儒意控股
RUYI HOLDINGS

CHINA RUYI HOLDINGS LIMITED
中國儒意控股有限公司

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

2025 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

CONTENTS

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

1. ABOUT THE REPORT

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

1.1 Scope of the Report

The Report complies with the disclosure requirements set out in the Environmental, Social and Governance Reporting Code ("**ESG Reporting Code**") in Appendix C2 of the Main Board Listing Rules. The applicability and materiality of the relevant key performance indicators ("**KPIs**") under the ESG Reporting Code were assessed.

Unless otherwise stated, this ESG Report includes the businesses of the content production business and online streaming and online gaming businesses during the period from 1 January 2025 to 31 December 2025 (the "**Reporting Period**"). These relate to the overall performance, risks, strategies, measures and commitments of four aspects: quality of the working environment, environmental protection, operating practices and community participation.

1.2 Reporting principles

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

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

1.3 Stakeholders' Feedback

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

2. CHAIRMAN'S STATEMENT

In 2025, the Group continued to advance its strategic portfolio optimization and business structure upgrades. By expanding industrial boundaries through investment and mergers and acquisitions, it has built a synergistically linked business ecosystem, forming a three-pillar driven business structure of "games providing stable cash flow, content driving performance elasticity, and AI enhancing efficiency", contributing to a significant improvement in profitability. As of 31 December 2025, the Group's annual revenue was RMB3.343 billion, and was adjusted compared to the same period last year due to industry cycles and content scheduling rhythms. During the Reporting Period, the Group achieved a net profit of RMB1.786 billion, representing a significant increase compared to the same period last year, laying a solid financial foundation for the continuous advancement of its ESG initiatives.

Inheriting cultural values through high-quality content and fulfilling social responsibility with exquisite works

The Group has consistently adhered to a development philosophy centered on high-quality content. It deeply explores the contemporary value of Chinese culture and organically integrates cultural heritage with ESG principles, striving to promote the creative transformation and innovative development of China's outstanding traditional culture while achieving high-quality business development.

In 2025, the Group continued to make significant strides in content production business, creating premium content that combines ideological depth with visual appeal while conveying mainstream values. In the sector of films, the war-themed film "Dead to Rights" (《南京照相館》) and the war epic "The Volunteers: Peace at Last" (《志願軍：浴血和平》) both secured box office championships in their respective release periods, thanks to their profound thematic expressions and exquisite production, sparking widespread social resonance. For the 2026 Spring Festival period, the national comedy film "Pegasus 3" (《飛馳人生3》) co-produced by the Group securely topped the box office with a cumulative total exceeding RMB4 billion, realizing a dual breakthrough in both commercial and social value.

In the field of TV dramas, the martial arts romance drama "Shadow Love" (《與晉長安》), starred by Song Yi and Cheng Lei, was shortlisted for the Golden Angel Award at the 21st China-American Television Festival for its innovative interpretation of traditional wuxia culture, helping to promote Chinese martial arts culture internationally.

In the sector of gaming businesses, the Group focused on innovation, deeply integrating cultural heritage with gameplay mechanics while actively promoting the global expansion of its games, showcasing the practical achievements of "taking Chinese culture global". The sci-fi themed new product "The Nova Era" (《群星紀元》) innovatively integrated RTS gameplay and synergized three top-tier sci-fi IPs — "The South Heaven Gate Project" (《南天門計劃》), "Starship Troopers" (《星河戰隊》), and "Swallowed Star" (《吞噬星空》), achieving a dual breakthrough in content and user base, becoming a benchmark in the sci-fi SLG segment. The Three Kingdoms strategy mobile game "Yanwu" (《偃武》) won the second prize of the "Star Game Award" and was nominated for the "Top 10 Games of the Year 2025 • Outstanding Traditional Chinese Culture Game" thanks to its in-depth exploration of historical culture and digital innovation. Additionally, it won the "Most Promising Overseas Strategy Game" award at the "Yangfan Cup" competition. "Ragnarok Origin" (《仙境傳說：愛如初見》) was selected for the inaugural "Media Sustainable Development • ESG Works List", becoming one of the industry's ESG practice benchmarks and reflecting the Group's firm commitment to practicing ESG principles and transmitting cultural values in the gaming sector.

Fulfilling corporate mission through practical actions and demonstrating corporate responsibility with public welfare initiatives

The Group has always upheld its original aspiration of "giving back to society and achieving mutual benefit", actively fulfilling its corporate social responsibility across multiple public welfare areas. In 2025, the Group responded swiftly to natural disasters and community needs, donating HK$10 million in collaboration with the Hong Kong Red Cross to support residents affected by the Level 5 fire broke out at Hung Fuk Court in Tai Po, providing emergency relief and post-disaster living arrangements to help affected families overcome difficulties. Meanwhile, building on the foundation of its donation following last year's earthquake in Shigatse, Tibet, the Group has supported university research teams to conduct in-depth, systematic research in Dingri County focusing on "the development of digital competencies among youth", with the aim of promoting sustainable educational development in the local area.

Jingxiu Games also partnered with Tencent Growth Guardian and the Sichuan Science and Technology Public Welfare Development Foundation to launch the "Giving Kids an AI Lesson" public welfare project, encouraging player participation across multiple games to support rural education through innovative approaches. Additionally, the Group actively participated in volunteer disability assistance programs organized by the China Association of Volunteers for Persons with Disabilities, earning the "Certificate of Charitable Enterprise" for its practical efforts to advance the disability cause. During the year, the Group was honored as a Most Socially Responsible Listed Company in the 10th Zhitong Finance Listed Company Selection for its outstanding performance in social responsibility, highlighting its commitment as a corporate citizen and its leadership in sustainable development.

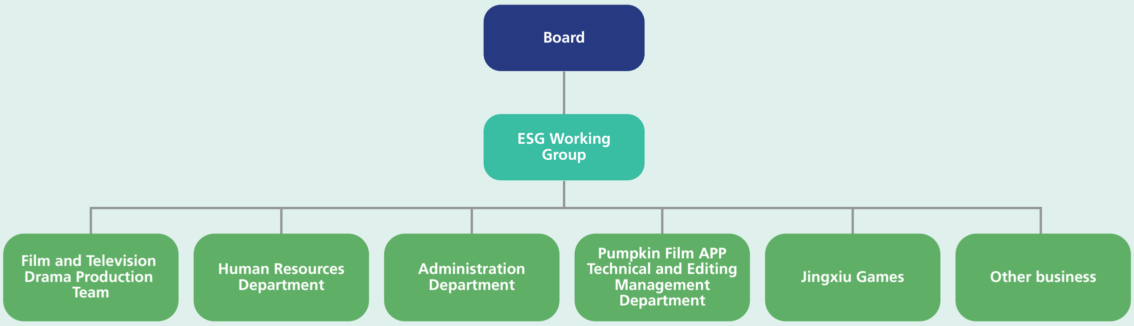
Looking ahead, the Group will proactively align with societal development needs, deeply integrating ESG principles into all aspects of corporate governance and production operations. It will actively explore innovative models, expand diverse collaboration channels, and inject continuous momentum into social harmony, stability, and sustainable development, further demonstrating its corporate responsibility and commitment.

