

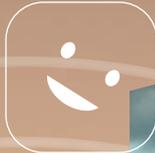


儒意控股
RUYI HOLDINGS

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)



CONTENTS

| | |
|---|----|
| ABOUT THE REPORT | 02 |
| CHAIRMAN'S STATEMENT | 03 |
| ESG GOVERNANCE | 04 |
| RUYI QUALITY — RESPONSIBLE PRODUCTS | 11 |
| RUYI MANAGEMENT — EMPHASIS ON COMPLIANCE OPERATIONS | 19 |
| RUYI PARTNERS — COOPERATING TOGETHER | 25 |
| RUYI CONSCIENCE — INTEGRITY BASELINE | 27 |
| RUYI TEAMWORK — CREATING A PROMISING FUTURE | 28 |
| RUYI ENVIRONMENT — SAFEGUARDING GREEN HOMELAND | 37 |
| RUYI INHERITANCE — PROMOTING SOCIAL DEVELOPMENT | 45 |
| APPENDIX I: 2022 ESG KEY PERFORMANCE FIGURES | 48 |
| APPENDIX II: CONTENT INDEX OF 2022 ESG REPORTING GUIDELINES | 53 |

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

1. ABOUT THE REPORT

China Ruyi Holdings Limited (“**Ruyi Holdings**”, the “**Group**” or “**we**”) are pleased to present the 2022 Environmental, Social and Governance Report (the “**Report**”) for the purpose of disclosing and presenting the Group’s progress and performance in the environmental, social and governance (“**ESG**”) fields during 2022, presenting the vision of sustainable development of the Group to our stakeholders, and facilitating the Group’s improvement of its ESG performance in a sustainable way.

Scope of the Report

The information contained in the Report covers the businesses of the content production and online streaming business, as well as online game businesses of the Group. During the year, due to the adjustment of the Group’s business segments and the Group’s share of operations in the content production, online streaming and the newly expanded gaming business segments has been increasing. Therefore, this report will follow the “**materiality**” principle in the reporting principles of the Stock Exchange’s ESG Reporting Guidelines and disclose the ESG work and key performance indicators of the content production, online streaming and online business segments for the year, taking into account the actual business situation of the Group.

The Report sets out the sustainable development measures of the Group during the period from 1 January 2022 to 31 December 2022, and prior years for certain disclosures.

Preparation basis

The Report is prepared in accordance with the requirements of the Environmental, Social and Governance Reporting Guide (the “**ESG Guide**”) set out in Appendix 27 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited issued by The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), as well as with reference to the Guide for Business Action on Sustainable Development Goals (SDGs) (the “**SDGs Compass**”) and the Task Force on Climate-related Financial Disclosures (TCFD) Recommendations (the “**TCFD Recommendations**”) of the United Nations. The Group will continue to increase the transparency of disclosure in the ESG Report in order to respond to the information disclosure demands of the capital market.

Reporting principles

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

Principle of “**materiality**”: In its preparation, the Report has identified major stakeholders, combined with the Group’s development strategy, industry and business conditions, and included them into stakeholder engagement and essential evaluation as the basis of determination of material ESG topics.

Principle of “**quantitative**”: We present quantitative data in the Report. Different departments and business segments collect ESG data of the Group by using data collection forms. To reflect the changes of annual performance of the Group, the Report also includes certain historical data of the Group.

Principle of “**balance**”: In accordance with the principle of balance, the Report provides an objective picture of the ESG status of the Group.

Principle of “**consistency**”: Unless otherwise stated, the information collection and presentation formats in the Report are the same as those adopted in the prior year to ensure the comparability of information.

Source of information

The information disclosed in the Report is sourced from internal official documents and statistical data, third-party questionnaire surveys and public information.

Form of publication

The Report is available in both Chinese and English. If there is any discrepancy between the Chinese and English versions of the Report, the Chinese version shall prevail. You can visit the official website of the Group at <https://www.ryholdings.com/> or the website of the Stock Exchange at <http://www.hkex.com.hk> to obtain an electronic copy of the Report.

2. CHAIRMAN'S STATEMENT

Looking back at 2022 in the post-pandemic era, although China's film and television industry faced challenges from the pandemic, with the changes in control measures and macro environment, the overall market situation gradually improved. We have observed the strong potential of the film and entertainment industry, felt the support from users in the market, and captured the demand and preferences of users for high-quality film and entertainment products. This year, the Group adhered 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 monetization fields in the industry chain. In 2022, 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 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 such as "Hi, Mom" (《你好·李焕英》), "A Little Red Flower" (《送你一朵小紅花》), and "Moon Man" (《獨行月球》). In 2022, the Group's film and television R&D and production team participated in the production of the film "Moon Man" (《獨行月球》), which achieved a cumulative box office of RMB3.1 billion. Although the pandemic repeatedly affected theatre scheduling during the year, the Group still maintained its good momentum in the development and production of quality content. The Group also completed the post-production of the films "Five Hundred Miles" (《交換人生》) and "Post-Truth" (《保你平安》) during the year which have been released in theatres, while the television "Love Is Full of Jiudaowan" (《情滿九道彎》) has been simultaneously broadcast on television and online streaming platforms. In addition, the film "One and Only" (《熱烈》) and television dramas such as "Fireworks of My Heart" (《我的人間煙火》), "Gone with the Wind" (《微暗之火》) and "Rechter Tie" (《大唐狄公案》) are also scheduled to be successively released in 2023. While maintaining high production volumes, we commenced our cooperation with overseas companies, and are continuing to maintain a thriving 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, adopts a development strategy driven by technology and data. Through a vertical subscription model, it provides users with accurate film recommendations and ad-free high-definition genuine film and television content to meet their personalized viewing experience. Meanwhile, in response to changes in the industry and market environment, Pumpkin Films has steadily developed its new media copyrights operation and distribution business with a view to achieving a breakthrough in the profitability model of its existing business. Through the development of multi-channel monetized capability, it will continuously improve the stability of operation and anti-risk capability.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

