華夏控股
CATHAY HOLDINGS

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

2024

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CATHAY GROUP HOLDINGS INC.
華夏集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1981

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ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THIS REPORT

This report ("Report") serves as a comprehensive presentation of the Group's environmental, social and governance ("ESG") practices and achievements in 2024, aiming to provide stakeholders with a holistic and transparent overview of our endeavours and progress in advancing sustainable development. We strive to collaborate in exploring a greener, more harmonious and prosperous future for all through increasing understanding and support for the Group's ESG strategies and initiatives.

Description of Designation

During the reporting period for the year ended 31 December 2024 (the "Reporting Period"), the Company's English name was officially changed from "Cathay Media and Education Group Inc." to "Cathay Group Holdings Inc.", and its Chinese name was changed from "華夏視聽教育集團" to "華夏集團控股有限公司". In this Report, we will use the abbreviated terms "the Group", "the Company", "we" or "Cathay Holdings" for reference.

Timeframe

This Report covers the period from 1 January 2024 to 31 December 2024, with certain contents presented retrospectively or prospectively based on the practical conditions so as to provide a more comprehensive demonstration of the Company's long-term practices and achievements in ESG.

Scope of the Report

This Report covers the core businesses of Cathay Holdings:

1. Higher education (media and arts) and vocational education: an affiliated university, being the Communication University of China, Nanjing (南京傳媒學院) ("CUCN" or our "University").

2. Entertainment and livestreaming e-commerce: livestreaming e-commerce and artist management, TV/film production and investment.

Sources of Data

The Report complies with the ESG reporting principles of materiality, quantitative, balance and consistency. All data and cases are sourced from the Company's statistical reports and relevant documents.

Materiality

We identify our important ESG issues through continuous communication and exchange with stakeholders, and combined with the strategic development and business operations of the Group.

Quantitative

This Report quantitatively discloses key performance indicators for the environment and society, and provides textual explanations for quantitative data.

Balance

This Report provides objective and fair disclosure of the Company's performance and avoids inappropriate and selective disclosure that may affect the decision-making or judgement of the readers of this Report.

Consistency

The scope of disclosure in this Report and the statistical methods for environmental and social key performance are generally consistent with previous year.

Basis of Preparation

This Report has been prepared according to Appendix C2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on the ESG Reporting Code.

Report Commitment

Cathay Group Holdings Inc. undertakes that the contents of this Report are true, accurate and complete and that there are no false entries, misleading statements or material omissions. The Group always upholds a responsible attitude towards its stakeholders and endeavours to achieve continuous improvement and innovation in the area of ESG, and actively promotes the sustainable development of the enterprise.

Report Access and Feedback

The electronic version of the Report is available on the website of the Stock Exchange (www.hkexnews.hk) and the website of Cathay Group Holdings Inc. (www.cathaymedia.com). We welcome valuable comments and suggestions from all circles of stakeholders on this Report. If you have any queries or feedback, please contact us at:

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ABOUT THE GROUP

Founded in 1998 and listed on the Main Board of the Stock Exchange on 15 July 2020 (Stock Code: 1981), Cathay Group Holdings Inc. is a comprehensive media and education group with higher education (media and arts) and vocational education, and entertainment and livestreaming e-commerce as its two pillar businesses.

Adhering to our corporate philosophy of "Inheriting Chinese Civilisation, Serving the Public Media", we are committed to the promotion of excellent Chinese culture. Relying on our rich talent reserves and upstream and downstream industry resources, we have established an ecosystem that integrates industry and education to become a diversified media and education group through leveraging our rich experience in media education and TV/film production, and giving play to the synergies between media education and entertainment and livestreaming e-commerce.

Higher Education (Media and Arts) and Vocational Education

Communication University of China, Nanjing, the higher education institution of the Group, is committed to cultivating high-calibre talents to satisfy the needs of the modern media and cultural and creative industries by practicing the school philosophy of "Big Communication, Omni Media, Application, Innovation and Internationalization" (大傳播、全媒體、應用型、創新型、國際化) .

The university has 13 second-level colleges and offers more than 50 applied undergraduate majors, covering a wide range of science disciplines such as literature, art, engineering, management to name a few, which are closely related to professional education disciplines such as the media and arts industry. Among them, broadcasting and hosting arts, radio and television director, animation and other majors are national-level first-tier undergraduate major construction sites. Meanwhile, the school is proactively expanding its international outlook, and has fostered partnerships with more than 80 colleges and universities around the world to provide students with opportunities for international exchanges and further studies. With distinctive features and excellent education quality, Communication University of China, Nanjing has been honoured as "the cradle for cultivating China's media arts applied talents".

Entertainment and livestreaming e-commerce

Livestreaming e-commerce and artist management

We have been actively expanding our business in the livestreaming e-commerce sector and entered into a long-term exclusive and comprehensive co-operation agreement (including but not limited to livestreaming e-commerce brokerage and artist management business) with Ms. Qi Wei, a leading celebrity livestreamer in the industry, and her spouse, Mr. Lee Seung Hyun. The livestreaming e-commerce business has established a matrix of "celebrities + influencers, + student livestreamers", enhancing the industry competitiveness and fueling robust business growth.

TV/film production and investment

As one of the pioneers in the private TV series production industry in China with profound sector expertise, the Group has a distinguished legacy in TV/film production and investment. In terms of TV/film production, we financed and co-produced the "Classic Jin Yong Series" under the direction of producer, Zhang Jizhong.

BOARD STATEMENT

The Group gives top priority to the Company's sustainability performance through incorporating climate-related issues and ESG into its business strategies and operations, and reviewing its effectiveness to create sustainable corporate value. The Group has established a comprehensive ESG governance structure, with the board of directors of the Company (the "Board") as the highest decision-making body responsible for formulating the Company's ESG management policies, identifying major ESG issues and providing overall supervision of ESG-related matters of the Company. The ESG Working Group under the management has been set up to promote the implementation of the Company's ESG work. As a responsible enterprise, we attach great importance to the concerns and aspirations of all stakeholders, and have established regular communication with investors, government and regulatory bodies, customers, employees, business partners, media, communities and other stakeholders to identify and assess significant ESG issues, and disclose them after discussion and review by the Board. During the Reporting Period, the Company identified measures and achievements in environmental protection, employee rights, supplier management and community involvement. At the same time, we focused on strengthening our climate change governance and identifying and assessing risks and opportunities.

In the future, the Company will continue to enhance its ESG performance to build up trust and create greater economic, environmental and social contributions.

IMPROVING THE GOVERNANCE SYSTEM TO PROMOTE SUSTAINABLE DEVELOPMENT

Cathay Holdings insists on implementing ESG concepts throughout its operation and management, governance system, promoting the Company's sustainable development through constantly improving and strengthening ESG governance, enhancing integrity building and adhering to compliance management.

ESG GOVERNANCE

Cathay Holdings adheres to the concept of responsible operation in terms of environment and society and has established a comprehensive ESG governance structure, clarified the responsibility and division of labour at all levels, and actively carried out stakeholder communication to continuously improve the Company's ESG governance.

Governance Structure

We have established a top-down governance structure, in which the Board is responsible for leading the decision-making process, the management provides co-ordination, and the ESG Working Group carries out specific implementation, so as to efficiently implement ESG-related matters of the Group. During the Reporting Period, we supplemented and updated the ESG governance responsibility in terms of the decision-making level and the management level, and clarified their responsibility in respect of climate change-related work, in an effort to provide protection for the progress of work in relation to the climate change.

ESG Governance Structure

Decision making body			**The Board**	
Management body	**Office of the Board**	**Human Resources Department**	**Legal Department**	**Finance Department**
Execution body		**ESG Working Group**		

Principal Functions of Each ESG Segment

Decision making body

- Responsible for overseeing the overall ESG management
- Formulating ESG-related management policies
- Identifying ESG materiality issues
- Reviewing ESG management policies, ESG plans and targets
- Overseeing climate-related risks and opportunities

Management body

- Identifying ESG risks
- Formulating ESG management policies, work plans, etc.
- Reporting to the board of directors on significant matters
- Promoting and supervising the implementation of ESG work
- Implementing climate change-related initiatives and work

Execution body

- Implementing ESG-related works
- Following up ESG risks
- Collecting ESG-related information, and completing ESG information disclosure

Stakeholder Communication

Cathay Holdings attaches great importance to the communication and exchange with the Company's internal and external stakeholders, and carries out regular communication through various channels to understand and respond to the stakeholders' expectations and aspirations towards the Company, and continue to improve its sustainable performance. During the Reporting Period, our communication with various stakeholders is set out in the table below.