3. ESG GOVERNANCE

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

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

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



3.1 Stakeholder engagement

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

Stakeholders	Expectations and demands	Response and/or communications
Government and other regulatory agencies	• Compliance with laws and regulations • Business ethics	• Compliance operation • Supervision and inspection • Regular and timely reporting
Investors and shareholders	• Financial performance • Stable business development • Information disclosure	• Disclosure of financial and operational information • Shareholders' meeting • Company website
Audiences and users	• Content quality • Service experience • Information security and privacy protection • Diversification of production • Protection of minors	• Production innovation and service upgrade • User information and privacy protection • Youth mode and anti-addiction mechanism

Stakeholders	Expectations and demands	Response and/or communications
Employees	• Occupational health and safety • Career development • Employees' compensation and benefits	• Remuneration package and benefits • Ongoing staff training • Regular meetings
Suppliers and commercial partners	• Open and fair • Contract compliance • Credibility and integrity	• Cooperation agreement • Business communication • Business review meetings
Community and public	• Charity film and television • Charity activities • Environmental protection	• Participate in charity activities • Minimise the disturbance to public and surrounding during outdoor shooting

3.2 Materiality Assessment

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

Step 1: Identify and formulate ESG issues

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

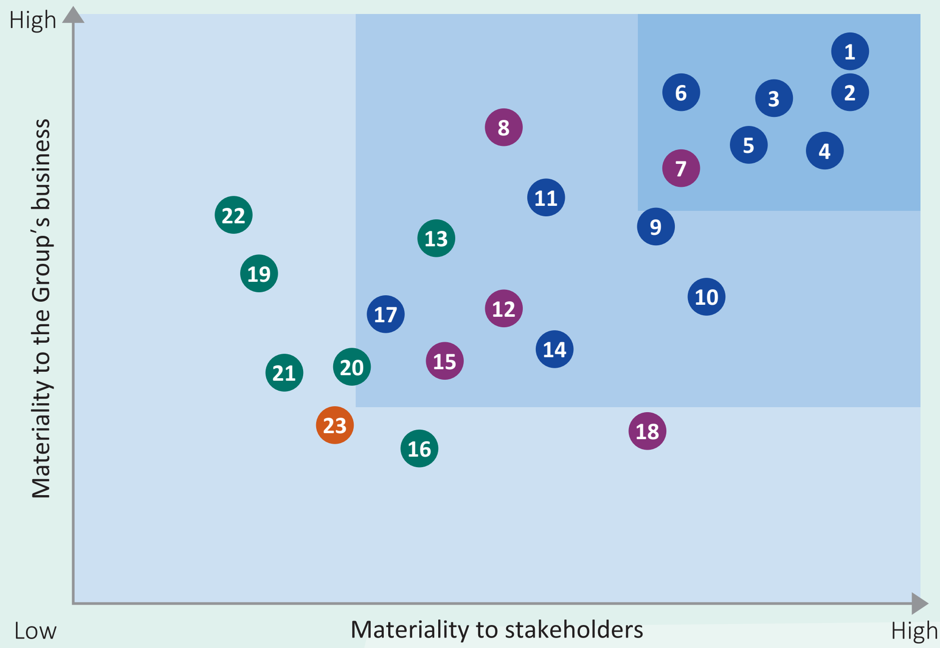
Step 2: Assess materiality

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

Step 3: Priority

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

In accordance with the results of the materiality assessment conducted by the stakeholders, the ESG materiality matrix for the Group in 2025 is as follows:



Environmental management

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

Operational management

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

Employment management

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

Social contribution

23 Participation of social charity activities

4. ENVIRONMENTAL

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

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

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

Based on environmental issues, the Board attaches great importance to changes in regulatory requirements and strengthens related work, continuously enhancing governance over the environment, particularly climate-related issues. Under the overall ESG governance framework, the ESG Working Group under the Board places high emphasis on the governance of environmental and climate issues. With the ESG Working Group as the core, the Board constantly tracks changes in regulatory laws and regulations, as well as industry development trends, actively identifies climate-related risks and opportunities, and formulates strategic goals, policies, and management approaches. Meanwhile, through regular work reports, the Board seeks to further strengthen the governance methods for environmental and climate issues of the Group.

The following are the targets we have set for environmental work:

Environmental targets

Emissions	Target
Emissions	
Air pollutants and greenhouse gas emissions	By 2032, reduce greenhouse gas emissions (Scope 1 and 2) intensity (tCO_2e/million dollars of revenue) by 10%, compared to the base year of FY2022.
Waste	Maintain the total production of hazardous waste and non-hazardous waste intensity below 0.1 kg/employee.
Use of resources	
Water	Continue to reduce water intensity.

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

Energy saving and emission reduction measures

	Measure
Emissions	
Greenhouse gas and gas emissions	• Regular inspection and maintenance of the Company's vehicles • Reduce vehicle use and promote carpooling and use public transport during business travels
Waste	• Reduce waste by adopting the 3R (Reduce, Reuse and Recycle) principle in operations • Reuse non-confidential single-sided printing paper to save office resources • Store filming props and equipment for reuse and upgrading
Use of resources	
Energy	• Maintain optimal indoor temperature, humidity and air quality • Choose environmental-friendly, energy-efficient lighting and appliances • Switch off lighting and appliances when not in use
Water	• Regularly inspect taps or pipes for leakage problems • Post notices at conspicuous places to raise employees' awareness

4.1 Emissions and pollution management

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

Compliance with laws and regulations

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

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

Air emissions

The Group recognises the vital importance of reducing air pollutant and greenhouse gas emissions in promoting sustainable business and social development. The Group's air pollutant emissions stem primarily from on-location filming activities and vehicles used for corporate business operations. To this end, we have strengthened vehicle management within our day-to-day operations to further reduce air pollutant emissions generated during our operations. The table below shows the emissions of air pollutants for the Reporting Period:

		Emissions	
	Units	**2025**	2024
Air pollutants			
Nitrogen oxides	kg	**111.62**	130.59
Sulphur oxides	kg	**0.29**	0.40
Particulate matters	kg	**10.35**	12.09

In 2025, the emissions of air pollutants such as nitrogen oxides, sulphur oxides and particulate matters decreased significantly. The Group actively promotes energy conservation and emissions reduction, and has strengthened the day-to-day management of its vehicle operations. During the Reporting Period, the total distance travelled was approximately 123,495 kilometres, a decrease of around 20 per cent compared with 2024, whilst petrol consumption stood at 19,867 litres, a decrease of approximately 27 per cent compared with 2024.

