞動合同法》;
- Social Insurance Law of the People's Republic of China《中華人民共和國社會保險法》;
- the Law on the Protection of Women's Rights and Interests of the People's Republic of China《中華人民共和國婦女權益保障法》;
- the Law on the Prevention and Treatment of Occupational Diseases of the People's Republic of China《中華人民共和國職業病防治法》;
- the Law on the Fire Prevention of the People's Republic of China《中華人民共和國消防法》;
- the Regulations on the Prohibition of the Use of Child Labor of the People's Republic of China《中華人民共和國禁止使用童工規定》; and
- the Law of the People's Republic of China on the Protection of Minors《中華人民共和國未成年人保護法》.

6. OPERATING PRACTICES

The Group understands that maintaining a sound supply chain is crucial to the sustainable development of our business. Upholding the philosophy of mutual trust and reciprocity, we are committed to joining hands with high-quality suppliers and partners to create a sustainable supply chain, promote suppliers to strengthen their environmental and social responsibility performance, and achieve win-win development together. We unceasingly optimise the Group's supplier selection, evaluation, and management-related evaluation criteria and systems, standardising its procurement transactions with increasingly improved management efficiency. We integrate regular compliance checks into every aspect of public bidding and procurement processes, fostering a closer collaboration with suppliers. This approach is aimed at cultivating a harmonious business ecosystem together.

According to the principal business needs of the Group, our suppliers can be broadly divided into: administrative procurement, technical procurement, copyright procurement, and promotional procurement. Due to the nature of our film and television program production business, screenwriters, planning companies, copyright parties and agencies public relations companies and distribution companies are also defined as our supplier.

Supplier screening and admittance

- Background investigations and compliance audits are carried out in advance. We would refer to the historical records, products, and company size of potential and existing suppliers.

Thorough background check is conducted before including in our supplier list, including the basic background information, product quality, after-sales service, pricing level, etc. of them. Only the suppliers that pass the investigation would be qualified as our suppliers.

Supplier audit and evaluation

- Evaluation is performed in respect of quality, scale, delivery, technology and cost, and online or offline on-site inspections are conducted. Suppliers with satisfactory performance would be more preferential during the selection process.

Cooperation agreements are signed with our entrusted suppliers and contractors. All agreements related to copyright procurement are reviewed by lawyers before finalisation.

Cooperation relationship with the supplier would be suspended immediately when the fundamental problems, such as illicit competition, corruption, etc., are breached or identified.

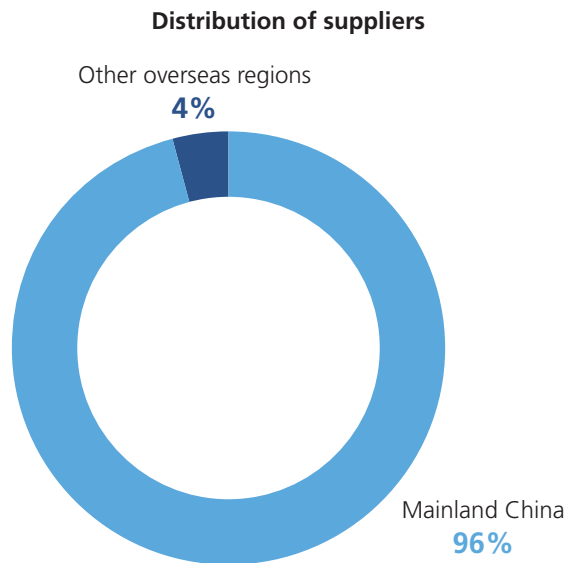
ESG management for suppliers

- The environmental and social risks involved in our supply chain are relatively low due to its business nature, but we still take the environmental and social performance of our suppliers into consideration. We still emphasise the importance of anti-corruption practice to suppliers. Suppliers are required to sign the integrity statement.

For technological procurement, an inspection of the supplier's privacy policy and the institutional protection for user information is conducted.

Products with high energy efficiencies and environment-friendly certifications are at a high priority.