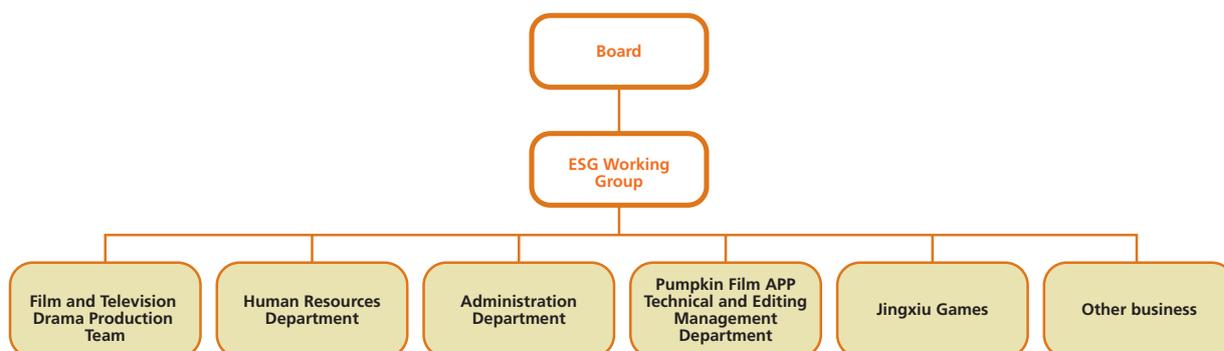
We have implemented a diversified layout strategy and injected new business innovation vitality into the gaming industry. The Group has laid out the gaming track this year, focusing on the development of high-quality IP and game research and development and operation. While expanding revenue sources, 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 2022, we launched two exquisite mobile games, "War of Three Kingdoms" (《亂世逐鹿》) and "Chuanqi Tianxia" (《傳奇天下》), which achieved excellent revenue performance. In the future, the Group will continue to develop gaming business, and plan to launch games of the same name adapted from animation "Fullmetal Alchemist" (《鋼之煉金術師》) and "Ragnarok Origin" (《仙境傳說：愛如初見》). At the same time, the Group will also deepen its business cooperation with Tencent Group to build a new brand image and continue to expand its range of gaming products.

Ruyi Holdings has always adhered to the development concept of elaborate contents, dedicated to the product production and research and development of high quality contents, and broken through business integration and growth through diversified layout. Looking to the future, the Group will continue to maintain the high-quality output of films and television works through the unique "**producer management system**", upgrade the streaming media platform through technological support and channel innovation, and expand game research and development and operation business through innovative capabilities to promote excellent cultural spirit and create new entertainment experiences for users.

We always keep in mind the industry mission and actively fulfill social responsibilities, adhere to innovation while upholding tradition, promote positive values, and use our professional expertise to produce more popular film and television works. We strive to tell China's stories with passion and influence the world with our stories, showcasing the new landscape and art of Chinese literature to the world.

3. ESG GOVERNANCE

The Group attaches great importance to environmental, social and governance risk management. We are aware that the sustainable development of our business is closely related to ESG governance. We actively fulfil our corporate social responsibility by integrating it into our corporate development plans. During the year, with the continuous development of Ruyi Holdings' business, we have fully reviewed our own sustainable development status, and continued to improve the Group's ESG governance structure to ensure that the Group's long-term and stable business development is in line with sustainable development goals. With mission to provide quality content to our users, Ruyi Holdings are committed to our own business and the industry sustainable development through continuous investment in research and product innovation, and by actively fulfilling our environmental and social obligations.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

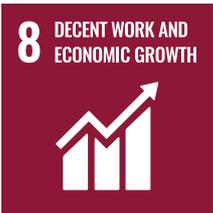
As the highest responsible organization for the management and public disclosure of ESG-related matters of the Group, the Board of directors mainly plays the role of coordinating, leading and supervising, and is responsible for reviewing the ESG strategy, goals and major ESG risks of Ruyi Holdings, as well as supervising and evaluating the achievement of ESG goals. In order to comprehensively promote and implement ESG work, the Board has set up an ESG Working Group to assist the Board in formulating the strategic policy, goals and management of ESG of Ruyi Holdings, and coordinating relevant departments to carry out specific ESG work. The progress and results of ESG work are tracked and evaluated to ensure the effective implementation and execution of the Group's ESG-related matters, and regularly report to the Board on the development of ESG work and the completion of goals. In addition, relevant departments of the Group conscientiously implement the Group's ESG work plan, earnestly fulfill their respective ESG responsibilities, and actively enhance the Group's sustainable development capability.