With regard to greenhouse gas emissions, in addition to company vehicles, the electricity used for on-location filming equipment and in our offices constitutes Scope 2 indirect greenhouse gas emissions, which are the primary source of our carbon footprint. Please refer to the "Climate-related disclosures" section below for greenhouse gas emissions data.

Solid wastes

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

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

	Generation (Tonne)		Intensity (Tonne/millions dollar of revenue)	
	2025	2024	**2025**	2024
Non-hazardous waste	**0.003**	0.003	**$9.0x10^{-7}$**	$8.2x10^{-7}$
Hazardous waste	**0.018**	0.016	**$5.3x10^{-6}$**	$4.5x10^{-6}$

We pay particular attention to the environmental protection of the filming site and reduce the negative impact of the filming process on the environment by cleaning up the garbage on the filming site in a timely manner and cherishing the flowers and trees. The data on waste generation in 2025 is basically the same as compared with 2024, while the data on non-hazardous waste intensity has slightly increased due to fluctuations in revenue data.

4.2 Uses of resources

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

Water resources

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

Energy

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

Consumption statistics

Resources	Unit	2025	2024
Energy			
Electricity	kWh	**546,595**	271,704
Electricity consumption intensity	kWh/employee	**967**	611
Fuel	L	**19,867**	27,312
Fuel consumption intensity	L/employee	**35**	61
Natural gas	M^3	**6,600**	6,226
Natural gas consumption intensity	M^3/employee	**11.7**	14.0
Water	M^3	**2,919**	2,916
Water consumption intensity	M^3/employee	**5.2**	6.6
Packaging material	kg	**—**	—
Packaging material consumption intensity	kg	**—**	—

Note: The Group's business operations generally do not involve packaging materials; therefore, data related to packaging materials is not disclosed.

During the Reporting Period, the Group continued to implement energy-saving and emission reduction measures, such as enhancing the vehicle use management and promoting water-saving actions. Through these efforts, fuel consumption and natural gas consumption have declined continuously, and water consumption intensity has also dropped by approximately 20%. Due to the Group's development in the gaming business, the number of its staff increased by approximately 27%, and the electricity consumption rose significantly during the Reporting Period, mainly including the Company's daily electricity usage and the electricity consumption of hardware facilities related to gaming and other businesses. On the other hand, water consumption has slightly increased compared to last year, but water consumption intensity has decreased by 20%, indicating that the Company's water-saving measures have been effective. The Group will attach great importance to the impact of business development on the structure of resource usage and strengthen relevant power-saving measures.

4.3 Environment and Natural Resources

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

5. EMPLOYMENT AND LABOUR PRACTICES

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

5.1 Employment

Diversity and equality practices

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

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

Recruitment and dismissal

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

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

Promotion and remuneration

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

- **Implementation of comprehensive assessment:** Promotion is based on review results, which include quality of work, ability, work performance and comprehensive and all-round discussion among the management of the department. The performance of employees is reviewed and evaluated regularly through a standard mechanism for discretionary bonuses and promotion opportunities.

- **Formulation of promotion plan:** According to the annual performance plan indicators of each business department, the department structure design and the demand for talents in phased goals, we customise the promotion training plan and performance goal setting for the employees who are proposed to be promoted.

- **Promotion:** Employees with satisfactory assessment results will be given promotion opportunities and receive further relevant training if applicable.

Working hours, rest periods and benefits

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

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

5.2 Training and Development

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

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

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

5.3 Health and Safety

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

Shooting site health and safety management

Preventive measures:

- Formulation of the filming plan before shooting.
- Safety Production Responsibility Statements (《安全生產責任書》) has to be signed by corresponding personnel of the blasting department and action department before shooting any scenes that involve blasting and the use of wires and hangers.
- Fire Safety Responsibility Statements (《消防安全責任書》) has to be jointly signed by the filming crew and the responsible officer of the shooting site to clarify the fire safety responsibilities of each party.

- Conduct regular inspections over the protective equipment such as wires, hangers, cushions, knee pads, elbow guards and helmets used in action shooting to ensure that such equipment meets the safety standards for use.

- Upon formulation of the filming plan before shooting, a coordination meeting is organised for the camera crew and cast members to finalise the filming plan, especially those scenes with blasting and dangerous actions.

On-site measures:

- Strict implementation of the shooting plan, and arranging the corresponding vehicles and personnel of fire, first aid and other departments to be on standby.

- The health observation zone is available at the filming site for the clue members and cast members to rest and receive basic medical treatment when they feel unwell or injured.

5.4 Labour Standards

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

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

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

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

5.5 Compliance with Laws and Regulations

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

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

ESG Performance of Employment and Labour Practice

Workforce distribution	**Number of staff**	**Workforce distribution**
Total number of staff	565	
Gender		
Male	366	64.8%
Female	199	35.2%
Age group		
18–30	142	25.13%
31–50	403	71.33%
51 or above	20	3.4%
Nationality		
PRC	564	99.8%
Overseas	1	0.2%
Employment category		
Full-time	550	97.3%
Part-time	15	2.7%

Staff Turnover	Number of staff	Turnover rate
Total	146	25.8%
Gender		
Male	91	24.9%
Female	55	27.6%
Age group		
18–30	58	40.8%
31–50	86	21.3%
51 or above	2	13.3%
Nationality		
PRC	145	25.7%
Overseas	1	100.0%

	Percentage of employees attended training	Average training hours attended per employee
Gender		
Male	57.9%	5.1
Female	38.7%	3.9
Employee category		
Management	—	
General staff	51.8%	4.7

Staff injury statistics	2025	2024	2023
Work related fatality	—	—	—
Lost day due to work injury	—	—	—

6. OPERATING PRACTICES

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

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

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

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

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

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

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

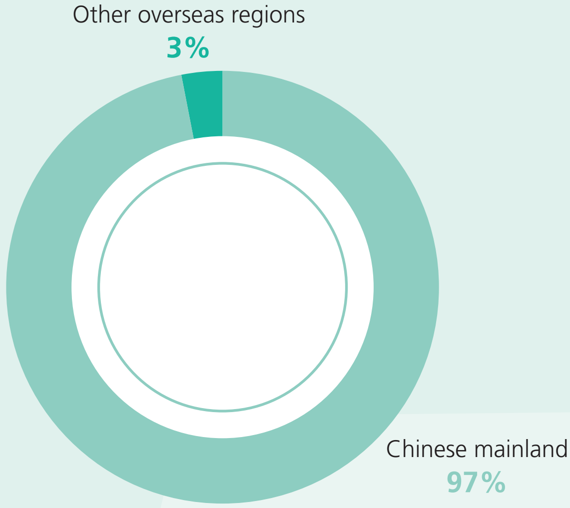
ESG management for suppliers — The environmental and social risks involved in our supply chain are relatively low due to its business nature, but we still take the environmental and social performance of our suppliers into consideration. We always emphasise the importance of anti-corruption practice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

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

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

During the Reporting Period, the Group cooperated with a total of about 1025 suppliers, approximately 996 of them came from Chinese Mainland, accounting for approximately 97% of total number of suppliers. Our suppliers and partners are predominantly copyright suppliers of film and television drama and suppliers of gaming business, whereas a small number of physical purchases are involved, such as daily administrative office supplies, materials. They are all coordinated and managed by the Company in accordance with its practices regarding engagement of suppliers.

