



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)

2023

ENVIRONMENTAL,  
SOCIAL AND  
GOVERNANCE REPORT



# CONTENTS

ABOUT THE REPORT	02
CHAIRMAN'S STATEMENT	03
ESG GOVERNANCE	05
ENVIRONMENTAL	09
EMPLOYMENT AND LABOUR PRACTICES	16
OPERATING PRACTICES	19
SOCIAL CONTRIBUTION	31
APPENDIX I: ESG PERFORMANCE OF SOCIAL ASPECTS	32



# 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.

### Scope of the Report

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

Unless otherwise stated, this ESG Report includes the businesses of the content production business and online streaming and online gaming businesses during the period from 1 January 2023 to 31 December 2023 (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.

### Reporting principles

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

<b>Materiality</b>	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.
<b>Quantitative</b>	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.
<b>Balance</b>	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.
<b>Consistency</b>	Consistent methodologies are used to prepare and present ESG data in the Report, unless otherwise specified, to allow for meaningful comparisons.

### Stakeholders’ Feedback

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

## 2. CHAIRMAN'S STATEMENT

Reflecting on 2023, as the post-pandemic phase progressed towards recovery, China's film and television sector, despite grappling with the pandemic's lingering impacts, saw an upturn in market conditions amid shifts in regulatory policies and the broader economic landscape. In 2023, the movie and entertainment industry showed great promise. We noticed strong support from audiences and saw a clear desire for top-notch movies and shows, highlighting the industry's bright future. This year, the Group continued to adhere to a diversified development strategy, while focusing on being a film and television content production and distribution, online streaming platform operator, and expanding its business scope to games, actively expanding in the upstream and downstream IP monetisation fields in the industry chain.

In 2023, the Group's film and television works have received wide acclaim; the Group's online streaming platform, Pumpkin Film, has continuously invested in scientific research and innovation to provide users with high-quality services and viewing experiences, and the membership scale has been expanded; on the newly expanded game track, we actively cooperate with partners to welcome the opening of the game business, promoting the rapid development of business diversification.

### Maintaining excellence and profitability and steady output of high-quality film and television works is our goal.

Since its establishment in 2006, the Company has incubated over a hundred film and television works, and has become a leading company in the industry with a series of excellent works. Films in which we served as the main producer, including "Five Hundred Miles" 《交換人生》, "Post-Truth" 《保你平安》 and "One and Only" 《熱烈》, earned good reputation from the audience. The films in which we served as the co-producer, including "Lost in the Stars" 《消失的她》 and "Johnny Keep Walking" 《年會不能停》, also achieved remarkable results in terms of box office. The television dramas "Love is Full of Jiudaowan" 《情滿九道彎》 and "Fireworks of My Heart" 《我的人間煙火》 produced by the Company also brought good reputation and ratings to the Company.

During Spring 2024, we participated in production of four films, namely "Article 20" 《第二十條》, "YOLO" 《熱辣滾燙》, "Pegasus 2" 《飛馳人生2》 and "Boonie Bears: Time Twist" 《熊出沒•逆轉時空》. These films have ranked top four in the box office during the Spring Festival period. During the 2024 Spring Festival, "Judge Dee's Mystery" 《大唐狄公案》 premiered and earned the distinction of being the first suspense drama set in ancient China to be acquired by Netflix.

"War of Faith" 《追風者》, a financial espionage drama set in the Republic of China era directed by Yao Xiaofeng and featuring Wang Yibo, Li Qin, and Wang Yang, is currently on air as of the date of publication of this report. It has achieved the highest viewership ratings during CCTV's prime time and has garnered positive feedback from the market. As we continue to produce at high volumes such as "HENGYANG 1944" 《援軍明日到達》, "White Snake" 《白蛇：浮生》, "To the Wonder" 《我的阿勒泰》, "Upstream" 《逆行人生》, "Prosecutor and Boy" 《檢察官與少年》 and "LIGHT to the night" 《黑夜告白》, we have begun collaborating with international companies, sustaining our robust development momentum.