In 2022, the ESG working group of the Group focused on:

- Continuously optimize the ESG governance structure — continuously improve the ESG governance structure of the Group according to the actual business operation status and strategic development of the Group;
- Improving the satisfaction of audiences and online users — We deeply understand the expectations and needs of film and television drama audiences, streaming users and game players for the products and content of the Group through box office data and online APP user satisfaction surveys;
- Adhering to compliance operations — while the various businesses of the Group continue to grow and develop, we always ensure that our film and television drama production, copyright protection, online streaming and game operations are in compliance with the relevant laws and regulations of National Radio and Television Administration and other regulatory agencies;
- Information security and privacy protection — update the Privacy Protection Guidelines (隱私保護指引) during the year and regularly conduct security audits on information systems to protect user privacy and data security;
- Protection of minors — the Group implements an anti-addiction mechanism in all APP products, sets up a youth mode, and fulfills social responsibilities while meeting the relevant regulatory requirements for the protection of minors;
- Pay attention to employee development and employee care — regularly provide employees with training activities related to professional knowledge and ability, and carry out various caring activities on a regular basis, and pay attention to the balance between employees' work and life;
- Environmental Protection and Response to Climate Change — actively identify the opportunities and risks brought about by climate change, continue to adopt energy-saving and consumption-reducing measures in daily operations and enhance the awareness of emission reduction among all employees.

3.1. Responding to the SDGs of the United Nations

Ruyi Holdings always adheres to the concept of sustainable development. While expanding its business, the Group also attaches great importance to the expectations of stakeholders in the corporate value chain. We wish to align ESG strategy and governance of Ruyi Holdings with the United Nations Sustainable Development Goals (SDGs). Therefore, guided by the SDGs and combined with its own sustainable development, the Group will continue to take the following SDGs as the sustainable development goals of priority and continue to explore opportunities for sustainable development:

| SDGs of the United Nations (SDGs) | Focused topics | Implications for and Contributions of Ruyi Holdings |
|---|--|--|
|  <p>3 GOOD HEALTH AND WELL-BEING</p> | Health and safety | Employees are an important cornerstone of our sustainable development, and we are committed to providing a healthy and safe workplace environment for employees. During the epidemic, we did our best to prevent the epidemic and protect the physical and mental health and safety of our employees in an all-round way. |
|  <p>5 GENDER EQUALITY</p> | Employee diversity and equal opportunity | We continue to promote gender equality within the Company, and we treat every employee equally, regardless of gender, cultural background and other factors. |
|  <p>8 DECENT WORK AND ECONOMIC GROWTH</p> | Talent recruitment and retention Staff training and development | We are responsible for creating high-quality jobs opportunities and guiding our employees continue to progress in their careers. The training, mentoring and career development programs we offer, combined with our corporate culture, help to ensure that we attract top talent to the company and provide them with a sense of belonging. |
|  <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> | Product and content R&D and innovation | R&D and innovation are the key to our continuous competitiveness in the industry. We are committed to bringing more high-quality content to users through technological upgrades and innovations in content production, online streaming and online games. |
|  <p>10 REDUCED INEQUALITIES</p> | Product quality | We are committed to allowing more viewers and users to enjoy the film and achieve equality in access to high-quality content information through content with diverse, multi-dimensional characters and stories, and the introduction of excellent overseas film and television copyright content. |

3.2. Stakeholder Engagement

Ruyi Holdings pays close attention to the appeals of stakeholders, and is committed to establishing a multi-channel communication system. We enhance contact with stakeholders through active and effective communication methods, deeply understand and respond to the expectations of stakeholders, and carefully listen to and collect suggestions from stakeholders, and translate their appeals into the Group's sustainable development goals and actions, and continuously improve the Group's ESG strategy, striving to achieve a win-win situation for all parties.

| Stakeholders | Expectations and demands | Response |
|---|---|---|
| Audience and mobile software application (App) users | <ul style="list-style-type: none"> • Content quality • Good service experience • Information security and privacy protection • Meet diverse needs • Protection of minors | <ul style="list-style-type: none"> • Production innovation and service upgrade • user information and privacy protection • Youth mode and anti-addiction mechanism |
| Employees | <ul style="list-style-type: none"> • Occupational Health and Safety • Career Development • Protection of employees' rights and interests | <ul style="list-style-type: none"> • Good remuneration package and benefits • Ongoing staff training • Call for comments |
| Suppliers and commercial partners | <ul style="list-style-type: none"> • Win-win cooperation • Contract compliance • Procurement fairly and equitably | <ul style="list-style-type: none"> • Cooperation agreement • Business communication • Business review meetings |

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

| Stakeholders | Expectations and demands | Response |
|---|--|--|
| National Radio and Television Administration and other regulatory agencies | <ul style="list-style-type: none"> Comply with the compliance rules of regulators Actively respond to questions | <ul style="list-style-type: none"> Compliance operation Supervision and inspection Governance announcement |
| Investors and shareholders | <ul style="list-style-type: none"> Financial performance Stable business development Information disclosure | <ul style="list-style-type: none"> Regularly disclose financial and operational information Shareholders' meeting Company website |
| Community/charity organization | <ul style="list-style-type: none"> Charity film and television Charity activities Environmental protection | <ul style="list-style-type: none"> Participate in charity activities Protect environment surrounding the outdoor filming area |

3.3. Materiality Assessment

During the year, the Group conducted stakeholder surveys through online questionnaires and face-to-face interviews to objectively evaluate ESG materiality issues that are closely related to our business development. We aim to continuously improve our ESG management and related information disclosure. By combining our business development, industry characteristics, and national policy environment with the demands of stakeholders, we conduct a comprehensive assessment and ranking of the materiality during the year.