Distribution of suppliers



6.1 Responsible Products

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

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

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

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

6.1.1 High quality of products and services

High quality of products and services — Ruyi Films

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

- **Transmitting the values of the times, and engraving the historical moments**
  Adhering to the development philosophy that places premium content at the core, the Group roots itself in history and culture to create literary and artistic works with warmth and profound content, and actively disseminate mainstream values. During the Reporting Period, the war-themed film "Dead to Rights" (《南京照相館》) topped the summer box office with over RMB3 billion. Rooted in profound historical backdrop, the film looks back at the war-torn years, and passes down the national memory through imagery, conveying the spiritual strength of upholding faith and safeguarding civilisation. The war epic "The Volunteers: Peace at Last" (《志願軍：浴血和平》) focuses on fierce and pivotal battles, and vividly portrays heroic spirit and national responsibility, embodying the noble values of standing up to aggressors and defending peace. "Curious Tales of a Temple" (《聊齋：蘭若寺》), rooted in traditional cultural heritage, conveys a humanistic spirit of pursuing goodness, beauty, and upholding righteousness within its supernatural narrative. With high-quality production and positive value expression, all the above works have won broad recognition and positive reputation from audiences.

- **Focusing on premium content creation, and empowering diverse genres**
  The Group continues to increase its investment in top-tier premium content and deepens collaboration with mainstream domestic streaming platforms. During the Reporting Period, the martial arts romance drama in ancient costumes "Shadow Love" (《與晉長安》), starred by Song Yi and Cheng Lei, was shortlisted for the Golden Angel Award at the 21st China-American Television Festival; the historical suspense IP adaptation "The Lychee Road" (《長安的荔枝》) won the "Top Ten Golden Angel Awards" at the 21st China-American Film Festival and received multiple nominations including the Golden Rooster Award; and genre-diverse films such as the social suspense film "Malice" (《惡意》) and the romantic film "Gift from a Cloud" (《有朵雲像你》) also delivered solid performance.

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

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

  Looking ahead, in terms of project pipeline, the drama series produced and led by the Group span a wide range of genres and present a vibrant and diverse portfolio, comprehensively covering multiple genres such as suspense, realistic drama, Chinese costume drama, martial arts, and urban romance. The suspense genre includes "Light to the Night" (《黑夜告白》) starred by Pan Yueming and Wang Hedi; the crime-themed drama "Her Brilliant Journey" (《一路燦爛》) starred by Yan Ni and Ren Suxi. Realistic dramas include "Prosecutor and Boy" (《檢察官與少年》) starred by Zhang Xiaofei and Yu Jiacheng, focusing on juvenile legal education; and "Jia You Qi Lang" (《家有七郎》) starred by Chen Baoguo, Jing Boran, and Gao Yuanyuan. Period and martial arts dramas include "All Hail my Supreme Sec" (《萬古最強宗》) starred by Peng Yuchang and Wan Peng; and the new-school martial arts drama "Now or Never" (《一點浩然氣》). Urban romance dramas include "Dazzling" (《耀眼》) starred by Guan Xiaotong and Li Yunrui, and the romantic comedy "Touch" (《非正式浪漫》) starred by Cai Wenjing. These pipeline projects represent an expansion across multiple narrative genres, with in-depth collaborations already established with various platforms, which are expected to be released successively, and will provide continuous content output and revenue contribution for the Group.

Pumpkin Film

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

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

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

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

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

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

Jingxiu Games

- **Committed to cultural inheritance, "Yanwu" (《偃武》) won multiple awards**

  Jingxiu Games adheres to the promotion of China's excellent traditional culture through games. Since its development, "Yanwu" has upheld the mission of "making history tangible", deeply explored the history of the Three Kingdoms period, enabling traditional culture to thrive in the digital world through gameplay innovation. During the Reporting Period, "Yanwu" stood out in the 2nd "Star Game Awards", winning the second prize for its deep exploration and innovative expression of traditional culture. Additionally, we leveraged "Yanwu" to officially launch the "Digital Renaissance of Ancient Dian Civilisation" program with Kunming Museum. Representative cultural relics such as the Western Han Dynasty cow-head patterned gold sword scabbard and the Warring States Period four-ear waisted bronze drum with triangular tooth pattern were selected for high-precision digital acquisition and 3D modelling. The cultural relics of the Ancient Dian Kingdom were integrated into the game content in digital form, and offline themed exhibitions have been held, enabling an in-depth dialogue between historical depth and public education.

- **Fulfilling social responsibility, "Ragnarok Origin" (《仙境傳說：愛如初見》) honoured as ESG benchmark**
  Jingxiu Games actively explores how to infuse warmth into game content, integrating sustainable development concepts into product creation. During the Reporting Period, in the 1st "Media Sustainability — ESG Works List" jointly initiated by the China Culture News Promotion Association and other authoritative bodies, "Ragnarok Origin" stood out for its outstanding performance in social value, and became a benchmark game. This honour not only reflects the industry's recognition of a single product, but also represents the broad acknowledgement of Jingxiu Games' philosophy of "practicing sustainable development concepts". Meanwhile, Jingxiu Games actively participated in the "Give Children an AI Lesson" public welfare initiative through games including "Ragnarok Origin", "Civilization: Eras & Allies" (《世界啟元》), "The War of Dragon Stones" (《龍石戰爭》), "The Nova Era" (《群星紀元》), and "Haikyu Flyhigh" (《排球少年：新的征程》). Cooperating with Tencent Growth Guardian and Sichuan Science and Technology Public Welfare Development Foundation, and the Sichuan Science and Technology Foundation for Public Welfare, the initiative enables players to support rural education online, resonating with the times through the warmth of games and demonstrating corporate responsibility.

- **Promoting cultural globalization, and facilitating global exchange and integration of gaming culture**
  Jingxiu Games actively promotes the global outreach of Chinese culture, telling Chinese stories to the world through digital games. Leveraging the exploratory value in integrating "traditional Chinese history and culture + strategy games" and the potential as an international cultural carrier, "Yan Wu" won the award of "Most Promising Strategy Game for Global Expansion" in the 2025 "Yangfan Cup" China Game Overseas Leadership Initiative. This recognition testifies to the international acceptance of digital expressions of traditional Chinese culture, and injects new impetus into the global dissemination of Chinese culture.