## Driven by technology, we strive to meet the viewing experience needs of streaming media users.

The streaming media platform Pumpkin Film, under the Company, had continued to adopt a development strategy driven by technology and data. Through a vertical subscription model, it has provided users with accurate film recommendations and ad-free high-definition film and television content to meet their personalised viewing experience on an ongoing basis. This strategic focus allowed Pumpkin Film to consistently deliver customised viewing options tailored to each user's preferences, thereby enhancing stickiness and subscriber retention over time. The vertical subscription approach remained central to how the platform evolved its user experience and content delivery capabilities going forward.

Meanwhile, in response to ongoing changes in its industry and market conditions, Pumpkin Films steadily kept developing its new media copyrights and distribution business to pursue a breakthrough in improving its existing profitability model. Through persistent work, the Company aimed to establish an additional revenue stream and sustainable business less dependent on single sources of income or market fluctuations.

In 2023, the AI Technology Laboratory of Pumpkin Films has made remarkable progress in the field of film and television technology research and development with its internal research and development efforts. The in-depth application of AI technology enables technological innovation in various aspects such as script creation, characterisation, scene design, special effects generation and music composition. The use of 3D modelling, rendering and physics engines create a realistic simulation of scenes. With the music generation algorithms and deep learning models, music pieces could be generated that fit the atmosphere in the plot automatically.

## Gaming industry.

The Group has laid out the gaming track this year, focusing on the development of high-quality IP and game research and development and operation. While expanding revenue sources, we further leverage the advantages of the Company's high-quality content reserve and copyright value to support the growth of our streaming media platform's user base.

In 2023, the development of "Ragnarok ORIGIN" (《仙境傳說：愛如初見》) has reached the final testing stage. Ragnarok ORIGIN was officially launched in 2024. On the other hand, the game "Civilization Mobile" (《世界啟元》), developed by Tencent Aurora Studios and distributed by the Company is expected to be launched in 2024.

Two mobile games, namely "Warpath" (《戰道》) and "Legends of the Wild" (《荒野國度》) have already obtained the publication approvals for licensed distribution and are expected to be launched in 2024.

China Ruyi has consistently focused on creating detailed, high-quality content. The Company is committed to producing and developing top-tier materials, achieving growth and expanding its business by embracing a variety of approaches.

Going forward, the Group plans to keep delivering top-notch movies and TV shows using its distinctive "producer management system". It aims to enhance the streaming platform with tech advances and fresh channel ideas, and to grow its gaming business with creative skills, all to spread a rich cultural essence and craft a new and exciting entertainment for its audience.

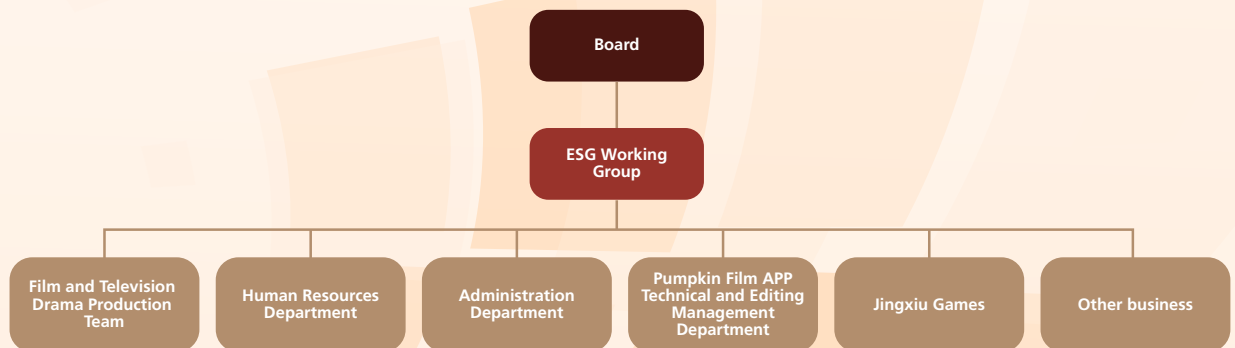
Rooted in a strong sense of duty to our cultural heritage, we are unwavering in our commitment to social responsibility and patriotism. We honour the past while innovating for the future, ensuring that the values we convey are in harmony with our traditions. Our expertise is dedicated to producing films and television programs that not only captivate audiences but also authentically represent China’s story. We are passionate about sharing the depth and vibrancy of Chinese literature and are determined to bring China’s unique narratives and artistic visions to the forefront of the world stage.