During the Reporting Period, the Group cooperated with a total of about 727 suppliers, approximately 698 of them came from Mainland China, accounting for approximately 96% of total number of suppliers. Our suppliers and partners are predominantly copyright suppliers of film and television drama, whereas a small number of physical purchases are involved, such as daily administrative office supplies, materials. They are all coordinated and managed by the Company in accordance with its practices regarding engagement of suppliers



6.1 Responsible Products

Adhering to the responsible business philosophy, we are committed to providing customers with high-quality products and services. The Group is committed to creating responsible and high-quality cultural products, and adheres to a proactive approach in fulfilling its social responsibility.

As a film and television content producer, operator of streaming media platforms, and games developer, we consider producing high-quality cultural products to be our top priority. We continuously produce diverse film, television, and gaming works based on compliant operations, providing the public with the ultimate entertainment experience.

We take it as our responsibility to create cultural masterpieces and spread positive energy to society. We always adhere to the attitude of producing responsible content to gain the trust of the market and users. The Group continuously strengthen the governance of online content, user privacy protection, data security, and improves customer service, to realise our corporate value.

Our primary offerings consist of intangible intellectual properties, such as movies and games. Each product has successfully undergone rigorous audits by the appropriate government bodies, confirming that our content is appropriate for audiences and free from excessive violence, pornography, vulgarity, and harmful ideologies, including those that could incite ethnic or religious animosity. Throughout the Reporting Period, there has been no need to suspend or recall any of our released movies, films, or games due to quality or safety concerns.

6.1.1 High quality of products and services

High quality of products and services — Ruyi Films

With the extensive industry experience of our management, Ruyi Films is at the leading position in research and development of film and television content, production, publication and promotion. We strictly abide by relevant industry laws and regulations, such as the Film Industry Promotion Law of the People's Republic of China (《中華人民共和國電影產業促進法》) and Film Management Regulations (《電影管理條例》), prudently selecting film themes, with strict controls on the filming process in production.

- **Demonstrating core values and delivering warmth of the times**

We are dedicated to creating literary and art works, actively delivering positive energy and carrying forward socialist core values. During the Reporting Period, the film "Detective Chinatown 1900" (《唐探1900》), a brand-new chapter of the Detective Chinatown series, achieved remarkable results, with box office exceeding RMB3.4 billion. With the incorporation of abundant historical and cultural elements, the film conveys positive values that the light of justice will never fade out in any era. Two high-profile films, Trident 2 (《三叉戟2》) and "Octopus with Broken Arms" (《誤殺3》), also performed well with integrating positive energy into every detail, which were highly praised and well received by the audience. Meanwhile, realism-themed film "Upstream" (《逆行人生》), in which the Company was both the investor and main producer, won the "Annual Attention Film" (年度關注影片) award at the 2024 Weibo Movie Night for its profound social insight and high production standards.

- **Creating diverse content to promote cultural integration**

We actively produce film and television works across multiple genres, portraying characters of different races, genders, ages, and cultural backgrounds to promote cultural understanding and inclusivity. During the Reporting Period, "To the Wonder" (《我的阿勒泰》), the first Chinese-language long form drama series selected as part of the Official Selection for Competition by CANNESERIES, was aired in May 2024, which is based on the life of border herders and vividly demonstrates the unique charm of Chinese culture; it also garnered dual honors at the Third China TV Drama Ceremony, winning both awards of "Outstanding TV Drama of the Year" (年度優秀電視劇) and "Overseas Spreading Drama Series of the Year" (年度海外傳播大劇), demonstrating the deep heritage of Chinese culture on the international stage. Meanwhile, "War of Faith" (《追風者》), a Republic of China era espionage drama directed by Yao Xiaofeng and starred by Wang Yibo, not only won the "Outstanding TV Drama of the Year" (年度優秀電視劇) at the Third China TV Drama Ceremony and the Beijing TV Literature and Art Innovation Award (北京電視文藝創新推優獎), but also became a model work for the narrative innovation of Republic of China era espionage dramas, injecting new vitality into the industry's development.