  Furthermore, in Korea, the Group has reached a collaboration agreement with Devsister for the "CookieRun" IP, with the licensed product "CookieRun: Tower of Adventures" (《餅乾人聯盟》) expected to be released in 2026; the Group is also engaged in R&D collaboration with SmileGate on the "CrossFire" IP. In the North American market, the Group has reached collaboration consensus with leading mobile game developer Scopely on multiple premium products, with both parties leveraging their respective strengths to drive product launch and promotion. By partnering with quality cultural IPs from various countries, the Group continues to foster dialogue and exchange between Chinese and foreign cultures, facilitating cross-cultural communication and exchange.

6.1.2 Attention to the Audience and User Experience

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

6.1.3 User Compliant Handling

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

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

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

6.1.4 Protecting intellectual properties

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

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

6.1.5 Data protection and privacy

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

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

6.1.6 Teenage protection

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

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

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

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

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

6.1.7 Advertising Management

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

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

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

6.1.8 Information security assurance

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

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

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

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

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

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

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

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

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

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

6.2 ANTI-CORRUPTION

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

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

6.2.1 Establishment of integrity environment

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

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

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

6.2.2 Integrity training

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

7. SOCIAL CONTRIBUTION

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

On 26 November 2025, a serious five-alarm fire broke out at Wang Fuk Court in Tai Po, Hong Kong. The severe blaze resulted in multiple casualties and extensive damage to residents' homes. To help affected residents overcome the difficulties, as a company deeply rooted in Hong Kong, the Group swiftly took action and donated HKD10 million through the Hong Kong Red Cross to support emergency relief and post-disaster reconstruction efforts.

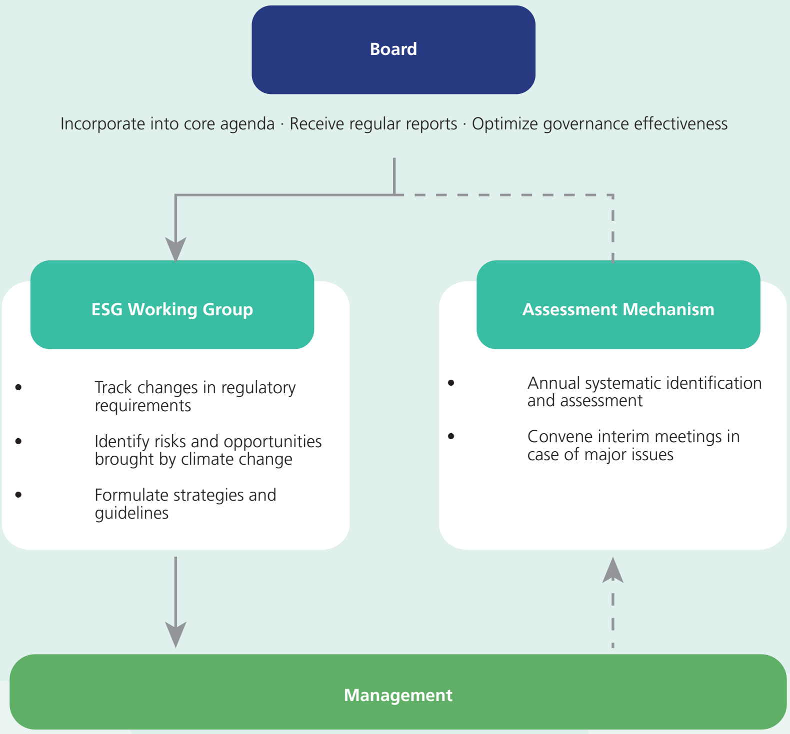
In August 2025, with the coordination of the Songjiang District's cadres seconded to assist Tibet and the Tingri County Education Bureau, the Group, together with One Foundation, supported a research team from the University of Science and Technology Beijing to conduct systematic research in Tingri County, focusing on "digital capacity building for youth".

During 2025, upholding our corporate mission of giving back to society and caring for vulnerable groups, the Group actively participated in various volunteer disability support services organised by the China Association of Volunteers for Persons with Disabilities. Through our employee volunteer teams, we provided daily living assistance, skills training, and emotional companionship to persons with disabilities in local communities. Through concrete actions, the Group delivered warmth and respect, helping to foster a social environment of equality and inclusion. In recognition of our sustained investment and outstanding contributions in the field of disability support, the Group was awarded the "Caring Enterprise Certificate" by the China Association of Volunteers for Persons with Disabilities.

The Group will continue to work with partners across sectors to address societal needs with pragmatic actions, bringing hope through corporate commitment, and contributing to the building of a green, caring, and inclusive society.

8. CLIMATE-RELATED DISCLOSURES

8.1 Governance



The Group has always regarded environmental and climate change issues as a core component of corporate sustainable development and has formally incorporated them into the core agenda of the Group's governance. To strengthen the systematic management in this field, we have specially established an ESG Working Group at the Board level, building a comprehensive and clearly structured environmental and climate governance framework. As the coordinating and decision-support body for the Group's climate affairs, the ESG Working Group is responsible for continuously tracking the trends of relevant regulatory policies, the evolution of industry standards, and market development dynamics both domestically and internationally. On this basis, it systematically identifies climate-related risks and potential opportunities that may affect the Group's business operations.

To ensure the accuracy and forward-looking nature of risk identification, the ESG Working Group launches special assessments regularly at the start of each year. Combining the Group's diversified business portfolio, it fully considers the energy consumption and carbon footprint of outdoor filming in film and television production, the electricity demand of data centres for game operations, and the energy efficiency of venue operations in offline cinemas, and conducts a comprehensive assessment of climate-related physical and transition risks. Based on the identification results, the ESG Working Group further formulates and dynamically updates response strategies, quantitative targets, specific policies, and management guidelines, ensuring that relevant measures are highly aligned with the Group's overall strategic direction.

At the daily operation level, the Management is responsible for translating the climate strategies and guidelines determined by the ESG Working Group into actionable plans, and coordinating the implementation across various business units and functional departments. To enhance responsiveness to unexpected situations, the Group has established a flexible decision-making mechanism. In the event of major policy changes, extreme weather events, or other sudden environmental changes outside the annual assessment cycle, the Management may request to convene an interim meeting of the ESG Working Group for special research and rapid decision-making, ensuring that the climate response mechanism remains flexible and effective at all times.

In the meantime, the Board continuously reviews the governance effectiveness and target achievement progress in the environmental and climate fields through special work reports submitted by the ESG Working Group, and supervises and guides the Management's implementation. By deeply integrating climate issues into corporate strategic decision-making and daily operations, the Group is committed to promoting the true implementation of the concept of sustainable development, continuously enhancing its resilience and capacity to address global climate challenges, and contributing to the long-term healthy development of society and the environment.