### 3. ESG GOVERNANCE

The Board has overall responsibility for the Group’s ESG strategy and reporting. As the highest responsible organisation for the management and public disclosure of ESG-related matters, including environmental protection, employment and labour practices, operating practices, and community investment, and 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 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.



## 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
<b>Government and other regulatory agencies</b>	<ul style="list-style-type: none"> <li>• Compliance with laws and regulations</li> <li>• Business ethics</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance operation</li> <li>• Supervision and inspection</li> <li>• Regular and timely reporting</li> </ul>
<b>Investors and shareholders</b>	<ul style="list-style-type: none"> <li>• Financial performance</li> <li>• Stable business development</li> <li>• Information disclosure</li> </ul>	<ul style="list-style-type: none"> <li>• Disclosure of financial and operational information</li> <li>• Shareholders' meeting</li> <li>• Company website</li> </ul>
<b>Audiences and users</b>	<ul style="list-style-type: none"> <li>• Content quality</li> <li>• Service experience</li> <li>• Information security and privacy protection</li> <li>• Diversification of production</li> <li>• Protection of minors</li> </ul>	<ul style="list-style-type: none"> <li>• Production innovation and service upgrade</li> <li>• User information and privacy protection</li> <li>• Youth mode and anti-addiction mechanism</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Occupational health and safety</li> <li>• Career development</li> <li>• Employees' compensation and benefits</li> </ul>	<ul style="list-style-type: none"> <li>• Remuneration package and benefits</li> <li>• Ongoing staff training</li> <li>• Regular meetings</li> </ul>

Stakeholders	Expectations and demands	Response and/or communications
<b>Suppliers and commercial partners</b>	<ul style="list-style-type: none"> <li>• Open and fair</li> <li>• Contract compliance</li> <li>• Credibility and integrity</li> </ul>	<ul style="list-style-type: none"> <li>• Cooperation agreement</li> <li>• Business communication</li> <li>• Business review meetings</li> </ul>
<b>Community and public</b>	<ul style="list-style-type: none"> <li>• Charity film and television</li> <li>• Charity activities</li> <li>• Environmental protection</li> </ul>	<ul style="list-style-type: none"> <li>• Participate in charity activities</li> <li>• Minimise the disturbance to public and surrounding during outdoor shooting</li> </ul>

### 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, we have updated and formulated the ESG issue list.

#### Step 2: Assess the materiality

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

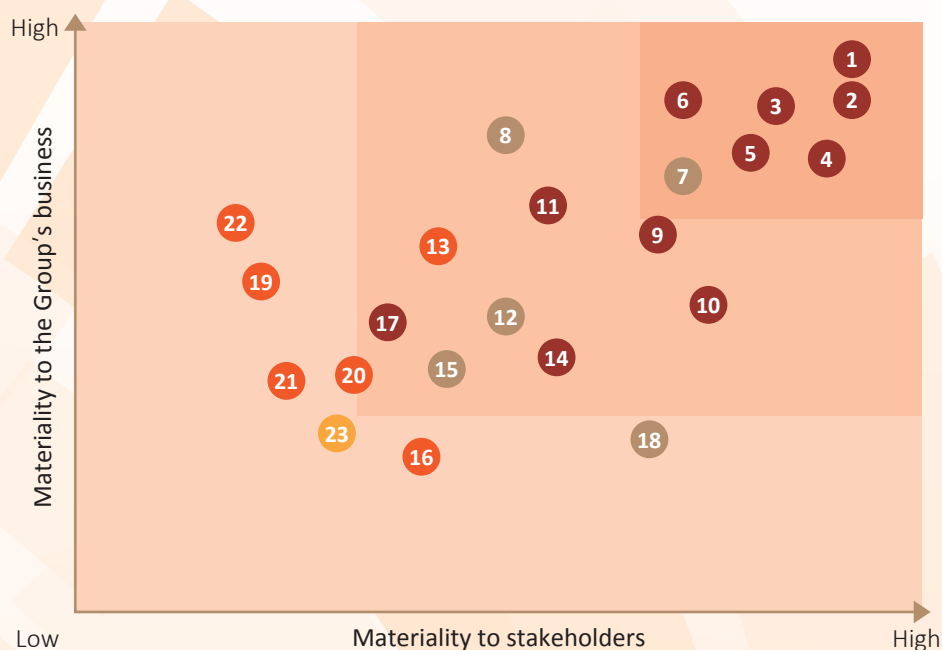
#### Step 3: Priority

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



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

In accordance with the results of the materiality assessment conducted by the stakeholders, the ESG materiality matrix for the Group in 2023 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 on 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.