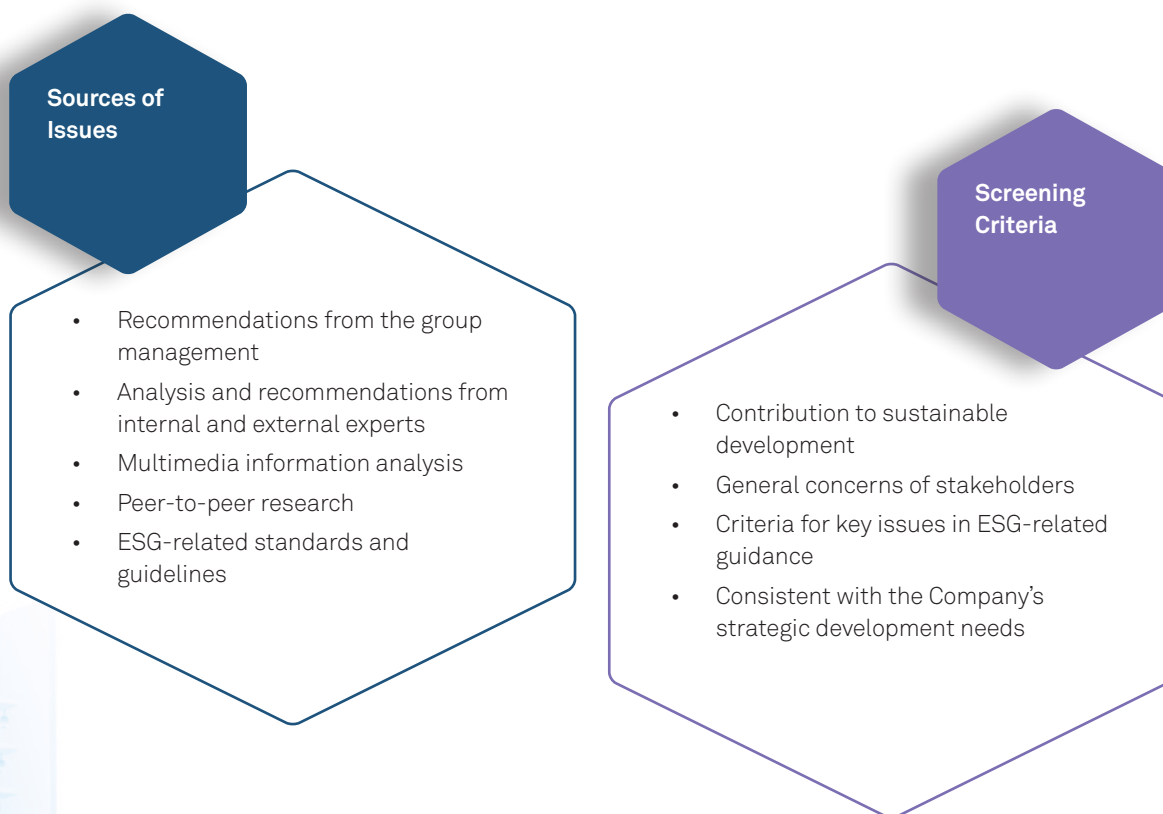| Stakeholders	Expectations and Concerns	Communication Channels
Governments and regulators	• Compliance operation • Strict internal control and risk management • Information transparency	• Regular submission of documents • Regular communication with regulators • Compliance inspection and evaluation • Forum/seminar/meeting
Shareholders and investors	• Steady operation • Investment return • Business growth and development • Corporate governance • Strict internal control and risk management	• Company website • Investor meeting • Corporate announcement, annual report and interim report • Annual general meeting
Customers	• Steady operation • Compliance operation • Service (teaching) quality and security • Privacy protection • Protection of consumer rights and interests	• Company website • Regular meeting • Email • Postbox • Telephone • Online platform • Customer satisfaction survey • Customer feedback and complaint
Employees	• Employee benefits • Labor relations • Labor rights • Occupational health and safety • Training and career development opportunities	• Email and suggestion box • Regular meeting • Annual employee performance appraisal • Employee training • Employee activity • Seminar/workshop/lecture
Business partners (suppliers, service providers and contractors)	• Long-term stable business partnership relation • Business ethics and integrity • Fair and open procurement • Integrity operation	• Continuous direct communication • Regular meeting • Regular visit • Cooperation agreement • Supplier selection and performance appraisal • Procurement and tendering

Stakeholders	Expectations and Concerns	Communication Channels
Media	• Information transparency	• Company website • News release • Online platforms (such as Weibo, WeChat, etc.)
Communities	• Social and economic development • Public welfare investment • Environmental protection	• Company website • Community activity • Donation • Email and phone • Charity and volunteer service

Assessment of Materiality Issues

With reference to the ESG Reporting Guide, the Group took into account the business features, market trends and bench-marking analysis of industry players to understand the ESG issues of concern to internal and external stakeholders. We drew up a matrix of materiality issues of Cathay Holdings for the year 2024 concerning the results of the assessment conducted in the previous year.

ESG Issues Screening Process

Sources of Issues

• Recommendations from the group management
• Analysis and recommendations from internal and external experts
• Multimedia information analysis
• Peer-to-peer research
• ESG-related standards and guidelines

Screening Criteria

• Contribution to sustainable development
• General concerns of stakeholders
• Criteria for key issues in ESG-related guidance
• Consistent with the Company's strategic development needs

2024 Materiality Matrix of Cathay Holdings

Importance

Importance to stakeholders

- Employment interests and benefits
- Employee recruitment and retention
- Employee communication and interaction
- Employee diversity and equal opportunities
- Qualifications and professional ethics of the teachers
- Capability of research and curriculum development
- Use of water resources
- Community investment

- Occupational health and safety
- Employee training and career development
- Elimination of child labor or forced labor
- Teaching quality management
- Customer health and safety
- Customer privacy
- Customer satisfaction
- Lawful marketing and promotion
- Protection of intellectual property
- Anti-corruption and anti-unfair competition

- Energy efficiency
- Greenhouse gas emissions and management
- Tackling climate change
- Air emissions
- Waste management
- Sewage management
- Material consumption
- Green building/office

- Supply chain management
- Foreign exchange and cooperation opportunities
- TV/film production business's accounts receivable cycle control
- Employment rate and destination of graduates

Importance to the Group's business operations

Importance

The ESG issues at the upper right of the materiality matrix are listed as highly important issues. Based on the principle of materiality and the results of materiality assessment, this Report will focus on the ESG issues classified as high importance. The Group will develop ESG strategies and policies according to the results of materiality assessment, and integrate them into the management of the entire business value chain.

CONSTRUCTION OF INTEGRITY

Cathay Holdings adhered to business ethics, integrity and honesty in its operation. Cathay Holdings has strictly complied with the relevant laws and regulations and regulatory requirements such as the Company Law of the People's Republic of China (《中華人民共和國公司法》), the Supervision Law of the People's Republic of China (《中華人民共和國監察法》), the Anti-money Laundering Law of the People's Republic of China (《中華人民共和國反洗錢法》), the Anti-Unfair Competition Law of the People's Republic of China (《中華人民共和國反不正當競爭法》), and the Provisional Provisions on Prohibition of Bribery (《關於禁止商業賄賂行為的暫行規定》) etc.. Through internal risk control systems and relevant anti-corruption policies and management methods such as the Management Measures for Anti-Corruption and Reporting System (《反舞弊與舉報機制管理辦法》), the Management Measures for Internal Controls on Anti-Money Laundering (《反洗錢內部管控管理辦法》), the Conflict of Interest Management System (《利益衝突管理制度》), and the Information Confidentiality Management System (《信息保密管理制度》), the Company regulated its business practices, created the corporate culture of integrity and honesty and regulated its business operation behavior in terms of anti-corruption, anti-bribery, confidentiality of business information, declaration of conflicts of interest, and eradicating improper transactions to safeguard the legitimate rights and interests of the Company. During the Reporting Period, the Group was not aware of any violation of relevant laws and regulations such as bribery, extortion, fraud, money laundering, etc., in the places where it operates, and there were no corruption lawsuits filed and concluded against the Group or employees.

We have set up a comprehensive anti-corruption reporting system and provided channels such as a reporting hotline and e-mail mailboxes to encourage employees at all levels and other stakeholders to whistle-blow, either anonymously or in person, any actual or suspected breaches of ethical issues and cases of malpractices. Upon receipt of a reported case, the anti-fraud group will conduct an investigation to verify the truth of the reported case. Depending on the seriousness of the case, the anti-fraud group will consider forming a special investigation team with the management of the department concerned to conduct a joint investigation and decide whether it is necessary to engage external experts to participate in the investigation. After the investigation of a reported case, the anti-fraud group will provide feedback to the whistle-blower as soon as possible. All materials of reported cases will be kept confidential and all reporting materials, records and investigation results will be properly documented and handled after the investigation of the cases. The results of such investigations and the reports on the work of the anti-fraud group are reported to the Board and the Audit Committee regularly. Once a fraudulent case occurs, the Group will immediately take appropriate remedial measures and evaluate its effectiveness, and write reports on the improvement of internal controls. We take appropriate disciplinary actions against the violators and communicate the results internally and to external third parties as necessary.

In addition, the Group has formulated codes of conduct for staff in each of its business divisions which require strict compliance by its employees to maintain an ethical and honest working environment. Among other things, the Group strictly prohibits employees from accepting and/or soliciting, directly or indirectly, any benefits (such as gifts, sponsorships or travel hospitality in violation of fair competition, various membership and gift cards or rebates) from our business partners and customers, or abusing their official position for their own benefit in business transactions. We have also made our anti-fraud requirements clear to all staff during induction training so that they are aware of the Group's serious attitude towards fraud prevention and their own responsibilities in anti-fraud matters. All staff of our University have signed a pledge on integrity and self-discipline to abide by the Group's Code of Ethical Conduct for Teachers to enhance the awareness of integrity and self-discipline and to build up a good image of the profession. During the Reporting Period, the Group organized training for all members of the Board on the relevant rules and corporate governance for listed companies, which covered, among other things, corruption risks in the daily operation of the business, as well as integrity management, corruption risk assessment and control measures. During the Reporting Period, the Group organized anti-corruption training for its directors and staff to deepen anti-corruption initiatives.

COMPLIANCE MANAGEMENT

Compliance management is the cornerstone of the sustainable development of the enterprise. Cathay Holdings ensures product and service quality in multiple dimensions and values customer feedback. By adhering to business principles and advocating honest operation, Cathay Holdings establishes fair and transparent partnerships with the suppliers and continuously strengthens compliance management to promote stable operation.

Responsible Products

We have strictly complied with the Law of the People's Republic of China on Vocational Education (《中華人民共和國職業教育法》), the Law of the People's Republic of China on Product Quality (《中華人民共和國產品質量法》), the Law of Consumers' Rights and Interests (《消費者權益保護法》), the Law of the People's Republic of China on Advertisement (《中華人民共和國廣告法》) and other relevant laws and standards of the places where we operate. We will not forget our original intention, and we will firmly abide by the path of responsibility of the products so as to assist the long term development of the Group.

Higher Education (Media and Arts) and Vocational Education

Our University takes cultivating talent with virtue as its educational purpose. With the original intention of building a centenary-old university that is respected and sustainable in terms of student success, our University actively explores the development path of entrepreneurial and applied university. To cope with the new generation of information technology revolution and the transformation of communication formats, our University focuses on emerging sectors and scarce needs such as media integration, online art, digital creativity, holographic audio-visual, digital e-commerce, and international communication, and is committed to nurturing high-level, versatile and creative talents with international vision.

Teaching Quality Assurance

Our University has formulated systems such as the "Implementation Measures for Teaching Quality Monitoring of CUCN", and established a two-level teaching quality assurance system with teaching quality monitoring and evaluation as the core and teaching supervision and annual appraisal of teaching units as the main forms, thereby continuously enhancing our standard of teaching management and our teaching quality at the undergraduate level.