8.2 Strategy

8.2.1 Climate-related risks and opportunities

- *Opportunities*

  As a major participant in China's film and television industry, the Group has multiple strategic opportunities in addressing climate issues. Firstly, as audiences and partners increasingly focus on green production, the Company can leverage this opportunity to promote the digital transformation of production processes. Through technical means such as remote collaboration, virtual filming, and cloud-based post-production, the Group can significantly reduce filming costs while effectively lowering the carbon footprint associated with traditional physical production, achieving a win-win situation of economic and environmental benefits. Secondly, as regulators impose stricter environmental and compliance requirements on film and television content, the Company can integrate climate issues and sustainable development concepts into content creation. This not only enables early adaptation to policy trends and reduces compliance risks, but also builds differentiation in a homogeneous competitive landscape, attracting environmentally conscious audiences and thereby expanding market share. Thirdly, as capital markets increasingly demand transparency in corporate climate governance and carbon disclosure, establishing a robust climate risk management system and proactively disclosing relevant performance enables the Company to effectively respond to regulatory and investor concerns, enhance market trust, broaden access to green financing channels, and provide capital momentum for long-term sustainable development. In summary, climate action provides the Group with various opportunities and serves as a key strategic lever for the Group to reduce costs, increase efficiency, strengthen competitive barriers, and gain market trust.

- *Risks*

  The climate-related risks faced by the Group are primarily reflected in two dimensions: physical risks and transition risks. In terms of physical risks, the increasing frequency of extreme weather events such as high temperatures, typhoons, and floods, coupled with long-term climate pattern changes such as ocean acidification, rising sea levels, and rising average temperatures, directly threatens the safety of outdoor shooting and filming, which may result in casualties, shooting delays, and equipment damage, thereby increasing film production costs. In terms of transition risks, with the introduction of greenhouse gas emission pricing mechanisms, the strengthening of emission disclosure obligations, and the tightening of environmental regulations on shooting operations and game servers, the Group faces financial pressures including rising compliance costs, early elimination of high-energy-consumption equipment, and price fluctuations of externally purchased equipment. Meanwhile, the transition to low-emission technologies requires additional capital investment, and the increased attention from stakeholders and potential talent loss risks may also have a negative impact on the Company's profitability and market reputation.

8.2.2 Business model and value chain

As a provider of content production and distribution as well as online streaming services, the Group's business model and value chain are deeply affected by climate-related risks and opportunities both upstream and downstream. On the upstream side, suppliers such as shooting locations, equipment providers, outsourced production services and logistics may face work stoppages, site damage or increased compliance costs (such as energy and carbon emission compliance) caused by extreme weather, thereby increasing production costs and extending production cycles. Moreover, if suppliers fail to meet environmental compliance or sustainability standards, this may become a source of business interruption or reputational risk. On the downstream side, changes in the preference of distribution platforms, advertisers and audiences will change the commercial value of content. The rising market preference for low-carbon, sustainable themes or green production processes may increase the market premium of related content. Conversely, if downstream partners (such as overseas distribution platforms or advertisers) strengthen ESG procurement standards, content or supply chains that fail to meet the requirements will face the risk of being eliminated. Based on the above impacts, the Group has embedded environmental compliance and resilience measures (such as backup locations, insurance arrangements, energy efficiency standards and green procurement clauses) into supplier selection, contract terms, shooting plans and post-production processes, and proactively developed low-carbon production capabilities and green content products to minimise supply chain risks and seize emerging market opportunities, thereby enhancing the long-term competitiveness of the entire value chain.

8.2.3 Strategy and decision-making

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

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

Types	Climate-related risks	Potential impacts	Responsive measures
Physical risk			
Acute	• Extreme weather events such as high temperature, typhoon and floods occur frequently	• Filming was delayed due to casualties at the location • Damage to filming facilities led to an increased cost of the film	• Forecast priority: Establish a coordination and communication mechanism with the local meteorological department which adjusts the shooting plan in time according to the weather changes in the next 24 hours, 48 hours and one week, and try to avoid the impact of extreme weather on the shooting schedule from the source
Chronic	• Changes in climate patterns intensify, such as ocean acidification, rising sea level and average temperature		• Take precautions: Formulate emergency plans for outdoor shooting, and ensure that the crew always prepares emergency supplies, such as tents, raincoats, umbrellas, electric heaters, electric fans, heat stroke prevention medicines, cold medicines, etc. • Safety education: For shooting locations such as mountainous areas, seashores, and forest areas that are susceptible to extreme weather, the film crew is required to designate a responsible person for internal safety to carry out safety training on the team in response to extreme weather and other related content.

Types	Climate-related risks	Potential impacts	Responsive measures
Transition risk			
Policy and legal compliance	• Increased pricing on GHG emissions • Reinforced emission disclosure obligations such as scope 3 • Environmental supervision over existing shooting business or energy consumption supervision over game servers	• Increasing compliance costs	• Pay attention to the changes in laws, regulations and policies related to the Group's business in real time, formulate countermeasures and publicize the same to employees in a timely manner.
Technology	• Cost of transition to low emission shooting and operation & maintenance technology	• Early elimination of energy-intensive shooting equipment and game servers	• Identify facilities of high energy consuming and make comprehensive statistics on the Group's own carbon emission data, and reduce equipment energy consumption through energy-saving operation modes and regular maintenance. • Purchase cloud servers for game business to avoid the energy consumption impact of local servers.
Market	• Increased cost of original equipment • Increased stakeholder attention or negative feedback	• Increase in production costs due to changes in prices of original equipment (such as purchased shooting equipment/props, etc.) • Negative impacts arising from talent management and planning (e.g., brain drain), leading to lower company profitability	• Extend the life of filming equipment with regular maintenance. • Reduce costs by recycling and reusing filming props. • Regularly carry out employee satisfaction surveys, analyze the survey results and optimise talent management policies in a timely manner.

Furthermore, adopting a forward-looking perspective, we actively explore strategic opportunities presented by climate change. We are dedicated to strengthening our resilience to climate-related risks and opportunities while driving the Group's transition towards a green and low-carbon development model. On one hand, we continuously monitor the dynamic evolution of environmental regulations and regulatory requirements both domestically and internationally. We are shifting our compliance management approach from passive reaction to proactive leadership, ensuring that our business layout remains closely aligned with policy orientation. On the other hand, we fully leverage the benefits of emerging technologies such as Artificial Intelligence (AI). By deeply integrating digital and intelligent tools into film and television production, game operations, and daily management, we utilize technological innovation to reduce operating costs and enhance resource efficiency. Simultaneously, by capitalizing on our low-carbon products and green brand image to attract more users and partners, we strive to expand market share. We aim to seize the initiative in the era of sustainable development, injecting new growth momentum into the Group.