- **Building a standardised management system to enhance the effectiveness of resource integration**

Ruyi Films has an excellent and experienced producer team, establishing a mature and efficient content production chain. We adopt a standardisation film production model and process to ensure that every work meets high quality standards. The Company has also established a rigorous and comprehensive compliance management system, strictly complying with relevant domestic and international laws and regulations and industry norms in all aspects of the process from pre-script creation to post-publication and promotion. We also maintain close collaboration with industry associations and regulatory authorities to advance the healthy development of the film and television industry. In addition, the film and television incubation centre has fully leveraged its strengths to enhance resource integration capabilities and production experience by promoting the copyright of film and television content, continuously delivering innovative ideas to the film and television market.

- **Adhering to casting standards and moral quality considerations**

During the selection of crew members and actors, we have included personal behaviours, work attitude and moral quality as important considerations. Through in-depth interviews and a rigorous casting process, we establish a robust foundation for quality of the film at the source, ensuring that our final works presented to the audience will not only be outstanding in plot structure and screen presentation, but also convey positive values through the good behaviour of the actors and actresses, thereby triggering strong resonance in the hearts of the audience.

Looking ahead, the Company has multiple high-quality film and television projects for launch. For example, the science fiction film under the same name of the novel "Echoes of Encounter" (《我們生活在南京》), a two-time winner of Chinese Science Fiction Galaxy Awards, is actively under preparation, showing the protagonists' spirit of striving forward and never giving up in the face of adversity. Additionally, the romantic fantasy film "Gift from a Cloud" (《有朵雲像你》), starred by Qu Chuxiao and Wang Ziwen and directed by Yao Tingting, is set to be released soon. In addition, it also includes: "Prosecutor and Boy" (《檢察官與少年》), a television drama featuring the work of prosecutors, directed by Teng Huatao and starred by Zhang Xiaofei; "Light to the night" (《黑夜告白》), a realistic criminal investigation and suspense drama starred by Pan Yueming and Wang Hedi as double male leads; "Path to Glory" (《大道朝天》), an epic historical fantasy and "Legends of the Sect" (《萬古最強宗》), a historical fairy and hero comedy. Ruyi Films will uphold its original intention and continue its efforts to release more anticipated quality works, thus contributing more to the prosperous development of China's film and television industry.

Pumpkin Film

Pumpkin Film is a streaming platform focusing on overseas movies and TV programs on paid subscription basis. The Group aims to inspire audiences and users with excellent works, allowing them to experience joy and emotion from film, television, and games while imposing content review mechanisms to ensure the compliance of latest regulatory requirements.

- **We have adopted a three-pronged approach of technology, service, and product.**

We aim to increase competitiveness and reduce the reliance of domestic cinema film resources. By utilising the time gap and cooperation between different platforms, we provide imported films. The functions of Dolby sound effects and supported 4K ultra-high-definition and HDR playback modes provide users with an immersive viewing experience. In addition, to enhance customer loyalty, Pumpkin Film keeps developing new functions in the APP.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

- **We are meticulous in content compliance review**

The Group has established the Company Audit Management Mechanism and Process 《公司審核管理機制與流程》 to clarify the relevant requirements for content review and standardise the launch and playback procedures of films on the Pumpkin Film APP.

During the film selection stage, we evaluate the content and messages of the film by watching the official watermark link provided by the foreign film parties. During the film's online stage, we strictly adopt a five-step review mechanism to ensure content compliance and report the films to be launched next month to the National Radio and Television Administration at the end of each month. Only after passing the review can the films be officially played on the platform.

- **Five review steps for movie contents on Pumpkin Film**

1. Initial content review of sensitive issues
2. Preliminary audit by machine
3. After the machine audit, the report is generated and the chief editor reviews it again
4. Pre-release review process of analog TV on demand, internal staff checking for problems
5. After confirming that the audit layout and content is correct, publish to the Pumpkin Film platform

Furthermore, the Group has established an emergency protocol for its programs in alignment with the Regulations on the Management of Internet Audio and Video Program Services 《互聯網視聽節目服務管理規定》, the Measures for the Administration of Audio and Video Programs on the Internet and Other Information Networks 《互聯網等信息網絡傳播視聽節目管理辦法》, and relevant legislation. This initiative aims to bolster the Group's preparedness in handling emergencies on its broadcasting platform. The protocol outlines the necessary actions to be taken in response to illicit comments on the website or webpage. Additionally, Pumpkin Film has implemented a content monitoring system and mandates its network inspectors to oversee the platform interface round the clock. Any inappropriate or disruptive comments that disrupt social stability and unity are promptly removed and reported to the program editor-in-chief for non-compliance with broadcasting standards.