Our University's standing departments consist of teaching supervision office, supervision team of each teaching unit and academic affairs office, responsible for the teaching quality evaluation work. They collaborate with various secondary colleges and relevant departments to form the university-school two-level supervision with effective cooperation, ensuring the effective operation of teaching quality rating and monitoring. Through special inspections, leaders sitting in on lessons, peer teachers sitting in on lessons, experts' evaluation on lessons and other means, we supervise the implementation of teaching plans and share high-quality teaching resources to improve the overall teaching standards of teachers. At the same time, we attach importance to the students' feedback on teaching quality, and through online students' teaching evaluation, feedback from student information officers, student forums and other means, listen to the students' ideas and suggestions on teaching contents, with an aim to provide objective basis for teaching improvement and promote the mutual growth of teaching and learning.

Specialized Course Offerings

Specialized course offerings are the key to improving the education quality of a university. Our University has formulated the "Measures of CUCN for New Specialized Offerings and Construction Management" (南京傳媒學院新專業設置與建設管理辦法) to dynamically adjust the specialized offerings and timely reflect the latest technological trends, creating a distinctive and professional teaching system.

According to the needs of the media industry and focusing on cross-discipline integration and disciplines relating to "literature, art, engineering, management, economics and teaching", our University established more than 50 applied undergraduate majors. Our University has 13 secondary colleges, including the Faculty of Broadcasting and Hosting Arts, the Faculty of Radio and Television, the Faculty of Journalism and Communication, the Faculty of International Communication, the Faculty of Photography, and the Faculty of Drama and Film and Television, the Faculty of Fine Arts and Design, the Faculty of Animation and Digital Arts, the Faculty of Cultural Management, the Faculty of Media Technology, the Faculty of Electro-competition, the Faculty of Dance, the Faculty of Music, as well as the Faculty of Marxism, the Center for Liberal Studies, the Department of Foreign Languages of the University, the International College, the Faculty of Continuing Education, and other directly affiliated units, such as the provincial key industrial college construction site (the Faculty of Jiangzu Livestreaming E-Commerce and Digital Economy Industries). In addition, our University has been confirmed as "Establishment Unit for Awarding Master's Degrees in Jiangsu Province", and we established a graduate workstation with Suzhou University to jointly cultivate professional master's degrees to prepare for postgraduate education.

16 majors are selected for the "Double 10,000 Plan" of first-tier undergraduate majors under the Ministry of Education
14 courses are selected for the "Double 10,000 Plan" of first-tier undergraduate majors under the Ministry of Education
4 national-level first-tier undergraduate majors: radio and television director, animation, network and new media and performance

3 provincial-level first-tier undergraduate majors and establishment site for 13 provincial-level first-tier undergraduate majors	Establishment site for 2 provincial-level premier engineer education and training programs 2.0 majors
Establishment site for 3 provincial-level industry-education integration brand majors	Establishment site for 1 provincial brand specialty of internationalized talent cultivation
Establishment projects for 3 provincial brand majors (Phase III)	1 national-level first-tier undergraduate course
1 provincial-level key discipline for the "14th Five-Year Plan"	14 provincial-level first-tier undergraduate courses

Professional Faculty

Our University continues to implement the strategy of strengthening the school with talents and attaches importance to fostering a diversified and compound faculty that integrates teaching and research, academic research, and creative practice. Our University has attracted many renowned scholars both domestically and abroad as special professors and artists-in-residence and introduced full-time national cultural celebrities and "Four-Pronged First Batch Talents" (「四個一批」), leading talents in the broadcasting, television, and online audio-visual industries, winners of the Chang Jiang Taofen Award (長江韜奮獎), winners of the Film Award (金像獎), winners of the "Five-One" Project Award (「五個一」工程獎), winners of the Flying Apsaras Award, winners of the Golden Microphone Award (金話筒獎), chief experts of major projects of the National Social Sciences Foundation, members of the Steering Committee for Professional Teaching of the Ministry of Education, presiding officers of the first-class professions/first-class courses, experts of the Steering Committee for Professional Teaching of the Ministry of Education, provincial teaching masters, provincial teachers of the first class professions, as well as a large number of deans of second-level colleges, subject leaders and professional leaders with significant influence in the academic community and the industry. Therefore, we form a significant effect of attracting high-level talents and a strong foundation for the development of professional faculty.

The construction of teaching staff is one of the core tasks of educational development. We improve our human resource management functions and establish a school title evaluation committee/academic committee. We have revised rules and regulations including the "Provisional Regulations on On-the-job Studies for a Degree" (在職攻讀學位暫行規定) and the "Provisional Regulations on On-the-job Training" (在職培訓暫行規定), improving the theoretical standard and professional quality of teaching staff. Through various training plans such as Advanced Studies at the Headquarters (本部進修), Backbone Teachers and Academic Leaders Training Program (骨幹教師和學術帶頭人培養計劃), Domestic Visiting Program (國內訪學計劃) and going abroad for further studies, we build a teachers' growth platform to fully unleash the potential of the teaching staff and promote the overall improvement of the teaching staff.

Industry-education Integration

In deepening the organic connection of the talent cultivation with the industrial chain, our University deepens the integration of industry and education to enhance the students' practical ability and comprehensive quality. With the cultivation of the students' practical and innovative abilities as the core and the participation of industry and enterprises as the key, we aim to comprehensively improve the quality of talent cultivation and provide applied talents for the media industry.

Our University actively facilitated collaborative education between the university and enterprises, industrial parks, and industry institutions, and has established close cooperation with leading enterprises such as iQiYi, Huitongda, Newlixon, SEEING THE DIGITAL UNIVERSE, 70 VISION TECH, and Original Force. Our University has established more than 100 teaching practice bases and training and employment bases in various media at all levels nationwide. Our University has cooperated with Jiangning Hi-Tech Zone in Nanjing to build a network audio-visual and digital creativity-high-education industrial park. This will give a full play of a human resources advantage and work as an engine for the development of cultural and creative industries in the region, to deeply promote industry-city interaction, and serve local economic and social development.

International Platform

Our University emphasizes open education with an internationalization perspective and actively promotes international exchange and cooperation. Our University is a strategic partner of the Chinese Service Center for Scholarly Exchange of the Ministry of Education that signed a two-way agreement, a member of the China Education International Exchange Association, the first batch of sponsoring universities in the Jiangsu-Hong Kong-Macao University Alliance, and one of the universities in the Jiangsu-South Korea University Alliance (蘇韓高校聯盟) and the Jiangsu International Chinese Education Cooperation Alliance (江蘇國際中文教育協作聯盟). Our University actively expanded its deep cooperation with globally renowned universities and has established multi-level inter-university partnerships with over 80 universities and colleges in regions, including the United States, Canada, the United Kingdom, New Zealand, Australia, Italy, France, Spain, Finland, Japan, South Korea, Hong Kong, Macau and Taiwan in the PRC, which refined the integration of various majors with international experience and enhanced the international influence of our University.

Our University is committed to cultivating international talents, carrying out diversified cooperation, and providing students with a broad international perspective and learning opportunities. In terms of cooperation forms, it covers a wide range of programs such as Sino-foreign schools, overseas professional practice during summer and winter seasons, short-term exchange students, and study visits. Through mutual assignment of teachers, exchange of students, mutual recognition of course credits and exchange of academic resources, our University ensures the smooth development of international cooperation to create an international education platform.

During the Reporting Period, our University received a total of 25 batches of visits from the countries and regions such as the United Kingdom, the United States, Australia, South Korea, and Hong Kong. We invited 52 foreign experts and scholars to give lectures, and selected a total of 60 students for overseas exchange and study.

Career and Entrepreneurship Guidance

Our University is well aware that graduates are the main force in employment and entrepreneurship. We provide precise and personalized employment and entrepreneurship guidance services and actively explore social employment channels to achieve high-quality employment for graduates, thereby promoting social and economic stability and development.

A leading group of employment work	• Establishing a collaborative, four-pronged, integrated network of "School – Admissions and Career Office – Secondary Schools – (Counselors, Mentors, Alumni)" • Developing the implementation plans and schedules for employment by majors • Providing convenient, efficient, and matched career information and guidance services
Leveraging the role of campus recruitment as the main channel	• Organising autumn and spring campus job fairs • Special job fairs • University- and school-level recruitment activities

Visiting enterprises to seek employment opportunities

- Mobilizing resources from teaching, research, alumni, etc.
- Establishing employment cooperation channels with related organizations
- Establish employment and entrepreneurship practice bases

Giving employment planning guidance

- Career Planning and Employment and Entrepreneurship Guidance Course
- 24365 National University Student Employment Service Platform, WeChat Public, Enterprise WeChat and other employment channels
- Employment policy presentation
- Encouraging to participate in grassroots employment programs

Offering further education and study abroad guidance

- Providing information on application, course counseling, transfer, etc.
- Providing domestic and foreign cooperative education programs
- Interpreting of study abroad policies

Entrepreneurial guidance

- Offering innovation and entrepreneurship courses, and organising entrepreneurship competitions
- Expanding the "Entrepreneurship Incubation Base" of suppliers
- Promoting entrepreneurship policies for college students

Employment feedback

- Employment quality tracking survey
- Adjusting student enrollment program according to the employment situation
- Establishing an employment evaluation index system

Providing employment assistance

- Carrying out training to enhance the employment and entrepreneurship abilities of key groups
- Establishing an assistance ledger for disadvantaged students to provide precise assistance

The graduation status of our fresh graduates in 2024 is as follows:

Graduation	Graduates' destination confirmation	Further education (including study abroad)	Agreed contract employment	Entrepreneurship	Flexible employment
94.75%	95.03%	7.72%	41.23%	1.51%	48.11%

Entertainment and Livestreaming E-Commerce

Livestreaming E-Commerce and Artist Management

To continue to create quality content to meet the diverse needs of consumers and guide them to spend more rationally and efficiently, we have entered into long-term exclusive and comprehensive cooperation agreements with Ms. Qi Wei, one of the leading celebrity streamers in the industry, and her spouse, Mr. Li Chengxuan, respectively.