8.2.4 Financial Position, Financial Performance, and Cash Flows

Climate-related risks and opportunities impact the Group's balance sheet and cash flows through multiple financial channels: physical risks (such as extreme weather) may lead to damage to production assets, increased insurance premiums, and ad hoc expenditures, thereby raising working capital requirements; transition risks (such as carbon pricing or stricter environmental regulations) may elevate long-term operating costs and trigger asset impairment risks, particularly for high-energy-consuming projects or those reliant on physical scenarios. Conversely, opportunities include energy savings and cost reductions, green financing instruments, and new revenue streams derived from green content, all of which can improve long-term cash flows and the cost of capital. To this end, the Board's ESG Working Group has required management to integrate climate scenario analysis into medium-to-long-term financial planning, assessing the impact of different policies, technologies, and physical risks on profitability, capital expenditure, and financing needs through multi-scenario cash flow simulations. In terms of capital allocation, priority is given to investments that enhance energy efficiency or reduce carbon footprint, while exploring the use of green loans or ESG-linked financing to optimize the cost of capital. Furthermore, the Group should incorporate climate-related financial metrics — such as carbon intensity, cost savings post-energy efficiency measures, and payback period of CAPEX aligned with climate goals — into budget approval and performance evaluation processes. Regular disclosure of the quantitative impact of climate risks on cash flows and balance sheets should be maintained within financial reporting and under Board oversight, ensuring that financial planning remains resilient against short-term shocks while supporting long-term sustainable value creation. Over the past two years, climate-related risks have not had a material impact on the Group's financial performance, and management believes that the aforementioned climate risks will have minimal financial impact on the Group in the short, medium and long term.

8.2.5 Climate Resilience

The Group continues to enhance its climate resilience in order to address the challenges posed by extreme weather conditions and the low-carbon transition. In its operations and management, the Company has introduced mechanisms for energy efficiency improvement and carbon emission monitoring, while progressively promoting green production processes to mitigate the impact of climate risks on the supply chain and production schedules. At the same time, the Group has established a climate risk assessment framework, under which it regularly reviews physical risks (such as floods and typhoons) and transition risks (such as policies and carbon costs), and integrates the relevant findings into its decision-making processes. Through continued investment in digital and low-carbon technologies, the Group has not only strengthened its resilience against climate-related disruptions, but also laid the foundation for its future competitiveness in the sustainable film and television industry.

Types	Climate-related opportunities	Potential impacts
Resilience for business development	• Adopt a green and low-carbon development model • Increase the promotion of environmental protection and climate change issues in film and television works/game products	• Fully leverage AI technology to reduce the Group's carbon emissions in film and television production, streaming media operations and game business through scientific and technological innovation and digital development. Commencing from aspects such as film and television equipment, shooting props, on-site environmental management, and energy consumption of the Group's offices, formulate energy-saving and consumption reducing operation and maintenance measures. On the basis of efficient operation, ensure the resilience of business development and achieve cost reduction and efficiency improvement. • Through film and television creation and streaming media operation platforms to broadcast films themed by environmental protection and public welfare, so as to disseminate knowledge related to climate change and sustainable social development, or add themed activities related to environmental protection and climate change in game promotion, with a view to raising social attention to climate issues and awareness of climate risk management.

8.3 Risk Management

In discharging its duties in overseeing climate-related risks and opportunities, the Board regularly reviews whether it and management possess the appropriate professional skills and competencies. Through training programmes, thematic seminars and professional advice from external consultants, the Board ensures that its members continuously enhance their knowledge and capabilities in climate risk management, sustainability and ESG strategies. We will formulate a talent development plan and arrange relevant training to strengthen professional capabilities, thereby ensuring effective oversight of the strategies for addressing climate-related risks and opportunities.

The Board has established a regular information collection mechanism to ensure that its members receive timely updates on climate-related risks and opportunities. Management is required to submit a special report to the Board at least annually, covering the latest climate risk assessments, response measures and opportunity analyses. In the event of a major incident or emergent risk, immediate notification shall be made, and an ESG Working Group meeting shall be convened if necessary. The Board may also obtain supplementary information through external research reports, industry exchanges and advice from expert consultants, so as to maintain a full understanding of climate-related issues.

The Board is responsible for reviewing and approving specific targets relating to climate-related risks and opportunities, and for overseeing management in formulating corresponding action plans. The Board regularly reviews the progress made towards achieving these targets and requires management to provide quantitative performance indicators to measure effectiveness. The relevant performance indicators will also be progressively incorporated into the remuneration policy to ensure that management's efforts and achievements in driving climate-related targets are appropriately reflected. This initiative not only strengthens the accountability mechanism but also drives the Group's continuous improvement in climate governance.

8.4 Indicators and Targets

8.4.1 Greenhouse gas emissions

The Group recognizes the importance of reducing our GHG emissions to drive sustainable growth of our operations as well as the society. In 2025, benefiting from the Group's continuous optimization of vehicle management and the advancement of green operations, Scope 1 greenhouse gas emissions recorded a significant decrease, with Scope 1 greenhouse gas emissions falling by approximately 27%. At the same time, driven by the rapid expansion of the gaming business and the increasing operational demands of data centers, the Group's overall electricity consumption rose, leading to a corresponding increase in Scope 2 indirect greenhouse gas emissions. In light of the structural change characterized by a decrease in Scope 1 emissions and an increase in Scope 2 emissions, the Group will continue to promote the application of clean energy and energy efficiency enhancement initiatives, striving to achieve a better balance between business development and low-carbon operations.

The following table sets forth the greenhouse gas emission data for the Reporting Period:

		Emissions	
	Units	**2025**	2024
GHG emissions			
Scope 1 — fuel combustion	tCO_2e	**52.82**	72.62
Scope 2 — electricity consumption	tCO_2e	**311.72**	165.77
Total emission	tCO_2e	**364.54**	238.39
Emission intensity (per million dollars of revenue)	tCO_2e per million dollars of revenue	**0.11**	0.06

Basis of Calculation: The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004), the GHG Protocol website (www.ghgprotocol.org), and the Hong Kong Exchange's Implementation Guidance for Climate Disclosures under HKEX ESG Reporting Framework and Reporting Guidance on Environmental KPIs.

8.4.2 Climate-Related Transition Risks

Our business primarily focuses on film and television content production as well as game development and operation, which are typical asset-light, high value-added cultural industries that do not involve physical manufacturing or energy-intensive processes. Therefore, the financial impact of climate-related transition risks on the Group's core business activities is relatively limited. Through prudent assessment and scenario analysis, we have determined that the direct potential impact of relevant climate transition risks on annual revenue or cost accounts for less than 5%. We will continue to monitor climate-related issues to ensure business resilience.

8.4.3 Climate-Related Physical Risks

Our business primarily focuses on film and television content production as well as game development and operation, which are typical asset-light, high value-added cultural industries that do not involve physical manufacturing or energy-intensive processes. Therefore, the financial impact of climate-related physical risks on the Group's core business activities is relatively limited. Through prudent assessment and scenario analysis, we have determined that the direct potential impact of relevant climate-related physical risks on annual revenue or cost accounts for less than 5%. We will continue to monitor climate-related issues to ensure business resilience.