Jingxiu Games

The gaming business is a growing division of the Group. We have comprehensive cooperation with Tencent Group in the gaming industry this year in selecting and promoting high-quality game products, creating boutique game IPs, ensuring that players have novel and interesting gaming experiences, and promoting positive energy and traditional cultural concepts.

Looking ahead, the Company will continue to strengthen the integration of research and operation, and actively build a diversified product matrix. Relying on the profound accumulation of the IP of "Red Alert Online" 《紅警OL》, the Company's self-developed game "Red Alert: Legions" 《紅警：榮耀》 is planned to launch a global beta test in 2025, aiming to drive the inheritance and development of gaming culture by reshaping the value of the classic IP through innovative gameplay and immersive storytelling.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

Meanwhile, the Company is actively engaged in diverse collaborations to promote industry prosperity. During the Reporting Period, the Company reached collaborations with Lightspeed Studios under Tencent Group and the renowned French game company Ubisoft Entertainment, with an aim to develop and distribute a game named “Heroes of Might & Magic: Lordship Rivalry” (《魔法門之英雄無敵：領主爭霸》) based on Ubisoft’s well-known IP, the “Heroes of Might & Magic” (《魔法門之英雄無敵》) series, which is scheduled to commence external commercial testing within 2025. The Company is dedicated to integrating advantageous resources from all parties to facilitate the exchange and integration of global gaming culture.

In terms of expansion of market segments, the Company remains dedicated to SLG genre. In addition to the launch of “Legends of the Wild” (《荒野國度》) on 27 February 2025, it has pipeline projects including “Age of Stellarian” (《群星紀元》), “Yanwu” (《偃武》), and “The War of Dragon Stones” (《龍石戰爭》). With their unique themed packaging, these products can meet the diverse needs of different player groups and contribute to the healthy development of the gaming market.

In the area of IP adaptation, the Company deeply integrates sports, anime (2D culture), and historical themes. It has secured partnerships for two games licensed by the National Basketball Association (NBA) and is developing a game based on the popular Korean IP “Cookie Run” (《餅乾人》). Simultaneously, the Company also has two games adapted from novels in its reserve. One of them is a martial arts themed open-world MMO, “Dafeng’s Night Squad” (《大奉打更人》), and the other is based on the metaphysical novel “Beastmaster of the Ages” (《萬古第一神》).

In the future, Beijing Jingxiu will continue to leverage “research and operation synergy” as its dual driving forces. By continuously upgrading its product portfolio and strategically developing its IP ecosystem, Beijing Jingxiu aims to strengthen its global competitiveness, actively adapt to industry trends, and contribute to the sustainable development of the gaming industry through innovation and strategic planning.

The Group firmly opposes any game works with negative content or themes. The plots and character designs of the two games currently released are based on positive and just story backgrounds and brave and honest protagonist images. We insist on promoting Chinese culture through games and conveying a kind and beautiful worldview. At the same time, to maintain a good gaming atmosphere, we have obtained a list of blocked words from regulatory authorities and implemented it in the games. We actively communicate with regulatory authorities to understand changes in industry regulations in a timely manner.

The Group stands against any games with negative content or themes. We are dedicated to highlight our Chinese culture in the games and promoting a compassionate and uplifting worldview. To uphold a positive gaming environment, we have integrated a list of prohibited words provided by regulatory bodies into our games. We engage in ongoing communication with regulatory authorities to stay informed about any updates in industry regulations.

6.1.2 Attention to the Audience and User Experience

Being a conscientious content creator and online streaming provider, the Group prioritises customer experience and feedback on service quality. We conduct regular customer satisfaction surveys and strive for ongoing enhancement of our services. Ruyi Films has assembled a team dedicated to monitoring real-time platform website data and audience satisfaction to maintain a positive reputation. The Pumpkin Film App dynamically tailors its daily movie recommendations on the homepage to align with user preferences and cater to their viewing requirements. Jingxiu Games consistently administers satisfaction surveys to players to gain insights into their gaming experiences and refines game features based on survey feedback to enhance player satisfaction.