### 4.1 Emissions and pollution management

#### Air emissions and Greenhouse gas ("GHG") emissions

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

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

	Units	Emissions	
		2023	2022
Air pollutants			
Nitrogen oxides	kg	162.55	119.44
Sulphur oxides	kg	0.42	0.33
Particulate matters	kg	14.32	11.22
GHG emissions			
Scope 1 — fuel combustion	tCO <sub>2</sub> e	79.62	60.52
Scope 2 — electricity consumption	tCO <sub>2</sub> e	190.27	128.96
Total emission	tCO <sub>2</sub> e	269.89	189.48
Emission intensity	tCO <sub>2</sub> e per million dollars of revenue	0.07	0.14

The increase in the use of motor vehicles and the consumption of electricity are mainly due to the resumption of commercial activities from COVID-19. However, with the implementation of energy saving measures, the GHG emission intensity drops approximately 50% this year.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

### 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)	
	2023	2022	2023	2022
Non-hazardous waste	0.004	0.004	$9.9 \times 10^{-7}$	$2.7 \times 10^{-6}$
Hazardous waste	0.029	0.006	$8.0 \times 10^{-6}$	$4.4 \times 10^{-6}$

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

### Compliance of 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 complies with the relevant national environmental laws and regulations, including but not limited to the followings:

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

## 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.

### Water resources

The Group's operations mainly focus on providing financial services to customers; water usage is mainly from daily use by staff at offices. 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.

### Measures for energy saving and emission reduction

Measures	
<b>Emissions and wastes</b>	
Greenhouse gas and air emissions	<ul style="list-style-type: none"> <li>• Conduct regular inspections and maintenance of company-owned vehicles</li> <li>• Promote carpooling and take public transport for business travel</li> </ul>
Wastes	<ul style="list-style-type: none"> <li>• Adopt the 3Rs (Reduce, Reuse and Recycle) principles in operations to reduce waste generation</li> <li>• Reuse single-sided printed papers that are non-confidential to save office resources</li> <li>• Store props and equipment for filming and shooting for reuse and up-cycle</li> </ul>
<b>Natural resources</b>	
Energy	<ul style="list-style-type: none"> <li>• Keeping the indoor temperature, humidity and air quality at an optimal level</li> <li>• Choosing environmentally friendly materials and energy-saving lighting and electrical appliances</li> <li>• Switching off idle lighting and electrical appliances</li> </ul>
Water	<ul style="list-style-type: none"> <li>• Conducting regular inspections for leaking faucets or pipes</li> <li>• Raising staff awareness by placing a notice at a prominent area</li> </ul>

### Environmental goal and achievement

Aspects	Target
Energy	By 2032, reduce greenhouse gas emissions (Scope 1 and 2) intensity (tCO <sub>2</sub> e/million dollars of revenue) by 10%, compared to a FY22 baseline.
Water	Using FY 2022 as the base year, water consumption density will decrease by 3% by FY 2025.
Waste	Maintain the total production of hazardous waste and non-hazardous waste intensity below 0.1 kg/staff.

### Consumption statistics

Resources	Unit	2023	2022
Energy			
Electricity	kWh	311,873	136,916
Electricity consumption intensity	kWh/million dollars of revenue	86	103
Fuel	L	28,908	22,753
Fuel consumption intensity	L/million dollars of revenue	8	17
Natural gas	M <sup>3</sup>	4,956	4,560
Natural gas consumption intensity	M <sup>3</sup> /million dollars of revenue	1.4	3.5
Water	M <sup>3</sup>	1,977	2,033
Water consumption intensity	M <sup>3</sup> /million dollars of revenue	0.5	1.5
Packaging material	kg	—	—
Packaging material consumption intensity	kg	—	—