We drive our value through content, and lead the new active and healthy concept of consumption upgrade among young Chinese people through four core businesses: talents business, livestreaming e-commerce, multi-platform matrix, and brand incubation. Currently, we have constructed a diversified anchor system, and our talents matrix has contracted a number of video bloggers and live streamers with strong realizability. We have expanded to categories such as skincare products, clothings, and food, incubated self-operated brands, created jointly owned brands, and gradually established a sound supply chain system, bringing more growth momentum to the Group through livestreaming, advertising slicing and implantation.

TV/Film Production and Investment

The Group is one of the pioneers in China's privately-run television program production industry. Over the past 20 years, our television programs have won remarkable popularity and ratings. Leveraging forward-looking market insights and precisely understanding on viewers' aesthetic preferences and industry development trends, our in-house team has produced TV/Film productions that is in line with public aesthetics and policy directions.

Customer Relationship

The Group is committed to maintaining smooth customer communication channels, understanding customer needs, expectations and feedback, adjusting internal management in a timely manner, continuously enhancing service quality across all business segments, improving customer satisfaction and establishing stable cooperative relationship.

Scope of business		Mode of service
Higher education (media and arts) and vocational education		• We established the "one-stop" comprehensive service center for student affairs, student community, and the freshman management system provide students to provide students with channels for collecting and providing feedback on their demands • We highly value students' feedback, work out a grievance process in the student handbook to ensure smooth complaints of students; and conduct regular questionnaire surveys to evaluate the counselors and teachers in their classes, and constantly improve our teaching methods
Entertainment and livestreaming e-commerce	Livestreaming e-commerce and artist management	• By analysing the audience groups in livestreaming room, we promote and sell cosmetic, maternal and infant and fashion brand products and other products through livestreaming, accurately promoting the content of the livestreaming • Based on the opinions of consumers, we provide feedback to suppliers and strive to provide consumers with competitive prices • We have established a dedicated customer team to deal with disputes between consumers and merchants and make compensation in advance for user losses caused by merchant's liability
	TV/film production and investment	• We value customers' difficulties faced by the industry and will actively communicate with customers about their repayment plans

Responsible Marketing

In higher education (media and arts) and vocational education business, our University has fully implemented the reform of the 2024 art examination enrollment system, formulated management documents for enrollment and promotion such as the "Types of Student Sources and Enrollment Process" and the "Enrollment and Promotion Plan for 2024 College Entrance Examination", to comprehensively and objectively convey our University's educational philosophy, professional faculty, course offerings and other key information to students and parents, avoiding exaggeration or concealment of facts in promotion, and ensuring consistency with the actual situation. In addition, all information published by our University on promotional channels is approved by the publicity department to ensure the authenticity and accuracy of the information.

In the entertainment and livestreaming e-commerce business, the Group adheres to the requirements of laws and regulations such as the E-commerce Law 《電子商務法》, the Law of Consumers' Rights and Interests 《消費者權益保護法》, the Advertising Law 《廣告法》, and the Anti-Unfair Competition Law 《反不正當競爭法》, fulfills the responsibilities of platforms and streamers to regulate the contents of propaganda and ensure that products sold in livestreaming meet product quality standards, and strengthens marketing and supplier audits to effectively safeguard the rights and interests of consumers. In TV/film production and investment business, we convey the correct values through content creation, communication and promotion, and pay attention to social hotspots and pain points, so as to create a positive media image and enhance viewership rating and reputation.

Copyright Protection

We strictly abide by laws and regulations such as the "Patent Law of the PRC", the "Trademark Law of the PRC", the "Copyright Law of the PRC" and the "Administrative Measures for Internet Domain Names", form an intellectual property protection mechanism within the Group to protect our own intellectual property rights while actively fulfilling our social responsibility to respect the intellectual property rights of others, so as to maintain a fair competitive business environment.

We manage intellectual property through various means. The Group has established departments accountable for intellectual property intellectual property protection. The Literature and Legal Departments are responsible for intellectual property management and for monitoring and preventing unauthorized use of intellectual property. By stipulating confidentiality obligations for employees through labour contracts, it is strictly prohibited for employees to make any improper use of our intellectual property during the term of their employment and for two additional years following the termination of their employment contracts. For customers, the TV series licensing contracts entered into by them stipulates that they are only allowed to broadcast our TV/Film productions within authorized platforms and areas, and unauthorised communication, adaptation, or re-production is prohibited. Multiple measures are taken to protect innovative achievements and enhance market competitiveness.

Data Security

To ensure data security and in compliance, the Group has strictly complied with relevant laws and regulations such as the "Data Security Law of the PRC", the "Personal Information Protection Law of the PRC", and has accordingly formulated the "Information Confidentiality Management System" to standardize the procedures and requirements for managing the Group's confidential information.

Prevention before occurrence	• Signing confidential agreements with employees to specify responsibilities for violating requirements • Arranging responsible departments or designated personnel to be responsible for the safekeeping of confidential information and setting authority for storage system
Response upon occurrence	• Establishing a response mechanism to promptly detect and respond to security measures when they occur • Monitor users' behavior to prevent unauthorized access
Rectification after occurrence	• Analyzing the causes and developing rectification measures after the occurrence of security incidents • Analyzing the results to optimize the security management process

Supply Chain Management

We take the initiative to strengthen supply chain management, introduce advanced concepts for supply chain management, and maintain competitive advantages in the market environment, so as to achieve sustainable supply chain.

As at the end of the Reporting Period, the distribution of the Group's suppliers is as follows:

2 Southwestern China

19 Central China

56 Southern China

1 Northeastern China

34 Northern China

302 Eastern China

Higher education (media and arts) and vocational education

Our University manages the entire process of its suppliers to select high-quality suppliers, control costs, and improve service quality. The University has formulated internal management systems such as the "Guide to Bidding for Procurement Projects of CUCN" and the "Application Form for Bidding and Procurement Project Initiation of CUCN", to regulate the supplier selection process and internal management system, and clarify the University's needs in terms of materials, equipment, services and others. The University screens potential suppliers through market research to understand their reputation, performance and others, and selects the best supplier through open bidding, inquiry and other methods. At the same time, the University strengthens qualification review to ensure that suppliers have legal qualifications and corresponding service capabilities.

In terms of supplier evaluation, we comprehensively examine the service quality, price, delivery time, after-sales service and other capabilities of suppliers. In addition, we treasure the performance of suppliers in the environmental and social sectors, and require suppliers to use E0 grade environmentally friendly products in the procurement of apartments furniture. For construction units, we review the list of workers to avoid employing child labour. We constantly improve our supplier management system and optimize admission and evaluation mechanisms to reduce procurement risks, so as to establish fair and transparent cooperative relationships with suppliers.

Entertainment and livestreaming e-commerce

Livestreaming e-commerce and artist management

The suppliers engaged by the Group's livestreaming e-commerce and artist management segment mainly supply brand products for the promotion and sales of products through livestreaming. We require our suppliers to provide data such as production qualifications, material reports, quality inspection reports, special efficacy reports, and function reports advertised in selling points, which will be reviewed by our business team. In addition, quality controllers will also inspect manufacturers, distributors and products themselves.

We strictly abide by the "Guidelines for Further Regulating the Endorsement by Artists in Advertising Activities" (hereinafter referred to as the "Opinions"), and will never allow our artists to endorse the products that are clearly prohibited by the Opinions. During the period of public sentiments on our brands, we will temporarily suspend the livestreaming of any brands, advertisements or content involved in public sentiments, to minimize the negative impact of public sentiments on the Group.

TV/film production and investment

During the Reporting Period, the Group did not produce and invest in TV/films.

ADHERING TO GREEN OPERATION AND BUILDING ECOLOGICAL CIVILIZATION

Cathay Holdings strictly abides by relevant national environmental management laws and regulations, and adheres to the operation concept of green environmental protection and low-carbon development, whereby promoting the construction of ecological civilization through its own actions.

TACKLING CLIMATE CHANGE

Tackling climate change has become one of the greatest challenges in the society at present and represents an objective requirement for sustainable development. The Group actively carries out climate change tackling work by strengthening governance structure, formulating strategies, optimizing risk management processes, setting indicators and goals and closely monitoring the potential impact of climate change on the Company, with an aim to enhance our ability to tackle climate change.
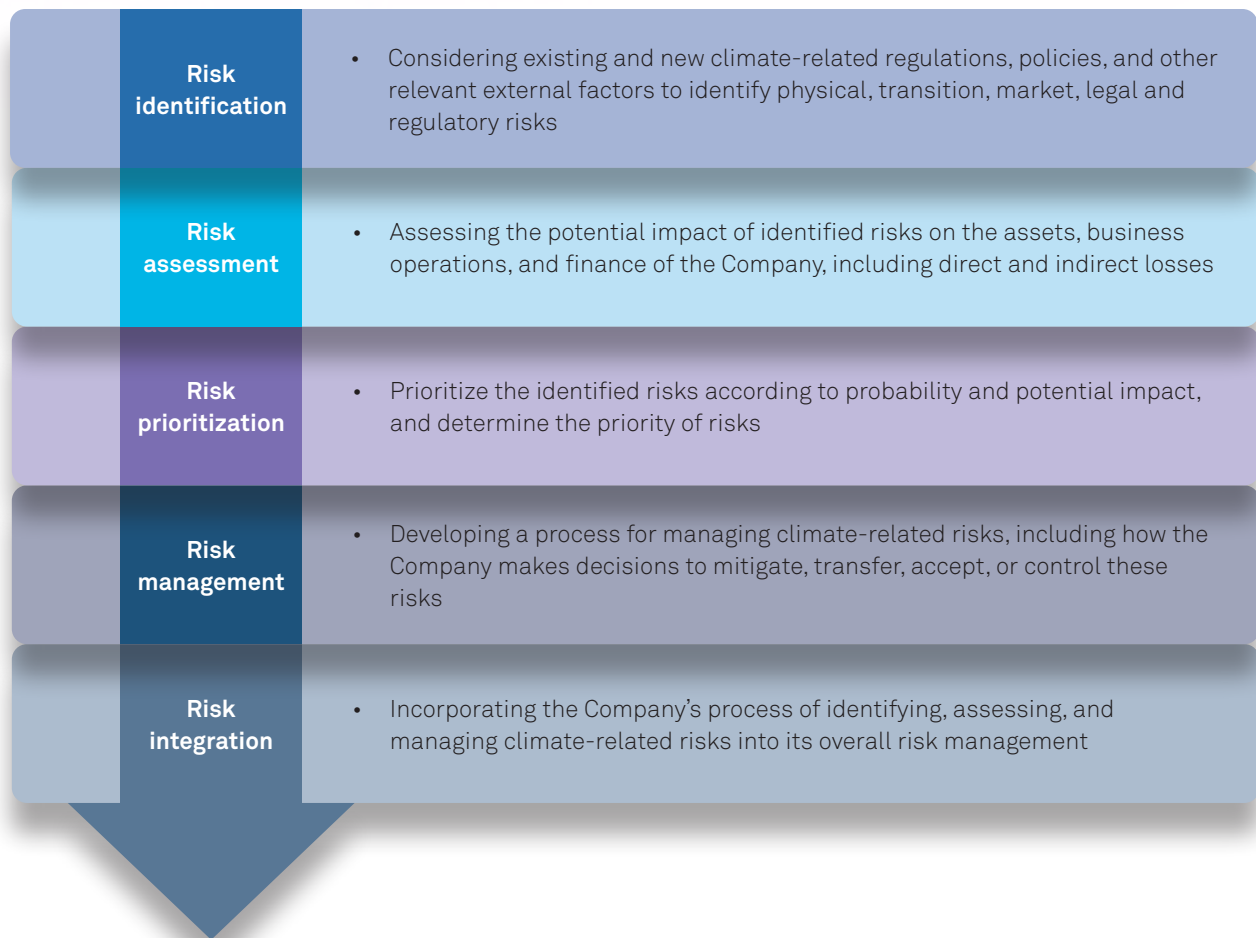
Governance