6.1.3 User Compliant Handling

The Group has a mature and well-established user complaint-handling system, with standardised complaint handling mechanism, diverse complaint-receiving channels, and an independent complaint-processing department.

Public hotline and online communications channels such as the Pumpkin Film APP platform complaint system, user forums, WeChat groups, and Weibo are available for users and public to provide feedback. Our customer service department's processing specialist is responsible for timely summarising and collating complaint information and conveying it to the relevant responsible department.

We conduct complaint analysis and attribution of issues, providing 24/7 uninterrupted complaint handling and free technical support services to users. We primarily adopt appropriate response measures based on the type of customer complaints. For system operation-related complaints, customer service will promptly provide operation guidance within their ability or request the technical team to investigate and solve system malfunctions. For emotional complaints, customer service usually solves the problem by offering additional membership time or refunding users after understanding the situation. After resolving the complaint issue, the customer service team will provide timely feedback to the user on the processing method or result. During the Reporting Period, the Group has not received any complaints in relations to our products and services, however, we would pay attention to the comments and feedbacks from users, audiences and the public.

6.1.4 Protecting intellectual properties

The Group has always been committed to fighting against infringement and cracking down on illegal behaviours such as text, music, and trademark infringement, in order to protect the interests of our users and the company, fulfil our social responsibilities, and contribute to maintaining the order of the industry market economy. The Group has established an internal intellectual property management system based on laws and regulations such as the Copyright Law of the People's Republic of China《中華人民共和國著作權法》, the Patent Law of China《中華人民共和國專利法》, and the Trademark Law of China《中華人民共和國商標法》, to regulate copyright protection measures for film and game businesses.

The Group takes various measures to safeguard the intellectual property of its works, including signing confidentiality agreements with partners, clarifying procurement responsibilities, and utilising copyright digital early-warning systems. In film contracts, it is stipulated that copyright owners must create independently and refrain from plagiarism. The Group also ensures that suppliers do not engage in infringement when purchasing copyrights, with any violations being the responsibility of the upstream suppliers. Additionally, the Group promptly registers copyrights for texts, music, and trademarks it creates. For games, copyrights are applied for by development companies with support from Jingxiu. The Group's two game products are exclusive agents and have received necessary game approvals.

6.1.5 Data protection and privacy

The Group prioritises safeguarding network information security and user information privacy as fundamental principles in the development of film and game businesses. We strictly comply with laws and regulations and industry standards such as the Cyber Security Law of the People's Republic of China《中華人民共和國網絡安全法》, the Data Security Law of the People's Republic of China《中華人民共和國數據安全法》, the Personal Information Protection Law of the People's Republic of China《中華人民共和國個人信息保護法》, the Information Security Graded Protection Administration Measures《信息安全等級保護管理辦法》, the Information Security Graded Protection Basic Requirements《信息系統安全等級保護基本要求》, the Personal Information Security Specification for Information Security Technology《信息安全技術個人信息安全規範》, the Basic Norms for the Collection of Personal Information in Mobile Internet Applications Apps with Information Security Technology《信息安全技術移動互聯網應用APP收集個人信息基本規範》, and the Regulations on the Protection of Personal Information of Telecommunications and Internet Users《電信和互聯網用戶個人信息保護規定》.

Internally, we enhance information system security through stringent network operation rules and technical measures to mitigate network security risks, prevent data leaks, and maintain the efficient operation of our businesses. Additionally, the Group actively conducts information security audits and engages in third-party reviews. We have achieved third-level external security protection certification for three consecutive years and enlisted Aliyun (阿里雲) for terminal security assessments. Continuous optimisation and enhancement of internal security management systems, along with external security level certification and third-party terminal security reviews, are ongoing processes for the Group.

6.1.6 Teenage protection

In addition to the measures and practices mentioned above, we have formulated a series of related management systems to ensure positive and responsible product content is communicated to the public, and to strive to avoid negative impacts on the growth of youth.