The materiality assessment for the year mainly involves the following three steps:



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

As the materiality of ESG issues for the year has been ranked in line with the results of stakeholder communication and industry analysis, the ESG materiality matrix and ranking for the Group in 2022 are as follows:



Environmental management

- 13 Green operation
- 16 Energy consumption and energy saving initiatives
- 19 Waste treatment
- 20 Greenhouse gas emissions
- 21 Water resource consumption and sewage treatment
- 22 Respond to climate change

Operational management

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

Employment management

- 01 Policy and regulation compliance
- 02 Protection of intellectual property rights
- 03 Customer privacy protection and information security
- 04 Product and service quality management
- 05 Responsible drama, film and game content
- 06 Protection of minors and prevention of addiction
- 09 Customer satisfaction and handling of complaints
- 10 Product innovation
- 11 Anti-corruption management mechanism
- 14 Responsible marketing and promotion
- 17 Supply chain management and sustainable development

Social contribution

- 23 Participation of social charity activities

As shown in the results of the stakeholder surveys for the year, the Group's stakeholders consider policy regulation compliance, intellectual property protection, customer privacy protection, and information security to be the most important ESG issues. The Group will continue to improve its relevant work plans in ESG management based on the evaluation results of such materiality. At the same time, the Report will disclose key content related to the core issues to address the concerns of all stakeholders.

4. RUYI QUALITY — RESPONSIBLE PRODUCTS

The Group attaches great importance to the quality of its creative content. As a creator of film and television content and an operating platform for streaming media and games, we consider producing high-quality cultural products as our top priority. 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.

Ruyi Films adopts a producer management system, with a management team that has extensive industry experience, is familiar with scientific and efficient production processes, has detailed division of labor, carries out large-scale production, and produces works with high artistic completion and positive themes. The Group has achieved commercial returns by relying on the strong industrialized production experience and sustainable development model of Ruyi Films.

Pumpkin Film upgrades the platform application level through technological innovation, optimizes the function of application modules, strengthens system security configuration, and analyzes user preferences through advanced algorithm capabilities. While catering to user preferences, it provides a safe and smooth high-definition viewing experience, promoting the high-quality development of streaming media platforms with technology power.

Jingxiu Games promotes the spirit of traditional culture and launches a series of national-style classic game works. With vivid character and plot settings, picture special effects, and background music, it provides players with an immersive gaming experience, realizing the effective integration of cultural communication and entertainment. At the same time, it helps the Group achieve the long-tail effect in terms of extended content and achieve traffic win-win with the Pumpkin Film streaming media platform.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

The Group strives to inspire audiences and users with excellent works, allowing them to experience joy and emotion from film, television, and games, and to understand the warmth of the world through various stories. We use works as a medium to sing praises of warm and beauty, promote socialist values, and shape a spiritually rich world for the public.

4.1. Focus on Product Quality

The Group is committed to creating responsible and high-quality cultural products, and adheres to a proactive approach in fulfilling its social responsibility. We continuously produce diverse film, television, and gaming works based on compliant operations, providing the public with the ultimate entertainment experience.

Ruyi Films utilizes professional production experience and teams to create high-quality films that can inspire emotional resonance among the masses. Pumpkin Film comprehends user preferences fully based on big data, and enhances user attraction by uploading high-quality films and optimizing playback modes. Jingxiu Games carefully selects games with depth and leverages external resources to support the further development of the Group's diversity.

Ruyi Films

Ruyi Films is the business sector under the Group that specializes in film and television production, with advanced capabilities in research and development, production, and promotion of movies and televisions. 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, strictly controlling the filming process, and employing excellent staff to create popular film masterpieces.

We promote core social values and deliver positive energy to society through our literary and art works. Ruyi Films advocates for positive cultural works, actively selects works with correct values and positive energy for the audience, and rejects works that deviate from mainstream values, such as "unclear notions of good and evil" or "vulgar taste". For example, "Moon Man" (《獨行月球》) launched during the year promotes courageous exploration and perseverance in faith, which gives the public a positive boost of spiritual strength and values from film and television work.

We integrate team and creative resources, outputting quality content through standardized film management models. Ruyi Films has an excellent and experienced producer team and a mature content production chain, producing high-quality works through standardized film production forms and processes. At the same time, Ruyi Films has set up a film and television incubation center, utilizing its resource integration capabilities and production experience to fully incubate film and television copyrights, adding new creativity and vitality to the film and television market.

We carefully select important members of the crew, and affects the audience's perception of the work by the character tone. Ruyi Films carefully selects responsible crew members, ensuring that they have a proper work attitude and good moral character. Before filming, we evaluate the director's and actor's work status and recent performance through interviews to ensure the quality of the output film. We believe that personnel selected objectively and professionally can vividly express the character's story in their creations or performances, and convey positive values, thus influencing a wide audience.