We incorporate tackling climate change mesuares into our ESG governance structure. The board of directors is responsible for overseeing climate-related risks and opportunities, strategic plans and goals setting, the reviewing, identification and evaluation processes, and the progress on goal achievement. The management is responsible for assessing climate risks, developing countermeasures, and evaluating their potential impacts on the Company's business. The ESG Working Group is responsible for following up climate-related risks and potential impacts, and implementing relevant countermeasures.

Strategies

Cathay Holdings is fully aware that climate change will have prolonged and continuous impact on the Company's business, and tackling climate change will be incorporated into strategic planning. We actively carry out climate risk identification, including climate-related physical and transition risks, analyze their potential impacts on the business and value chains, and develop the response strategies.

Risk Management

Coupling with the Company's risk management model, we develop the climate change risk management processes, including risk identification, risk assessment, risk prioritization, risk management, and risk integration. The Company analyzes the implementation of risk management processes on a regular basis to ensure the effectiveness of risk management.

Risk identification	• Considering existing and new climate-related regulations, policies, and other relevant external factors to identify physical, transition, market, legal and regulatory risks
Risk assessment	• Assessing the potential impact of identified risks on the assets, business operations, and finance of the Company, including direct and indirect losses
Risk prioritization	• Prioritize the identified risks according to probability and potential impact, and determine the priority of risks
Risk management	• Developing a process for managing climate-related risks, including how the Company makes decisions to mitigate, transfer, accept, or control these risks
Risk integration	• Incorporating the Company's process of identifying, assessing, and managing climate-related risks into its overall risk management

We deeply recognize the importance of climate change issues, and actively carry out climate change risk identification in combination with our own business characteristics, and formulate response measures to improve the Company's ability to respond to climate change.

Risk Category		Risk Impact	Countermeasures
Physical Risks	Blizzards	Extreme weather such as blizzards and extreme precipitation will affect the normal operation of infrastructure facilities and the normal commuting capabilities, health and safety of employees and students.	• Get access to the natural disaster forecast analysis through means such as the Internet, and make preparation in advance for preventing extreme weather such as blizzards and extreme precipitation. • Formulate an emergency management plan for extreme natural disasters.
	Extreme Precipitation		
	Average Temperature Rise	The increase in average temperature will affect the use of the Group's TV/Film production equipment, resulting in greater heat dissipation pressure and higher carbon emissions.	• Standardize the use of TV/Film production equipment, and carry out equipment maintenance and quality inspection on a regular basis.
Transition Risks	Product and Service Regulation	The policy requirements for green transformation of enterprises are becoming increasingly stringent.	• Make deployment in advance and formulate carbon reduction measures in all aspects of the business to reduce transformation costs.
	Market Risks	Consumers' attention to green and sustainable products has increased.	• Set thresholds for supplier admission and advocate green consumption.

Indicators and Goals

Cathay Holdings keeps pace with low-carbon development and actively responds to the "dual carbon" strategy. In the future, we will systematically promote the work for carbon neutrality by formulating short, medium, and long-term goals of carbon reduction, and steadily promote climate change management. Meanwhile, we will formulate respective carbon reduction measures for carbon emissions within Scopes 1, 2, and 3 to strive to reduce carbon footprints and facilitate the achievement of the goal of "dual carbon" as soon as possible.

ENVIRONMENTAL MANAGEMENT

Cathay Holdings proactively practices green operations, integrating the concept of green environmental protection into its corporate operations and management. We have strictly abided by the "Environmental Protection Law of the PRC" (中華人民共和國環境保護法), the "Atmospheric Pollution Prevention and Control Law of the PRC" (中華人民共和國大氣污染防治法), the "Water Pollution Prevention and Control Law of the PRC" (中華人民共和國水污染防治法), the "Solid Waste Pollution Prevention and Control Law of the PRC" (中華人民共和國固體廢物污染防治法) and other relevant laws and regulations. To reinforce its environmental management strategy, we have implemented multiple initiatives to uphold environmentally sustainable development. During the Reporting Period, the Group had no environmental violation issues.

Use of Energy and Resources

Guided by the Group's sustainability philosophies, we take practical actions to reduce energy and resource consumption, regulate waste disposal, and improve efficiency of resources utilization, jointly building a low-carbon ecological environment.

Use of Water Resources

Water resources of the Group are mainly used for the daily office activities and operations of our University. The Group did not encounter any problems in sourcing water that is fit for purpose as the water used for the Group's operations was supplied by local water authorities and property management companies. In the operation process, we have adopted the following measures to save water and improve the utilization rate of water resources:

Comprehensive utilization of water resources	• Actively promote the comprehensive utilization of water recycling and sewage treatment and fully improve the rate of water reuse. For example, rainwater is collected to irrigate campus green belts, etc.
Popularize water-saving appliances	• For dormitories, bathrooms, public classrooms and all other key areas with high and centralized water consumption, water-saving appliances shall be adopted • Promote the use of water-saving equipment, initiatives and technologies such as the use of upper floor washing water for lower floor toilet flushing and the use of air-conditioning water recycling
Raise water-saving awareness	• Strengthen water-saving awareness by posting water-saving signs, opening columns on water conservation in campus newspapers, and holding contests to test students' knowledge about water conservation
Maintenance of water facilities	• Strengthen the daily maintenance and management of water facilities to prevent the "evaporating, emitting, dripping and leaking" problems
Reduce water pollution	• Advocate the use of phosphate-free detergents, degradable cleaning supplies, etc. as much as possible to reduce pollution

Paper Saving

Our paper consumption comes from office use. We advocate paperless office operations and carry out communication and data transmission and filing through computer or other online office software supported by information and communication technology. In case paper materials cannot be avoided, we strive to reduce paper consumption throughout the process. In terms of procurement, environmentally friendly recycled paper is ordered and used by our University. Doublesided printing is implemented to reuse single-sided print-outs. Waste paper recycling bins are placed next to photocopiers and printers for collective recycling. In addition, we appeal to society for the reuse of textbooks, fully advocate the recycling of paper to reduce resource consumption.

Energy Saving and Consumption Reduction

The types of energy consumed by the Group primary consist of automotive fuel and electricity. We proactively take various energy-saving measures and uphold green and low-carbon principles to optimize energy utilization performance.

Make full use of natural lighting during office hours, and when natural lighting is insufficient, turn on lights at intervals to reduce the energy consumption of luminaires

Use energy-saving lighting to improve energy efficiency

Turn off lights when getting off work or leaving the office for a long time

According to energy conservation requirements for public institutions, strictly implement the indoor temperature control regulations of air conditioning, which shall not be higher than 20°C in winter or lower than 25°C in summer

Encourage employees to use public transport and other new energy transport

Prioritize the use of video conference calls to reduce unnecessary travel arrangements

Apartments, dormitories and teaching buildings on campus of our University meet the Jiangsu Green Standard for Green Building

Waste Management

We are committed to minimizing the generation of wastes in operations and management, strengthening the stewardship toward hazardous and non-hazardous waste, and reducing impact of waste on the environment.

Air emissions

The emission of air pollutants involved in the operations of the Group mainly comes from its vehicle use. We encourage employees to adopt low-carbon means of transportation, recommend the use of public transport, and reduce the increased exhaust emissions brought by car travel. In cases where official vehicles are required, we will arrange the travel plan wisely according to the number of passengers and the travel distance to minimize air pollution emissions.

Wastewater discharge

The main wastewater involved in the Group's operations is domestic wastewater. The Group has formulated the "Wastewater Discharge Management Measures", aiming at spearheading all employees in establishing the awareness of saving water, reducing pollution and protecting the environment, and attaching importance to sewage management. These measures regulate from two key aspects involving rainwater pipe network control to domestic wastewater control, which have been effectively implemented within the Group. Measures are as follows:

- Build rainwater discharge system in office areas, living areas and construction sites, enabling rainwater to be collectively discharged into the rainwater pipe network to prevent accumulation of stagnant water.

- Prohibit the placement of chemicals, oils, solid wastes and other pollutants around the rainwater discharge system to prevent pollution of the rainwater pipe network.

- Prohibit the discharge of any pollutants into the rainwater discharge system, and to connect the production and domestic wastewater pipes to the rainwater pipe network without authorization.

- Set up simple and effective grease traps in canteens, and sewage can only be discharged into the municipal sewage pipe network after degreasing.

- Build septic tanks in toilets to reduce water pollution and facilitate cleaning.