8.4.4 Climate-related opportunities

Our business primarily focuses on film and television content production and game development and operation, which are typical asset-light and high-value-added cultural industries without physical manufacturing or high-energy-consumption production processes. Therefore, the financial impact of climate-related opportunities on the Group's core business activities is relatively limited. Based on prudent assessment and scenario analysis, we have determined that the direct potential impact of relevant climate-related opportunities on annual revenue or costs is less than 5%. We will continue to monitor climate issues to ensure business resilience.

8.4.5 Capital deployment

At present, the Group primarily implements energy conservation and emission reduction through two main approaches: optimising vehicle usage and promoting electricity conservation. These measures have been routinely integrated into the budget for daily administrative expenses. Although these actions represent refined management at the operational level, they still have a positive effect on controlling Scope 1 and Scope 2 emissions. Looking ahead to the next year, based on the current business structure and carbon reduction performance, the Group has no plans for significant capital expenditure or special investment targeting climate issues. We will continue to assess the dynamic relationship between business development and environmental impact, maintain existing emission reduction achievements in a low-cost and high-efficiency manner while ensuring the steady growth of core businesses, and adjust response strategies as appropriate in light of external policies and technological developments.

8.4.6 Internal carbon pricing

At present, the Group has not yet introduced an internal carbon pricing mechanism. Climate-related management currently relies primarily on energy conservation and emission reduction measures at the daily operation level, such as controlling vehicle usage and saving electricity. In the future, we will continue to monitor industry trends and regulatory dynamics, assess the potential value of internal carbon pricing for the Group's low-carbon transformation, and study its feasibility at the appropriate time.

8.4.7 Remuneration

Currently, the Group has incorporated climate-related performance indicators such as vehicle usage management and electricity saving levels into the daily assessment system for administrative staff, promoting low-carbon behaviour at the operational level. On this basis, we will continue to closely monitor industry practices and regulatory guidance, and assess the feasibility of incorporating more comprehensive climate performance indicators into the management remuneration systems at the appropriate time. In the future, we plan to explore the gradual integration of climate-related financial indicators (such as carbon intensity, cost savings from energy-saving measures, payback periods of capital expenditures related to climate goals) into the budget approval and performance assessment processes. We will also regularly disclose the quantitative impact of climate risks on cash flow and balance sheets in financial reports for supervision of the Board. By using incentive mechanisms to guide the Management to attach importance to low-carbon operations and sustainable development, we aim to further drive the achievement of the Group's emission reduction targets, ensure that the financial planning can effectively withstand short-term climate shocks while supporting the Group's long-term sustainable value creation, and achieve a deep integration of ESG governance and corporate operations.

8.4.8 Industry indicators

Carbon emissions in the film and television industry are concentrated in three scopes: Scope 1 (direct emissions) mainly comes from fuel-fired generators and filming vehicles; Scope 2 (energy indirect emissions) mainly comes from studio electricity consumption and post-production data centres; Scope 3 (other indirect emissions) covers air travel, accommodation of cast and crew, and supply chain procurement. This discussion primarily covers Scope 1 and Scope 2 emissions.

According to data analysis by the Sustainable Entertainment Alliance (S.E.A.) on 385 global productions from 2020-2022: Blockbuster productions: Average emissions of approximately 2,996 tCO_2e, equivalent to 42.4 tonnes emitted per shooting day; One-hour TV drama: Average emissions of 105.4 tCO_2e per episode; Half-hour single-camera drama series: Average emissions of 48.4 tonnes per episode; Multi-camera studio productions: Average emissions of 23.9 tonnes per episode.[1]

As the Group primarily engages in film and television investment and game operations, our film production involves fewer high-emission processes. From the perspective of an asset-light cultural enterprise, this emission intensity is within a reasonable and controllable range. In the future, we will continue to track our own intensity trends, and maintain a low-carbon advantage through energy efficiency improvements and clean energy applications during business expansion (especially electricity consumption growth from the game business).

1 *Sustainable Entertainment Alliance* (SEA);

8.4.9 Climate-related targets

In the next reporting period, the Group will closely monitor the development trends of various businesses, with a particular focus on the growth pace and operational scale of the game business, and effectively control electricity consumption in a scientific and targeted manner to ensure a positive balance between energy consumption and business expansion. Based on a prudent analysis of the current carbon emission structure, we have set the following emission targets:

I. Based on the actual business development, through optimising data centre energy efficiency, promoting clean energy substitution, and strengthening daily electricity management, we strive to control the total annual CO_2e emissions from operations below 390 tonnes, and take concrete actions to respond to the national "Dual Carbon" strategic deployment.

II. During the continuous development period of the Group's business, we will maintain and reduce the greenhouse gas emission intensity per million dollars of revenue in view of the business situation. We will promote the annual optimisation of emission intensity indicators through introducing energy-saving technologies, improving equipment operation efficiency and enhancing employees' energy-saving awareness, so as to achieve a win-win situation of economic and environmental benefits.

In the coming year, we will regularly track the progress of these targets and dynamically adjust management measures according to business development needs. While meeting market demand, we will continue to reduce our operational carbon footprint and contribute our corporate efforts to addressing global climate change.

		Emissions		**Emission Target**
	Unit	**2025**	2024	**2026**
GHG emissions				
Scope 1 — Fuel combustion	tCO_2e	**52.82**	72.62	To control total annual CO_2 equivalent emissions for Scope 1 and Scope 2 below 390 tonnes depending on business development.
Scope 2 — Electricity consumption	tCO_2e	**311.72**	165.77	
Total emissions	tCO_2e	**364.54**	238.39	
Emission intensity (per million dollars of revenue)	tCO_2e per million dollars of revenue	**0.11**	0.06	To maintain or reduce the emission level per million dollars of revenue.

Note: As the emissions target is based on total emissions, both the target and the methodology for setting it have been established by the Group.

8.4.10 Applicability of cross-industry and industry-specific indicators

The film and game industry, as a typical asset-light cultural and creative industry, features a core business model of content creation and digital services, without the high-energy-consumption production processes of traditional manufacturing. As such, it is inherently positioned among industries with relatively low carbon emission levels in the macro economy.

According to the World Bank Database, the carbon intensity of major countries ranges from 0.1 to 0.5 kg CO_2e per USD of GDP, corresponding to approximately 12-64 tonnes of CO_2e emissions per million HKD of GDP. As an asset-light cultural enterprise, our current CO_2e emission intensity per million HKD is at a relatively low level. Going forward, we will continue to monitor emission changes driven by electricity consumption growth in our game business, and continuously optimise GHG emission data to comply with all relevant laws, regulations, and policy requirements.