During the year, 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.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

In the summer of 2022, “Moon Man” (《獨行月球》) produced by Ruyi Films, broke 17 box office records, with a total box office of over RMB3.1 billion.

Directed by Zhang Chiyu, this film portrays the small human beings breaking through themselves in the vast universe with the support of love and hope, bravely exploring all things in the world, and turning impossibilities into great power.

The excellent work combines comedy and science fiction, vividly and humorously demonstrates the optimism, persistence, and greatness of ordinary human beings, and conveys to the audience the belief that “the sun never sets and hope always exists.”

As a result, “Moon Man” (《獨行月球》) won the “box office champion” of many summer schedules and received multiple nominations at the 35th China Film Golden Rooster Awards.



Honors of “Moon Man” (《獨行月球》)

2022 Summer Box Office Films

- Opening Day Box Office Champion
- Opening Day Attendance Champion
- Opening Day Screening Champion
- Box Office Champion during the Period;
- Attendance Champion during the Period
- Single-day Box Office Champion during the Period

Nominations of the 35th China Golden Rooster Awards

- Best Actor
- Best Cinematography
- Best Art Direction
- Best Music

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

In the future, Ruyi Films will release more highly anticipated films such as “Five Hundred Miles” (《交換人生》), “Post-Truth” (《保你平安》), and “Love Is Full of Jiudaowan” (《情滿九道彎》), which have already been released, as well as “Awakening Spring” (《溫柔殼》), “One and Only” (《熱烈》), “Fireworks of My Heart” (《我的人間煙火》), “Gone with the Wind” (《微暗之火》) and “Rechter Tie” (《大唐狄公案》), which are to be released.

| | | |
|--|---|---|
| <p>“Five Hundred Miles” (《交換人生》) (Released)</p> | <p>“Post-Truth” (《保你平安》) (Released)</p> | <p>“Love Is Full of Jiudaowan” (《情滿九道彎》) (Released)</p> |
| | | |
| <p>“Awakening Spring” (《溫柔殼》) (To be released)</p> | | <p>“One and Only” (《熱烈》) (To be released)</p> |
| | | |
| <p>“Fireworks of My Heart” (《我的人間煙火》) (To be released)</p> | <p>“Gone with the Wind” (《微暗之火》) (To be released)</p> | <p>“Rechter Tie” (《大唐狄公案》) (To be released)</p> |
| | | |

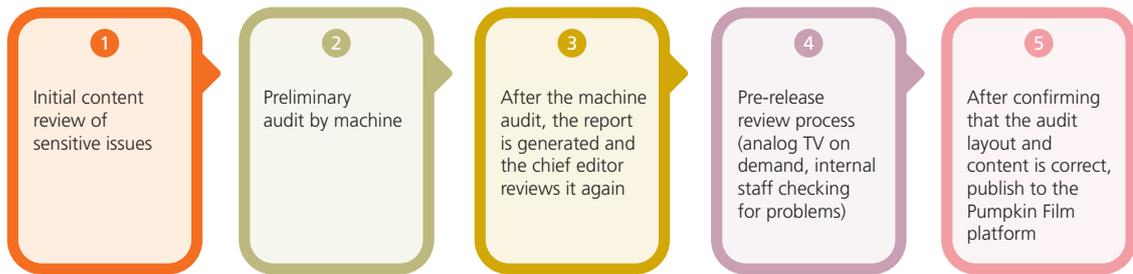
At present, “Awakening Spring” (《溫柔殼》) has won three major awards at the 6th Pingyao Film Festival Awards, namely “Fei Mu Awards-Best Director”, “Fei Mu Awards-Best Actor” and “Fei Mu Awards-Best Actress”; “One and Only” (《熱烈》) won the title of “Most Anticipated Film for the Year” at the 2022 Weibo Movie Night.

Pumpkin Film

Pumpkin Film is a vertical pure pay-per-subscription membership-based streaming platform created by the Group. During the year, we mainly reached more users through innovative business channels and software technology, further improving users' viewing experience and usage experience. At the same time, we highly value the compliance management of content, and have established a strict review mechanism to ensure that the films played on the platform comply with regulatory requirements.

We have adopted a three-pronged approach of technology, service, and product. Pumpkin Film aims to create a streaming platform mainly for overseas movies and TV shows, reducing the proportion of domestic cinema film resources and occupying the market in a differentiated competition way. By using different window periods and platform cooperation to play imported films, we provide copyright resource utilization effects. At the same time, we have upgraded the functions within the APP, launched Dolby sound effects, and supported 4K ultra-high-definition and HDR playback modes to provide users with an immersive viewing experience. In addition, Pumpkin Film has updated diversified services and products during the year to increase user stickiness, such as opening a shopping mall within the APP, providing users with the ability to purchase physical products or different membership permissions.

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 standardize the launch and playback procedures of films on the Pumpkin Film APP. During the film selection stage, we will watch the film content in advance through the official watermark link provided by the foreign film party to evaluate the quality of the plot and whether it can pass the review. 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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

In addition, the Group has developed an emergency plan for programs in accordance 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 laws and regulations to enhance its ability to respond to emergencies on the broadcasting platform. The plan stipulates emergency measures to be taken when illegal remarks are made on the website/web page. Meanwhile, Pumpkin Film has set up a monitoring mechanism for its content and requires its network inspectors to monitor the platform interface 24/7. Once inappropriate or subversive remarks that harm community stability and unity are found, they must be removed immediately and reported to the program editor-in-chief, as they do not meet the broadcasting requirements.