While developing our business, the Group pays attention to the protection of minors and strictly adheres to the requirements of laws and regulations such as the Regulations on the Protection of Minors on the Internet《未成年人網絡保護條例》, the Law of the People's Republic of China on the Protection of Minors《中華人民共和國未成年人保護法》, and the Notice on Preventing Minors from Addiction to Online Games《關於防止未成年人沉迷網絡遊戲的通知》. We have established anti-addiction mechanisms for underage users in both the Pumpkin Film APP and two mobile game apps, strictly controlling the amount of time minors spend on the internet and using various technological means to prevent minors from being excessively addicted to movies or online games, which may have adverse effects on their physical and mental health.

In the Pumpkin Film APP, we have established a youth mode and set the viewing types and software usage time for underage accounts. In youth mode, educational and puzzle movies are added to the software, and the usage time for underage accounts is limited to no more than 2 hours per day. Also, underage accounts are prohibited from using the software between 10 pm and 8 am the next day.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

Jingxiu Games has released the “Jingxiu Games Children’s Privacy Protection Guidelines” to actively implement the state’s anti-addiction policy requirements and protect the legitimate rights and interests of minors through the use of anti-addiction systems. Before logging in to the gaming platform, the system will prompt the user to verify their age and require the user to complete real-name authentication. Based on the information verified from the real-name authentication, the system determines whether the user is a minor and decides whether to include the account in the anti-addiction system. Additionally, to increase the accuracy of real-name authentication, we use facial recognition technology for identity verification, preventing minors from using fake identity information.

For underage game accounts, the system limits their gaming time and recharge amount while helping guardians to monitor their children’s gaming behaviour at any time. The system collects information such as login time and game duration for underage accounts and automatically intervenes in underage game time through the system, enabling the use of mandatory offline functions, and guiding minors to play games reasonably. After suspecting underage consumption, the system will attempt to contact the guardian for a reminder, confirmation, and processing, helping minors access the internet healthily. Daily limit of 1.5 hours of gaming time for underage accounts, and the account will automatically log out when the time is up. Underage users are forbidden to in-game purchases. Additionally, we use the “Tencent Game Growth Guardian Platform”, which allows parents or guardians to keep track of their children’s gaming behaviour at any time, set consumption limits, and restrict daily gaming time and timeframes.

6.1.7 Advertising Management

The Group has formulated a governance framework for the contents of advertisements, promotional slogans and other announcements in accordance with relevant laws and regulations. The Group engages lawyers to review relevant advertising businesses and slogans used in its businesses to ensure the compliance of advertisement contents with relevant laws and regulations and to prevent the occurrence of any advertisements in breach of laws and regulations. The lawyers assist the corporate management department in conducting regular checks to ensure the truthfulness and accuracy of advertisements in order to avoid misleading consumers, protect the rights and interests of consumers, and safeguard the integrity and reputation of the Company.

During the Reporting Period, the Group continued to strictly abide by a number of relevant laws and regulations, mainly including but not limited to the following:

- Advertising Law of the People’s Republic of China (《中華人民共和國廣告法》);
- Law of the People’s Republic of China on the Protection of Consumers’ Rights and Interests (《中華人民共和國消費者權益保護法》);
- Law of the People’s Republic of China on Product Quality (《中華人民共和國產品質量法》);
- Administrative Measures for Internet Advertising (《互聯網廣告管理辦法》);
- Trademark Law of China (《中華人民共和國商標法》); and
- Patent Law of China (《中華人民共和國專利法》).

6.1.8 Information security assurance

In alignment with applicable network security laws and regulations, the Group has developed internal governance frameworks, including the Information Security Management System (《信息安全管理制​​度》), the Product Technology Department Work Manual (《產品技術部門工作手冊》), Code Writing Security Specifications (《代碼編寫安全規範》), and an information security emergency response plan. These measures are designed to enhance our network security comprehensively and systematically, mitigating the risk of cyber attacks.

The Group has instituted a network security and information technology task force dedicated to safeguarding information systems during both the design and operational phases, thus ensuring user privacy and data protection. The management framework encompasses five key components: a security policy system, an organisational structure for security management, designated security personnel, security infrastructure management, and security operations and maintenance management.