- No pollutants such as chemicals and oils are allowed to be placed around or discharged into domestic wastewater outfalls.

- Strengthen the maintenance and management of construction activities, domestic wastewater and rainwater discharge facilities to prevent secondary pollution of sewage. Any damage to sewage discharge facilities shall be repaired immediately to ensure the normal operation of the system.

Solid waste management

The wastes produced by the Group include hazardous wastes and non-hazardous wastes, of which hazardous wastes mainly include ink cartridges, waste batteries, chargers and medical wastes. Ink cartridges will be recycled by suppliers, and as for other hazardous wastes, the Group will collect and store them in designated locations, and entrust companies with specific qualifications to recycle and clean up the wastes.

The non-hazardous wastes mainly include household waste, paper, plastics, kitchen waste and construction waste. The Group will strictly classify and store, and then hand them to qualified waste disposal operators for recycling and disposal.

PROMOTION OF ENVIRONMENTAL AWARENESS

The promotion of environmental awareness is a crucial pathway in advancing ecological civilization. Our University has incorporated environmental philosophies into its educational system, advocating for a green lifestyle and nurturing green, low-carbon and innovative mindsets. During the Reporting Period, a series of eco-friendly activities were organized, including a Canvas Bag DIY Experience, the Rainbow Bridge Environmental Campaign, and an Eco-themed Photography Collection to promote eco-friendly concepts, escalating environmental awareness and facilitating engagement among teachers and students.

FULFILLING SOCIAL RESPONSIBILITY TO BUILD A BRILLIANT FUTURE

Cathay Holdings is deeply aware that a company's value is reflected not only in its business achievements but also in its positive contributions to society and its far-reaching impact on the future. We firmly believe that sustainable development is not just an embodiment of corporate responsibility but also a strategic choice for achieving long-term goals. Therefore, we continuously integrate social responsibility into our core corporate values. Through a two-pronged approach of employee engagement and repaying society, we endeavor to build a more brilliant and sustainable future.

EMPLOYEE MANAGEMENT

Apart from being an essential force driving its growth, employees of Cathay Holdings are also its key partners in achieving sustainable development. Spearheaded by our "talent-oriented" philosophy, we are committed to fostering a high-performing, inclusive, and innovative workplace where the potential of each employee can be unlocked through diversified management strategies so that talents and enterprise can empower each other.

Protection of Rights and Interests

Cathay Holdings has always adhered to a "people-oriented" approach, recognizing employees as the core force driving its development. We established a comprehensive human resources management system strictly in accordance with the "Labor Law of the PRC" (中華人民共和國勞動法) and relevant laws and regulations to safeguard employees' legitimate rights and interests in all aspects. Through embedding the principles of fairness, justice, and transparency into each aspect of human resources development, we lay a solid foundation for employees' career development and the Company's internal compliance management.

We implement a system of labor contracts for all employees. All employees are required to sign an employment contract with the Company upon commencement of employment, which clearly defines the rights and obligations of both parties to ensure a standardized and transparent employment relationship. We practice an employment equality principle, ensuring there is no discrimination based on race, ethnicity, place of origin, gender, age, marital status, etc., in the recruitment, appointment, promotion, and resignation of employees. We actively guarantee equal pay for equal work to provide equal development opportunities for every employee, ensuring a transparent and fair process.

Moreover, we strictly prohibit all forms of forced labor and child labor. Should any such violations be discovered, we will immediately take measures to handle the relevant matters and severely punish the responsible individuals according to the severity of the situation. If investigations reveal that our suppliers or service providers are involved in using child labor or forced labor, the Group will immediately terminate our business cooperation with them to honor our steadfast commitment to social responsibility.
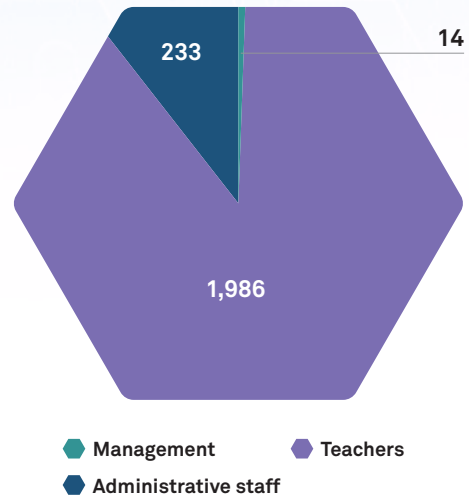
Employee Profile

As of 31 December 2024, the Group's higher education (media and arts) and vocational education business had a total of 2,233 employees, the details of which are as follows.
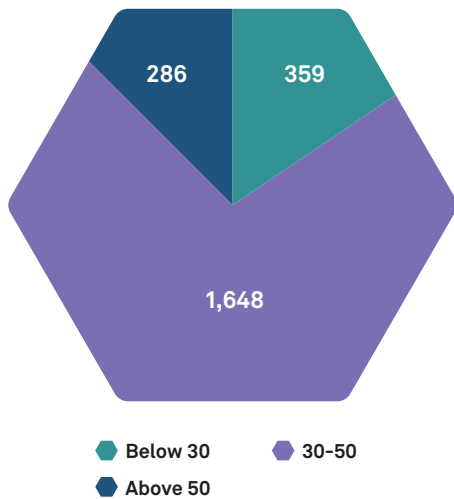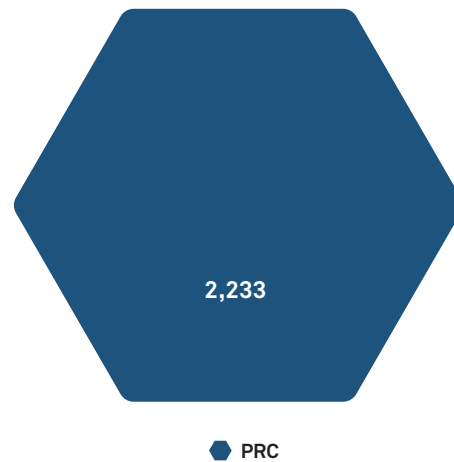
Number of employees by gender
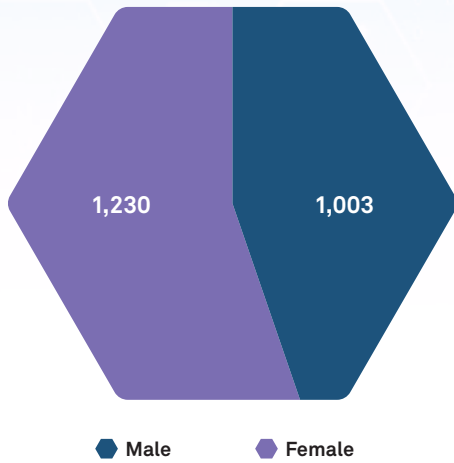
1,230 1,003

● Male ● Female

Number of employees by employee category

233 14 1,986

● Management ● Teachers
● Administrative staff

Number of employees by age

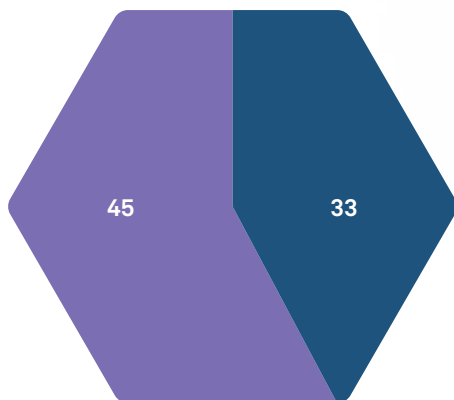286 359 1,648

● Below 30 ● 30–50
● Above 50

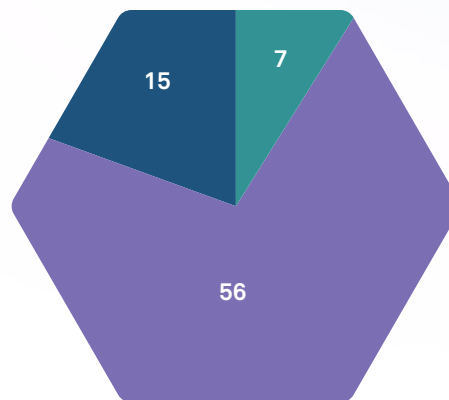### Number of employees by region

2,233

● PRC

As of 31 December 2024, the Group's entertainment and livestreaming e-commerce business had a total of 78 employees, the details are as follows.
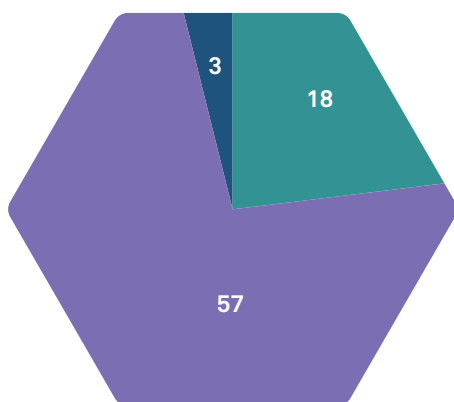
Number of employees by gender

45 Female
33 Male

- Male
- Female

Number of employees by employee category

7 Management
15 Administrative staff
56 Content creation

- Management
- Content creation
- Administrative staff

Number of employees by age

3 Above 50
18 Below 30
57 30-50

- Below 30
- 30-50
- Above 50

Number of employees by region
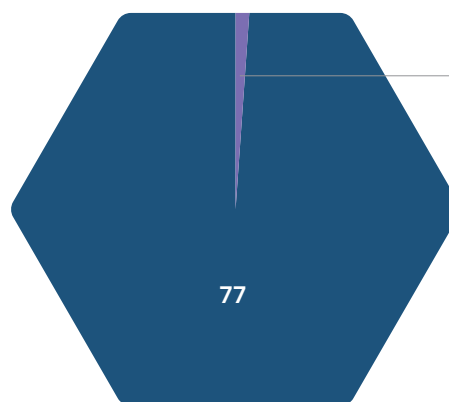
1 Hong Kong
77 PRC

- Hong Kong
- PRC

Talent Cultivation

New Employee Training

To support new employees in quickly integrating into the team and achieving professional growth, Cathay Holdings has established a systematic new employee training program. For all new employees, we have ingeniously designed an onboarding training program covering key elements such as our corporate history, business philosophy, management model, internal control systems, HR regulations, an overview of departmental roles, and job-specific requirements, aiming to help them quickly adapt to the new working environment and acquire the necessary knowledge for their roles.