Jingxiu Games

The gaming business is a new division of the Group this year. We have launched comprehensive cooperation with Tencent Group in the gaming industry this year, 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 of 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 to release two games, namely “War of Three Kingdoms” (《亂世逐鹿》) and “Chuanqi Tianxia” (《傳奇天下》). 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.



“War of Three Kingdoms” (《亂世逐鹿》) is a 3D mobile game set in the Three Kingdoms period, featuring realistic battlefields and historical figures. The game has created numerous characters based on the historical images of the Three Kingdoms, and assigned different gaming attributes to them. Players can freely explore various gameplay modes and choose to play on either their mobile phone or computer.

Through depicting the historical storyline of the Three Kingdoms in the game, “War of Three Kingdoms” (《亂世逐鹿》) allows players to gain a deeper understanding of the heroes and stories of the Three Kingdoms, and provides an opportunity to experience the profound and longstanding Chinese historical culture.



“Chuanqi Tianxia” (《傳奇天下》) inherits the classic gameplay and elements of the “Chuanqi” (《傳奇》) online game series. Set in an oriental fantasy world, the game tells the story of humans fighting against demon invasion. Players engage in battles with evil forces from the perspective of passionate humans, and the game always promotes the belief in justice and friendship, highlighting the great power of unity and cooperation.

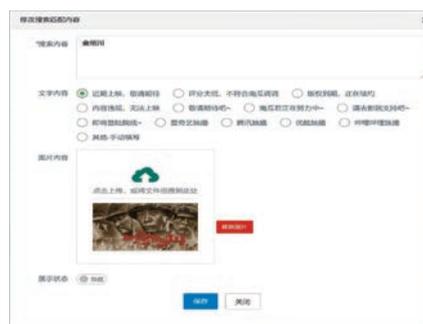
The Group utilizes its existing streaming media platform, film and television business resources, and traffic channels to promote the game product. For example, the Pumpkin Film APP promotes the two games through its splash ads and internal ad resources. If users download the game through the Pumpkin Film APP, they can also receive additional game props rewards. The Group also invites well-known singers to endorse and promote the game and sing the theme song to improve the game’s popularity through the celebrity effect. In addition, Tencent Group not only provides technical support for the Group’s business cooperation but also uses high-traffic channels such as WeChat, mobile QQ, and Tencent Apps Treasure to attract traffic to the game. “War of Three Kingdoms” (《亂世逐鹿》) topped the App Store’s free game rankings and received the Today recommendation on the first day of its release.

4.2. Attention to the Audience and User Experience

As a responsible content creator and online streaming operator, the Group places great emphasis on customer experience and service quality feedback, regularly conducts customer satisfaction surveys, and continuously improves service quality. Ruyi Films has hired a public opinion and reputation team to monitor real-time platform website data and audience satisfaction. Pumpkin Film App intelligently adjusts the recommended movies on the home page daily according to users' preferences to meet their viewing needs to the greatest extent. Jingxiu Games regularly distributes satisfaction surveys to players to understand their gaming experience and optimizes game functionality based on survey results to improve player experience.

Case: Pumpkin Film APP — Intelligent homepage movie recommendations and movie request functions

Based on daily user behavior such as viewing history, likes, favorites, comments, etc., Pumpkin Film APP selects similar movies from the library that the user has not yet watched and recommends them on the homepage. Movie request data submitted by users is sent to the content and copyright departments. If there is a high demand for a particular movie, the department will prioritize acquiring the movie if it meets the conditions for importation in accordance with national regulations. Additionally, the operations editor will respond to user requests in the system, and users can view the corresponding response when searching for the same movie again.



4.3. User Compliant Handling

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

Users can call the public complaint hotline 400 699 6228 or use various online channels such as the Pumpkin Film APP platform complaint system, user forums, WeChat groups, and Weibo private messages to provide real-time feedback. Our customer service department's processing specialist is responsible for timely summarizing 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 year, the Group has not received any major complaints.

5. RUYI MANAGEMENT — EMPHASIS ON COMPLIANCE OPERATIONS

The Group adheres to the concept of responsible business management, taking network information security, user privacy protection, and youth protection as the fundamental for business development. The Group strictly complies with relevant requirements such as the Advertising Law of ,“PRC Price Law,” “PRC Electronic Commerce Law,” and “PRC Product Quality Law” when publishing works, insisting on disseminating responsible film and game content and eliminating negative content promotion or other non-compliant situations. At the same time, 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.