The Group has developed a cooperative model that aligns the efforts of departments in product development and operations maintenance, formalising processes to ensure system security and stability. We employ diverse strategies to preempt potential cyber threats. Prior to APP release, we perform multi-tiered testing and vetting to thoroughly identify security vulnerabilities. Once the APP is live, we actively monitor and modify data, routinely perform security audits on system networks, and promptly upgrade firewall protections. Concurrently, we allocate system account permissions based on job roles and prohibit external network access to the system. Mandatory backups are performed for all system operations.

We have established a system security emergency plan to bolster our information system's defenses and ensure a rapid response to unexpected security events. An alert mechanism for abnormal system activities has been implemented. Upon detecting a hacker attack or a virus infection, we swiftly take action, identify the source of the breach or eradicate the virus, and initiate data recovery and backup procedures. In cases of severe incidents, we escalate the issue to public security or senior management teams.

The Group safeguards sensitive information through encryption and persistently improves our software security to avert data theft or leaks. We employ top-tier technical safeguards for user information security, including, but not limited to, firewalls, encryption protocols like SSL, data de-identification or anonymisation, and stringent access controls. For instance, our contract with an SMS service provider ensures that all SMS communications and associated mobile numbers processed by the system remain confidential. Employees can initiate messages with a click, but neither they nor the SMS service provider can view the user's information. Moreover, we constantly fortify the security features of our user-end device software by executing tasks like on-device data encryption to enhance secure data transit and by guarding against viruses, Trojan horses, and other malevolent software through scrutiny of installed applications and monitoring of running processes on user devices.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

The Group has implemented a specialised management system to guarantee the security of personal information. This includes rigorously restricting access to user information to authorised personnel only, enforcing confidentiality commitments, performing regular audits, and imposing disciplinary measures on those who breach these obligations in accordance with our regulations.

The Group conducts routine internal audits to thwart unauthorised access, use, or disclosure of user information. Additionally, we mandate all employees to adhere to the Group's data security and privacy management systems as outlined in their employment handbooks, thereby raising their awareness of safeguarding internal information and mitigating risks related to network security and privacy. Concurrently, in collaborations with suppliers or other stakeholders, we articulate specific terms regarding data security and privacy risks, along with corresponding control measures, within business contracts and engage in targeted communications on these matters.

The Group upholds users' rights to withdraw their consent for the use of personal data and to deactivate their accounts, as well as providing them with rights to access, correct, and erase their personal information within the APP. For instance, users of the Pumpkin Film APP are able to independently erase their viewing history, personal movie lists, film preferences record, and community comments, and they can modify their profile details such as their avatar, nickname, gender, and birthday.

Similarly, Jingxiu Games APP players have the autonomy to enable or disable access to device cameras and payment features required by the game, and to adjust the scope of personal information permissions. Users have full control over their personal data, with the ability to remove verified personal identifiers, like their name and ID card number, by terminating their account.

Throughout the year, the Group engaged Aliyun for third-party SDK privacy risk assessment. Utilising the privacy compliance monitoring report from Aliyun, the Group has enhanced its privacy protection management, reinforcing its commitment to safeguarding user privacy continuously.

6.2 ANTI-CORRUPTION

The Group steadfastly upholds integrity and trustworthiness as the fundamental pillars of its business growth, committing to the ethical conscience in its cultural outreach to the public. Firmly complying with the Company Law of the People's Republic of China《中華人民共和國公司法》, the Anti-Unfair Competition Law《中華人民共和國反不正當競爭法》, the Anti-Money Laundering Law《中華人民共和國反洗錢法》, and other pertinent statutes.

The Group fosters a culture of anti-embezzlement, anti-corruption, and ethical conduct within its ranks. The Group maintains a strict zero-tolerance stance on any acts of embezzlement or corruption. During the Reporting Period, there were no concluded corruption lawsuits identified against either the Group or its staff members.

6.2.1 Establishment of Integrity Environment

To standardise its business ethics, the Group has clearly defined protocols within the Staff Manual concerning employee integrity, professional conduct, and personal morality, and established both internal and external reporting channels to deter infractions like bribery, extortion, fraud, and money laundering.