## 4.3 Environment and Natural Resources

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

## 4.4 Responding to Climate Change

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

### Climate risk management

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

Types	Climate-related risks	Potential impacts	Responsive measures
Physical risk Acute	<ul style="list-style-type: none"> <li>• Extreme weather events such as high temperature, typhoon and floods occur frequently</li> </ul>	<ul style="list-style-type: none"> <li>• Filming was delayed due to casualties at the location</li> <li>• Damage to filming facilities led to an increased cost of the film</li> </ul>	<ul style="list-style-type: none"> <li>• 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.</li> </ul>
Chronic	<ul style="list-style-type: none"> <li>• Changes in climate patterns intensify, such as ocean acidification, rising sea level and average temperature</li> </ul>		<ul style="list-style-type: none"> <li>• Take precautions: formulate emergency plans for location shooting, and ensure that the crew always prepares emergency supplies, such as tents, raincoats, umbrellas, electric heaters, electric fans, heat stroke prevention medicines, wind-cold and wind-heat medicines, etc.</li> <li>• 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.</li> </ul>

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

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

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

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

Types	Climate-related opportunities	Potential impacts
Resilience for business development	<ul style="list-style-type: none"><li data-bbox="636 620 975 685">• Adopt a green and low-carbon development model</li><li data-bbox="636 1203 975 1375">• Increase the promotion of environmental protection and climate change issues in film and television works/game products</li></ul>	<ul style="list-style-type: none"><li data-bbox="1007 620 1485 1170">• Through scientific and technological innovation and digital development to reduce the Group's carbon emissions in film and television production, streaming media operations and game business. Starting from film and television equipment, shooting props, on-site environmental management and, Group office energy consumption, etc., formulate energy-saving and consumption reducing operation and maintenance measures. On the basis of efficient operation, ensure the resilience of business development and achieve cost reduction and efficiency improvement.</li><li data-bbox="1007 1203 1485 1617">• 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.</li></ul>



## 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 promoted 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 success. 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.

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

## 5.5 Compliance with Laws and Regulations

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

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

## 6 OPERATING PRACTICES

The Group understands that maintaining a sound supply chain is crucial to the sustainable development of our business. Upholding the philosophy of mutual trust and reciprocity, we are committed to jointing 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 the 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.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

### Supplier screening and admittance

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

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

### Supplier audit and evaluation

- Evaluation on quality, scale, delivery, technology, and cost, and take 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, we still take the environmental and social performance of our suppliers into consideration. We still emphasise the importance of anti-corruption practice to suppliers. Suppliers are required to sign the integrity statement.

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

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

During the Reporting Period, the Group cooperated with a total of about 157 suppliers, all of whom came from China and overseas regions. Our suppliers and partners are predominantly copyright suppliers of film and television drama, whereas a small number of physical purchases are involved, such as daily administrative office supplies, materials, etc.

## 6.1 Responsible Products

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

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

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

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

### 6.1.1 High quality of products and services

#### *Ruyi Films*

With the extensive industry experience of our management, we are 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.

- Promote core social values  
We **promote core social values** and deliver positive energy to society through our literary and art works.
- Standardisation film management models and resources integration  
Ruyi Films has an excellent and experienced producer team and a mature content production chain, producing high-quality works through standardised film production forms and processes.

Our film and television incubation centre enhances resource integration capabilities and production experience and adds new creativity and vitality to the film and television market by facilitating the copyright of film and television content.

- We value the personal behaviours of leading characters  
During the selection of crew members and actors, the personal behaviours, attitudes and morals are considered. Interviews and castings are carried out to ensure the quality of the output film.

During the Reporting Period, Ruyi Films is named a member of the China Video Industry Association, and the outstanding film and television works it produced are highly acclaimed in the market. In the future, Ruyi Films will release more highly anticipated films.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)



Five Hundred Miles (《交换人生》)



One and Only (《热烈》)



Post-truth (《保你平安》)



Judge Dee's Mysteries (《大唐狄公案》)

### *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 to 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 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 《互聯網等信息網絡傳播視聽節目管理辦法》 on the Internet and Other Information Networks, and relevant legislation. This initiative aims to bolster the Group's preparedness in handling emergencies on its broadcasting platform. The protocol outlines the necessary actions to be taken in response to illicit comments on the website or webpage. Additionally, Pumpkin Film has implemented a content monitoring system and mandates its network inspectors to oversee the platform interface round the clock. Any inappropriate or disruptive comments that disrupt social stability and unity are promptly removed and reported to the program editor-in-chief for non-compliance with broadcasting standards.