5.1. Network Security and Privacy Protection

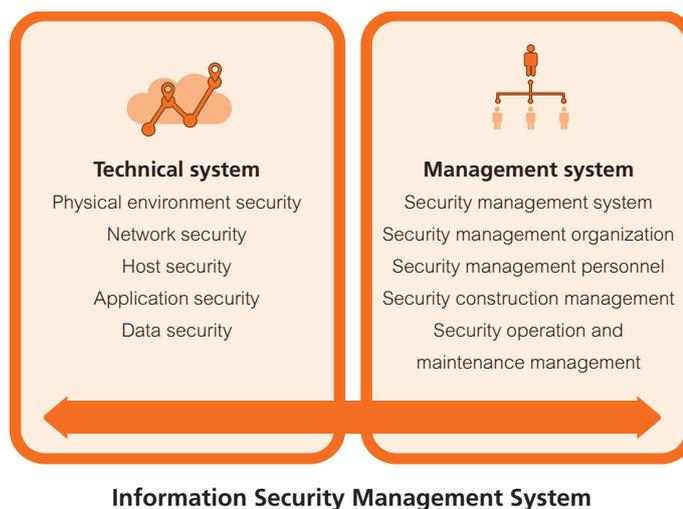
The Group considers the protection of network information security and user information privacy as the basic principle for the development of film and game businesses. We strictly comply with laws and regulations and industry standards such as the Cyber Security Law of the People’s Republic of China (《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》).

The Group has established policies and management mechanisms related to information security and user privacy protection. Internally, we strengthen the security of information systems through strict network operation regulations and technical means to prevent network security risks, prevent information leakage, and ensure the efficient and stable operation of the Group’s businesses. At the same time, the Group actively conducts information security audits and third-party reviews. We have obtained the third-level external security protection certification for two consecutive years and invited Aliyun to conduct terminal security reviews. The Group will continue to optimize and improve internal security management systems during the operation process, carry out external security level protection certification and third-party terminal security reviews.

Information security assurance

Based on the relevant laws and regulations related to network security, the Group has formulated internal management systems such as the Information Security Management System (《信息安全管理制度》), 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 the information security emergency plan to comprehensively and systematically improve our network security and reduce the risk of being attacked.

The Group has established a network security and information technology working group, which focuses on both the technical and management aspects of information system security protection during application design and operation stages to ensure user privacy and data security. The management system includes five parts: security management system, security management organization, security management personnel, security construction management, and security operation and maintenance management. The technical system includes five parts: physical environment security, network security, host security, application security, and data security. In the application design phase, we will comprehensively consider the five factors of the technical system to conduct information security requirement analysis. In the application operation and maintenance phase, we use the five dimensions of the management system to clarify the architecture and division of labor of the information security department, implement a responsibility-based management model, and comprehensively promote the network security management system.



The Group has established a collaboration model for the departments involved in product research and development and operations and maintenance, standardized the internal system operation security and stability guarantee process, and constantly prevented potential network attacks through various means. Before the APP is launched, we will conduct multi-level testing and approval, comprehensively check for security vulnerabilities; during the APP operation, we monitor and adjust the data in real-time, regularly conduct security checks on various system networks, and timely complete firewall security protection upgrades. At the same time, we classify the system account operation permission functions according to personnel positions and do not allow any accounts to access the system through the external network. All system operations are backed up as required.

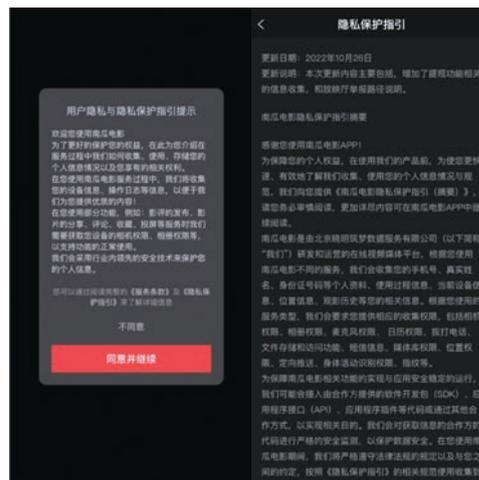
ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

In addition, we have formulated a system security emergency plan to enhance the information system's external prevention capabilities and respond quickly to sudden security incidents. We have set up an abnormal event alert mechanism in the system. When hackers attack or infect viruses are found, we immediately respond, track the illegal attack source, or clean up the virus and perform data recovery and backup. If the situation is serious, we will report to the public security or higher-level management departments.

During the year, the Group has obtained a third-level certification for information system security protection and passed the third-party system penetration testing of the Aliyun Security Team. At the same time, the Group's information systems have all been registered and filed with the public security organs according to the National Information System Security Protection Level Grading Guidelines (《信息系統安全保護等級定級指南》).

Personal privacy protection

The Group attaches great importance to protecting the privacy of its customers. The privacy protection policies of all relevant business lines have been disclosed in a special area on the Group's official website. In addition, the Group will keep abreast of changes in laws and regulations related to privacy protection policies, continuously optimize our privacy protection system and ensure that it fully covers all relevant businesses. During the year, Pumpkin Film and Jingxiu Games have updated and formulated their Privacy Protection Guide, and provided information privacy-related prompts to users in all apps of the Group. This includes the scope of user information collection, usage purposes, and storage methods of the apps, and requesting user authorization for obtaining their personal information, providing guidance for users to query, access, delete, and correct their personal information.



Pumpkin App privacy Policy Pop-up Window

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

The Group encrypts sensitive information and continuously enhances software security to prevent theft or leakage of related information. The Group uses industry-leading technical measures to protect user information security, including but not limited to firewalls, encryption (such as SSL), de-identification or anonymization, and access control measures. For example, we have signed a contract with a SMS operator, and all SMS records and corresponding mobile phone numbers sent by the system cannot be leaked. After the employee operates by click, the system will automatically send a message to the user, and the employee and SMS operator cannot see the user information. At the same time, we also continuously enhance the security capabilities of user device-side software, such as completing some information encryption work locally on the device to consolidate secure transmission, or preventing viruses, Trojans and other malicious programs by understanding the application information and running process information installed on the user device.