The Group holds honesty, integrity, and fairness as core values. It strictly forbids employees from requesting or receiving any benefits from clients, suppliers, contractors, or any business contacts during their professional activities. With regard to external business partnerships, the Group advocates for a culture of ethical collaboration among suppliers and requires them to commit to an integrity pact.

The Group promotes active reporting of corruption and illicit conduct by employees. It has publicised reporting channels, enabling employees to alert the human resources department or higher-ups directly about suspected corruption. Upon receiving a report, the designated department or administrative personnel will promptly form an investigative team to thoroughly examine the issue, handling all reports with fairness and confidentiality to safeguard the whistleblower. Once the investigation concludes, feedback is provided to the whistleblower in a timely fashion, including a record of the report and investigative proceedings. Violators of the code face disciplinary action and are held accountable for any losses and legal liabilities as dictated by law. Furthermore, the Group is committed to explicitly defining supervisory responsibilities regarding business ethics and to developing standalone systems related to integrity management, aimed at bolstering employees' ethical awareness and offering guidance for their conduct.

6.2.2 Integrity Training

To foster a work environment infused with integrity and honesty, the Group delivers education and training on ethics to employees at all levels, bolstering their awareness of incorruptibility and thus effectively mitigating instances of corruption. The Group mandates integrity training for all new hires, convenes sessions to disseminate the principles of integrity outlined in the Staff Manual, and obligates employees to sign a letter of acknowledgment post-training, confirming their comprehension and commitment to the Group's ethical standards.

7. SOCIAL CONTRIBUTION

As the Group fosters the growth of film, television, and gaming culture, it consistently demonstrates its commitment to society. By advancing the industry, advocating for cultural ideals, and engaging in social welfare, the Group embraces its corporate social responsibilities and generates value for the public.

Leveraging our industrial strengths, we intensify the propagation of a culture of public welfare. Utilising streaming media platforms, we showcase films that highlight China's impressive power and achievements, thereby transmitting positive messages. We have established a distinctively Chinese 'red column' that features a variety of cultural film subjects.

Meanwhile, the Group has actively engaged in voluntary services for the disabled, making contributions to promoting the development of disability causes and social welfare advancement. The Group was honored with the Caring Corporation Award issued by the China Association of Volunteers for Persons with Disabilities.

Following the earthquake in Shigatse, Tibet, the Group donated RMB1 million to the affected area. Collaborating with One Foundation, we provided emergency relief supplies to the disaster zone and supported post-disaster reconstruction efforts, actively fulfilling our social responsibilities.



During the Reporting Period, the Group donated HK\$50,000 to The Hong Kong Polytechnic University and RMB50,000 to the Hand in Hand Caring Association (手拉手愛心協會) in Xincheng City, Liaoning Province;

In the future, the Group will remain committed to addressing societal needs, integrate social responsibility into every aspect of our corporate operations, continuously innovate our assistance models and partnership approaches, and strive to contribute to fostering a harmonious and sustainable society.

APPENDIX I: ESG PERFORMANCE OF SOCIAL ASPECTS

Workforce distribution	Number of staff	Workforce distribution
Total number of staff	445	
<i>Gender</i>		
Male	264	59.3%
Female	181	40.7%
<i>Age group</i>		
18–30	148	33.2%
31–50	282	63.4%
51 or above	15	3.4%
<i>Nationality</i>		
PRC	443	99.6%
Overseas	2	0.4%
<i>Employment category</i>		
Full-time	434	97.5%
Part-time	11	2.5%

Staff Turnover	Number of staff	Turnover rate
Total	88	19.8%
<i>Gender</i>		
Male	44	16.7%
Female	44	24.3%
<i>Age group</i>		
18–30	37	25.0%
31–50	49	17.4%
51 or above	2	13.3%
<i>Nationality</i>		
PRC	88	19.9%
Overseas	/	/

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	Percentage of employees attended training	Average training hours attended per employee
<i>Gender</i>		
Male	73%	1.7
Female	52%	1.8
<i>Employee category</i>		
Management	—	
General staff	66%	1.7

Staff injury statistics	2024	2023	2022
Work related fatality	—	—	—
Lost day due to work injury	—	—	—