### *Jingxiu Games*

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

Regarding the selection of game products, after obtaining the information about game products, the Group will select high-quality products to carry out game evaluations, considering various indicators such as the completeness of the work, the strength of the development team, and public appeal. Based on the evaluation results from both Jingxiu and Tencent, we will jointly confirm the game products to be introduced and arrange subsequent work such as online launch and operation. Currently, the Group has cooperated with Tencent, and our third game is launched in Q1 2024. We mainly focus on the themes and promotion of the games to create a good gaming atmosphere and increase their appeal.

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

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

### **6.1.2 Attention to the Audience and User Experience**

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

### 6.1.3 User Compliant Handling

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

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

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

### 6.1.4 Protecting intellectual properties

The Group has always been committed to fighting against infringement and cracking down on illegal behaviours such as text, music, and trademark infringement, in order to protect the interests of our users and the company, fulfil our social responsibilities, and contribute to maintaining the order of the industry market economy. The Group has established an internal intellectual property management system based on laws and regulations such as the Copyright Law of the People's Republic of China《中華人民共和國著作權法》, the Patent Law of the People's Republic of China《中華人民共和國專利法》, and the Trademark Law of the People's Republic 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 2 hours per day. Also, underage accounts are prohibited from using the software between 10 pm and 8 am the next day.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

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

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

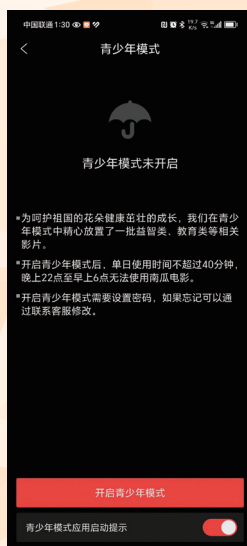
### 6.1.7 Information security assurance

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, 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.



Pumpkin App privacy Policy Pop-up Window

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

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

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

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

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

## 6.2 ANTI-CORRUPTION

The Group steadfastly upholds integrity and trustworthiness as the fundamental pillars of its business growth, committing to the ethical conscience in its cultural outreach to the public. Firmly complying with the Company Law of the People's Republic of China《中華人民共和國公司法》, the Anti-Unfair Competition Law《中華人民共和國反不正當競爭法》, the Anti-Money Laundering Law《中華人民共和國反洗錢法》, and other pertinent statutes, the Group fosters a culture of anti-embezzlement, anti-corruption, and ethical conduct within its ranks. The Group maintains a strict zero-tolerance stance on any acts of embezzlement or corruption. During the Reporting Period, there were no concluded corruption lawsuits identified against either the Group or its staff members.

### 6.2.1 Establishment of Integrity Environment

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

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

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

### 6.2.2 Integrity Training

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

## 7 SOCIAL CONTRIBUTION

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

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

During the Reporting Period, we have donated RMB200,000 to support the local government in aiding the victims of Zhuozhou, Hebei hit by the severe rainstorms and floods in August 2023. The Group would continue to pay attention to social needs and provide assistance and support as needed.



## APPENDIX I: ESG PERFORMANCE OF SOCIAL ASPECTS

Workforce distribution	Number of staff	Workforce distribution
Total number of staff	307	
<i>Gender</i>		
Male	151	49%
Female	156	51%
<i>Age group</i>		
18–30	126	41%
31–50	163	53%
51 or above	18	6%
<i>Nationality</i>		
PRC	305	99%
Overseas	2	1%
<i>Employment category</i>		
Full-time	299	97%
Part-time	8	3%

Staff Turnover	Number of staff	Turnover rate
Total	98	33%
<i>Gender</i>		
Male	48	32%
Female	50	34%
<i>Age group</i>		
18–30	64	43%
31–50	32	24%
51 or above	2	14%
<i>Nationality</i>		
PRC	98	33%
Overseas	/	/

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

	Percentage of employees attended training	Average training hours attended per employee
<i>Gender</i>		
Male	59%	1.1
Female	57%	1.2
<i>Employee category</i>		
Management	—	—
General staff	60%	1.1

<b>Staff injury statistics</b>	2023	2022	2021
Work related fatality	/	/	/
Lost day due to work injury	/	/	/