For new staff in the education segment, we have developed the 2024 New Faculty Training Program and innovatively introduced a peer support and growth mechanism for newly recruited faculty. Additionally, tailored training sessions are organized according to the specific requirements of different roles, ensuring that every new employee receives precise and efficient professional guidance, thereby laying a solid foundation for their career development.

Professional Qualification Training

Cathay Holdings places great emphasis on the professional development of its employees, actively encouraging and supporting their participation in various vocational qualification training programs. During the Reporting Period, faculty from our University enthusiastically attended the First Provincial Training Session on the Implementation of the University Teacher Qualification System (《第一期全省高校教師資格制度實施工作培訓班》), contributing to the development of a high-quality, professional, and innovative teaching workforce. Moreover, through participation in the Advanced Talent Development Program (《高層次人才研修班》) and Research Backbone Training Program (《科研骨幹研修工作》) organized by the Provincial Department of Education, as well as other mental health and first aid training, the faculty further broadened their horizons, enhanced their skills, and refined their professional competencies.

To ensure transparency and openness in further education of faculty, our University has issued the Management Measures on Academic Visit and Professional Development of Faculty (《教職工訪學進修管理辦法》), providing institutional support and safeguards for the career development of faculty members.

Employee Care

Cathay Holdings recognizes that employees are the core driving force behind corporate success. We have always prioritized employee care as a fundamental part of our corporate culture, striving to create a warm, respectful, and supportive working environment for every employee. Through a comprehensive benefits system and open communication channels, we foster a harmonious ecosystem where employees and the Company grow together and achieve mutual success.

Employee Benefits

Employee well-being is the cornerstone of our Company's sustained success. To this end, we have established a comprehensive and competitive benefits system, covering health protection, lifestyle perks, career development, etc., empowering our employees to achieve a harmonious work-life balance.

Statutory Benefits
In compliance with legal requirements, we pay pension insurance, medical insurance, unemployment insurance, maternity insurance, work-related injury insurance and housing provident fund managed by local governments for our employees. Additionally, we give employees sufficient vacation leave. In addition to statutory holidays, all employees are entitled to annual leave, marriage leave, paternity leave, sick leave and bereavement leave, etc.

Fiscal Stimulus Benefits
We conduct employee performance appraisals and evaluations regularly to give employees corresponding performance rewards. We do not advocate overtime work. If employees need to work overtime due to business needs or special reasons, employees can receive corresponding overtime wages as compensation.

Health Care
We provide employees with a year-round health check-up service every year and also set up dedicated clinics to attend to their physical health.

Allowances and Subsidies
In addition to basic salary, we provide various allowances, such as job allowance, tuition allowance, living allowance and catering discounts, etc.

Employee Relations and Communication

We respect and trust our employees, fostering open communication and collaboration among employees and between employees and the Company. We are committed to creating a harmonious, inclusive, and caring working environment. To achieve this, we have established diverse and well-structured communication channels.

Written or Face-to-Face Opinion Solicitation	We conduct regular and ad-hoc written surveys or interviews to gather feedback of employees regarding the operations and management of the Company
By Telephone or Website	Employees may proactively share their ideas and suggestions through the Company's telephone line or website (online communication). The company will provide appropriate responses accordingly
Company Website, Emails, Notice Boards, Meetings, etc.	We will regularly or from time to time update employees on the Company's recent operational and management information through various channels, including the company website, emails, notice boards, and meetings, etc.

Moreover, we have established a systematic staff grievance procedure to enable employees to report issues such as infringement of their rights, suggestions for the Company's operations and management, and violations of company policies. To foster a climate of trust through transparency and openness, a supplementary channel is provided for employees to lodge complaints directly with senior management.

Health and Safety

Health and safety are the lifelines of our business, embedded in every stage of development and upheld as one of our core values. Across diverse business ecosystems, we prioritize health and safety by implementing comprehensive and meticulous management systems alongside stringent standards.

Higher Education (Media and Arts) and Vocational Education

Our University (being the Communication University of China, Nanjing) integrates health and safety principles across campus management and educational practices, striving to safeguard the physical and mental well-being of all faculty and students, cementing the foundation for the delivery of high-quality education. Below is an overview of the relevant management systems.

Campus Security

"Campus Road Traffic Safety Management Regulations"

"Campus Security Management Regulations"

"Safety Management Regulations for Large-Scale Cultural and Sports Activities"

Fire Safety

"Fire Safety Management Regulations"

Fire Awareness Month Theme Activities

Food Safety

"Food Safety Law of the PRC"

"School Food Safety and Nutritional Health Management Regulations"

"Measures of Food Safety Management"

Medical and Mental Health Safety

Equipped with complete medical resources and measures

Provide online and offline psychological counseling and consultation

Safe Education

Conduct regular safety education meetings

Safety emergency drill

- ## Campus Security and Fire Safety

We regard campus security and fire safety as core priorities in ensuring safety of teachers and students as well as maintaining campus stability. To this end, we have formulated and strictly enforced a series of safety management regulations, including the "Campus Road Traffic Safety Management Regulations" (校園道路交通安全管理規定), "Campus Security Management Regulations" (校園治安管理規定), "Safety Management Regulations for Large-Scale Cultural and Sports Activities" (大型文體活動安全管理規定) and the "Fire Safety Management Regulations" (消防安全管理規定), to ensure a secure and stable campus environment. During the Reporting Period, our University did not have any campus safety incidents.

- ## Food Safety

Food safety is directly linked to the health of teachers and students as well as the smooth operation of campus activities. To ensure food safety on campus, we have established the "Measures of Food Safety Management" (食品安全管理辦法), implementing a comprehensive food safety management system that covers the entire process from sourcing to dining. Our food procurement strictly adheres to the principle of "purchasing based on demand, with proper certification and invoicing", ensuring traceability and quality assurance of ingredients. Meanwhile, we enforce a food sample retention system, where samples of each day's meals are preserved for at least 48 hours to facilitate testing and traceability when necessary. To address potential food safety incidents, we have formulated the "Food Safety Emergency Response Plan" (《食品安全事故應急預案》) and set up an emergency response team. A clear "treatment–protection–reporting–investigation" protocol has been established to manage emergencies effectively. Furthermore, we conduct regular food safety education initiatives on campus to raise awareness and promote healthy dietary habits among students and staff.

- ## Medical and Mental Health Safety

To comprehensively protect the physical and mental health of faculty and students, our University spares no effort in equipping with excellent medical resources. It has engaged a certified external medical service team to provide professional and efficient healthcare services for faculty and students, safeguarding their well-being. Additionally, our campus buildings are equipped with comfortable teachers' restrooms and lactation rooms, thoughtfully designed to meet staff needs and offer a relaxing space amidst their busy schedules.

While prioritizing the physical well-being of both teachers and students, we also place strong emphasis on the importance of mental health. Our University has established a multi-dimensional mental health support system, enabling students to access psychological services through various convenient channels, such as a dedicated hotline, online counseling, and email anytime they need assistance. This ensures timely relief from stress and helps maintain a positive mindset.

- ## Safety Education

We deeply understand that enhancing students' safety awareness is an important cornerstone for building a strong campus safety defense line. Therefore, we have always taken the cultivation of students' safety awareness as top priority, and strive to prevent problems before they occur, so as to reduce the possibility of safety incidents from the source.

> **Case: Student Forum on Campus Safety Work**
>
> In the afternoon of 5 December 2024, to strengthen campus safety awareness, consolidate students' safety bottom line, and tighten safety management responsibilities, CUCN held a student forum on campus safety work in the administrative building. Focusing on the topics such as improving the campus safety system, ensuring the life safety of teachers and students and property safety, the conference extensively listened to the opinions and suggestions of more than 30 student representatives from different colleges and built a bridge for face-to-face communication between students and school officials, providing important reference for the continuous optimization of campus safety work.

Entertainment and Livestreaming E-Commerce

We consistently prioritize health and safety as a core operational principle, strictly adhering to laws and regulations such as the "Cybersecurity Law of the PRC" (中華人民共和國網絡安全法), "Advertising Law of the PRC" (中華人民共和國廣告法), and "Regulations on the Governance of Network Information Content Ecology" (網絡信息安全內容生態治理規定) to ensure compliance and security in our business operations. Simultaneously, we emphasize the compliance of livestreaming content, adhering to the correct orientation, and committed to creating a positive mobile live broadcast room culture. At film and television production sites, we appoint dedicated personnel to oversee safety and provide medical first aid kits. In addition, we implement a complete smoking ban in office areas and provide adjustable office equipment to optimize the work environment and enhance employee experience, ensuring the healthy and secure operation of our business.

GIVING BACK TO THE COMMUNITY

A company's success is inseparable from the nourishment of society, while social progress relies on the support of businesses. Upholding the principle of "contributing to society as we prosper" we actively engage in various philanthropic initiatives and social responsibility programs. Through efforts in education support, environmental protection, and community services, we are committed to driving positive change and fostering shared prosperity.

Public Welfare Activities

We attach importance to the charitable activities and take concrete actions to convey warmth and hope. For example, in the education segment, we promote the construction of learning style and guide students to participate in such volunteer service activities as "Western Plan", "Rural Revitalization Plan" and "Bringing Three Concepts to the Rural Areas".

During 2024, we:

Number of volunteer activities participated in and organized	240
Total volunteer service hours	20,377.35 hours

Case: CUCN students volunteered for Paris Olympic Fencing and received international recognition

In November 2024, the International Fencing Federation (FIE) headquartered in Lausanne, Switzerland specially sent a letter of appreciation to the Faculty of International Communication of CUCN, highly praising 7 CUCN students who were recruited and selected for the volunteer service team of the digital media department, for their "outstanding performance and industrious devotion in the report on Fencing at Paris 2024 Olympics". FIE expressed "sincere appreciation" for their contributions to the promotion of fencing. FIE stated in the letter of appreciation that the students "performed well in news reporting, content innovation, and account operation", and "thank you for your efforts and contributions in media report on the Olympic Fencing. We look forward to continuing our cooperation in the future."

E-commerce to assist farmers

We actively explore the deep integration of e-commerce and agricultural assistance, injecting new vitality into rural development through Internet technology. We organize young people to carry out the e-commerce agricultural assistance training camps and marketing special competitions, cultivate new forces for rural revitalization, and help agricultural products to go beyond villages to the entire nation. We take practical actions to make digital technology a strong pilar for rural prosperity.

Case: 2024 Nanjing Youth E-commerce Agricultural Assistance Training Camp and Special Competition

On 22 October 2024, the e-commerce agricultural assistance training camp closing and special competition award ceremony of "Youth e-Action for Rural Revitalization", hosted by Nanjing Municipal Committee of the Communist Youth League and organized by CUCN under Cathay Holdings, was held in CUCN. The activity aims to promote rural revitalization and cultivate young e-commerce talents through e-commerce live broadcasting. Through expert lectures, practical exercises, and other forms, the activity has enhanced the e-commerce skills of young people, strengthened their sense of responsibility for rural revitalization, whilst expanding the sales channels of agricultural products, thereby improving farmers' income.

APPENDIX 1: KPI TABLES

Environmental Performance

Higher Education (Media and Arts) and Vocational Education

	Unit	2022	2023	2024
Nitrogen oxides (NOx)	kg	6.29	10.66	11.21
Sulphur oxides (SOx)	kg	0.12	0.20	0.21
Particulate matter (PM)	kg	0.46	0.79	0.83
Direct emissions (Scope 1)	tCO_2e	21.85	37.06	38.97
Energy indirect emissions (Scope 2)	tCO_2e	12,675.63	15,884.19	18,873.62
Other indirect greenhouse gas emissions (Scope 3)	tCO_2e	/	/	869.18[1]
Total greenhouse gas emissions	tCO_2e	12,697.48	15,921.25	19,781.77[2]
Intensity	tCO_2e/m^2	0.029	0.037	0.05
Total hazardous waste	Ton	0.71	0.70	0.78
Intensity	Ton/m^2	0.0000016	0.0000016	0.0000018
Total non-hazardous waste	Ton	7,327.87	11,309.00	11,427.00
Intensity	Ton/m^2	0.02	0.03	0.03
Gasoline	MWh	78.18	123.72	130.09
Electricity	MWh	21,816.92	27,339.40	32,484.72
Intensity	MWh/m^2	0.05	0.06	0.07
Total water consumption	m^3	1,457,525	1,414,814	1,364,080
Intensity	m^3/m^2	3.34	3.25	3.13
Paper	Ton	1.24	10.50	14.11

[1] Scope 3 emissions of Higher education (media and arts) and vocational education includes, Category 5 – Wastes generated from operations, Category 8 – Upstream leased assets (natural gas).
[2] Scope 3 emissions were calculated in the current year, resulting in a significant increase in total greenhouse emissions.

Entertainment and livestreaming e-commerce business

	Unit	2022	2023	2024
Nitrogen oxides (NOx)	kg	1.38	1.70	1.69
Sulphur oxides (SOx)	kg	0.03	0.03	0.03
Particulate matter (PM)	kg	0.10	0.12	0.12
Direct emissions (Scope 1)	tCO_2e	6.26	5.89	5.87
Direct emissions (Scope 2)	tCO_2e	47.35	72.71	74.02[3]
Other indirect greenhouse gas emissions (Scope 3)	$tCO2e$	/	/	12.85
Total greenhouse gas emissions	tCO_2e	53.61	78.60	92.74
Intensity	tCO_2e/m^2	0.039	0.058	0.068
Total hazardous waste	Ton	0.01	0.01	0.02
Intensity	Ton/m^2	0.0000059	0.0000088	0.000015
Total non-hazardous waste	Ton	0.03	0.25	0.26
Intensity	Ton/m^2	0.000018	0.00018	0.00019
Gasoline	MWh	22.41	19.67	19.60
Intensity	MWh/m^2	0.016	0.014	0.014
Paper	Ton	0.22	0.25	0.26

[3] Scope 3 emissions of entertainment and livestreaming e-commerce business includes, Category 5 – Wastes generated from operations, Category 6 – Business travel, and Category 7 – Employee commuting.

Social Performance

Employee data:

	Unit	Higher Education (Media and Arts) and Vocational Education			Entertainment and Livestreaming E-commerce		
		2022	2023	2024	2022	2023	2024
Number of employees by gender							
Male	Person	713	922	1,003	32	44	33
Female	Person	948	1,157	1,230	62	70	45
Number of employees by age							
Below 30	Person	397	391	359	20	47	18
30-50	Person	1,051	1,422	1,591	72	64	57
Above 50	Person	213	266	283	2	3	3
Number of employees by employment type							
Full-time	Person	1,051	1,144	1,249	90	111	77
Part-time	Person	610	935	984	4	3	1
Other	Person	–	–	–	–	–	–
Number of employees by employee category							
Management	Person	62	53	14	5	8	7
Teachers/content creation	Person	1,481	1,895	1,986	65	87	56
Administrative staff	Person	118	131	233	24	19	15
Number of employees by region							
Mainland China	Person	1,661	2,079	2,233	93	112	77
Overseas	Person	–	–	–	1	2	1
Employee turnover rate							
By gender							
Male	%	4	3	7	159	145	25
Female	%	4	4	6	100	100	36
By age							
Below 30	%	6	9	8	210	121	62
30-50	%	3	3	10	99	119	11
Above 50	%	9	3	6	0	33	–
By region							
Mainland China	%	4	4	6	122	119	31
Overseas	%	–	–	–	0	50	50

Employee training data:

	Unit	2022	2023	2024
Total percentage of employees who have completed training	%	54	91	54
Total hours of training completed by employees	Hour	44,586	142,480	89,984
Percentage of employees trained by gender				
Male	%	34	33	42
Female	%	66	67	64
Percentage of employees trained by employee category				
Management	%	7	1	86
Teachers/content creation	%	80	84	49
Administrative staff	%	13	15	94
Average training hours per employee by gender				
Male	Hour	21.3	123.6	71.6
Female	Hour	31.0	124.4	71.9
Average training hours per employee by employee category				
Management	Hour	24.0	129.41	59.11
Teachers	Hour	27.2	124.05	72
Administrative staff	Hour	23.8	123.93	72

Health and safety

	Unit	2022	2023	2024
Number of work-related fatalities	Person	0	0	0
Percentage of work-related fatalities	%	0	0	0
Number of work-related injuries	Person	0	0	0
Number of working days lost due to work-related injuries	Day	0	0	0

Supply Chain Management

	Unit	2022	2023	2024
Number of suppliers				
Eastern China	Number	61	68	302
Northern China	Number	–	57	34
Northeastern China	Number	–	–	1
Southern China	Number	1	5	56
Central China	Number	–	1	19
Northwestern China	Number	–	–	–
Southwestern China	Number	–	–	2

Anti-corruption

	Unit	2022	2023	2024
Anti-corruption				
Concluded corruption litigations brought against the Group or its employees	Number	–	–	–

APPENDIX 2: THE STOCK EXCHANGE ESG REPORTING CODE INDEX

The ESG Reporting Code		Section/Explanation
A. Environment		
A1 Emission	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Environmental Management
KPI A1.1	The types of emissions and respective emissions data.	Appendix 1: KPI Tables
KPI A1.3	Total hazardous waste produced (measured in tonnes) and, where appropriate, intensity (e.g. measured per unit of production volume, per facility).	Appendix 1: KPI Tables
KPI A1.4	Total non-hazardous waste produced (measured in tonnes) and, where appropriate, intensity (e.g. measured per unit of production volume, per facility).	Appendix 1: KPI Tables
KPI A1.5	Description of the emission targets set and the steps taken to achieve them.	Waste Management
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and the reduction targets set and the steps taken to achieve them.	Waste Management

The ESG Reporting Code		Section/Explanation
A2 Use of Resources	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials.	Use of Energy and Resources
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Appendix 1: KPI Tables
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Appendix 1: KPI Tables
KPI A2.3	Description of energy use efficiency targets set and the steps taken to achieve them.	Use of Energy and Resources
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, and water efficiency targets set and the steps taken to achieve them.	Use of Water Resources
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable to the Group's business
A3 The Environment and Natural Resources	General Disclosure Policies on minimizing the issuer's significant impact on the environment and natural resources.	Environmental Management
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental Management
A4 Climate Change	General Disclosure Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Tackling Climate Change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Tackling Climate Change

The ESG Reporting Code		Section/Explanation
B. Society		
Employment and Labor Practices		
B1 Employment	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, antidiscrimination, and other benefits and welfare.	Employee Management
KPI B1.1	Total workforce by gender, employment type (such as full-time or part-time), age group and geographical region.	Employee Profile
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Appendix 1: KPI Tables
B2 Health and Safety	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Appendix 1: KPI Tables
KPI B2.2	Lost days due to work injury.	Appendix 1: KPI Tables
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and Safety

The ESG Reporting Code		Section/Explanation
B3 Development and Training	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Talent Cultivation
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Appendix 1: KPI Tables
KPI B3.2	The average training hours completed per employee by gender and employee category.	Appendix 1: KPI Tables
B4 Labor Standards	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	Protection of Rights and Interests
KPI B4.1	Description of measures to review employment practices to avoid child and forced labor.	Protection of Rights and Interests
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Protection of Rights and Interests

The ESG Reporting Code		Section/Explanation
Operating Practices		
B5 Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management
B6 Product Responsibility	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Responsible Products
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable to the Group
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	No complaints relating to products and services were received during the Reporting Period
KPI B6.3	Description of practices relating to observing and protecting property rights.	Copyright Protection
KPI B6.4	Description of quality assurance process and recall procedures.	Responsible Products
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Data Security

The ESG Reporting Code		Section/Explanation
B7 Anti-corruption	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Construction of Integrity
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.	Appendix 1: KPI Tables
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Construction of Integrity
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Construction of Integrity
Community		
B8 Community Investment	General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Giving Back to the Community
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	Giving Back to the Community
KPI B8.2	Resources contributed (e.g. money or time) to the focus areas of contribution.	Giving Back to the Community