The Group has established a dedicated management system to ensure the security of personal information. For example, we strictly limit the scope of personnel who access user information, require them to comply with confidentiality obligations and conduct audits, and punish those who violate obligations according to regulations. We also carry out regular internal reviews to prevent unauthorized personnel from accessing, using, or disclosing user information. We also explicitly require all employees to comply with the Group's management system related to data security and privacy in their employment handbooks, to enhance their awareness of protecting internal information and reduce network security and privacy risks. At the same time, when we cooperate with suppliers or other stakeholders, we will specify the relevant content terms of data security and privacy risks and corresponding control procedures in the business contract, and conduct specialized communication in this regard.

The Group guarantees users the right to revoke their consent to use personal information and cancel their accounts, and also gives users the right of access, rectification and deletion of individuals' data in the APP. For example, users of Pumpkin Film APP can delete their viewing history, personal movie list, movie preferences, community reviews, and other data themselves, and can also change their personal account information such as avatar, nickname, gender, and birthday. Players using the Jingxiu Games APP can independently enable or disable permissions such as device cameras and payment functions that the game product obtains, and can also change the authorization scope of personal information. Users can control their personal information independently, and delete personal name and ID card number information that has been authenticated by canceling their account.

During the year, the Group hired Aliyun to conduct third-party SDK privacy risk monitoring. The Group optimized and improved its privacy protection management by using the privacy compliance monitoring report issued by Aliyun to continuously strengthen its user privacy protection.

5.2. Teenage Protection

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 40 minutes per day. Also, underage accounts are prohibited from using the software between 10 pm and 6 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 two major game apps, 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 behavior 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. Underage accounts have a daily limit of 1.5 hours of gaming time, and the account will automatically log out when the time is up. Minors cannot recharge games, and if they attempt to do so, the system will issue a prompt indicating that the recharge amount exceeds the limit and prohibit the use of payment functions. Additionally, we use the "Tencent Game Growth Guardian Platform," which allows parents or guardians to keep track of their children's gaming behavior at any time, set consumption limits, and restrict daily gaming time and timeframes.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)



Teenage Game Anti-Addiction Mode

During the reporting period, our mechanism for preventing minors from becoming addicted to games operated well and did not violate laws and regulations such as the Regulations on the Protection of Minors on the Internet (《未成年人网络保护条例》).

5.3. Intellectual Property Protection

The Group has always been committed to fighting against infringement and cracking down on illegal behaviors such as text, music, and trademark infringement, in order to protect the interests of our users and the company, fulfill 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 (《中华人民共和国著作权法》), the Patent Law of the People's Republic of China (《中华人民共和国专利法》), and the Trademark Law of the People's Republic of China (《中华人民共和国商标法》), to regulate copyright protection measures for film and game businesses.

To protect the intellectual property of relevant works, the Group signs confidentiality agreements with our partners, clarifies procurement responsibilities, and uses copyright digital early-warning systems, among other measures. In our film contracts, we specify that the copyright owners of screenplays, related scripts, and works must create independently and are not allowed to plagiarize or hire others to write, otherwise they will bear corresponding breach of contract responsibilities. When we purchase copyrights for works, we agree with suppliers not to engage in any infringement, and any violations will be borne by the upstream suppliers. Pumpkin Film's digital early-warning system can alert staff to take down expired films before the expiration of film copyrights, avoiding copyright infringement incidents.

The Group promptly registers copyrights for relevant works such as texts, music, and trademarks created by ourselves to protect our own interests. For example, Ruyi Films has registered copyrights for text works with the national copyright management department to protect the rights of creators; for original soundtracks and trademark names derived from film and television works, we collaborate with copyright owners to complete relevant copyright registration work in a timely manner. For example, after the completion of the film “One and Only” (《熱烈》), Ruyi Films submitted a total of 11 categories and 85 items for trademark registration, and has applied for the registration of the national art copyright for the core logo in the film. In addition, our game business follows a traditional agency model and does not involve self-developed games. The copyrights related to games are applied for by the development companies, with assistance from Jingxiu. The two game products currently launched by the group are exclusive agents and have obtained corresponding game approvals.

6. RUYI PARTNERS — COOPERATING TOGETHER

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 optimize the Group’s supplier selection, evaluation, and management-related evaluation criteria and systems, standardize its procurement transactions with increasingly improved management efficiency. Meanwhile, we incorporate routine compliance inspections into each link of public bidding and procurement, deepen the cooperative relationship between management and suppliers, so as to jointly create a harmonious business ecology.

According to the principal business needs of the Group, our suppliers for procurement are mainly divided into four categories: administrative procurement, technical procurement, copyright procurement, and promotional procurement. Among them, as for the creative business of the Group’s film and television works, we subdivide the suppliers into two types: creation and production. Creative suppliers are generally screenwriters, planning companies, copyright parties, etc.; and productive suppliers are generally brokerage firms, publicity companies, distribution companies at home and abroad, etc.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

In order to manage our supplier base in a more effective and standardized manner, the Group has established supplier evaluation standards and related management mechanisms, where the procurement teams of each business department are responsible for the procurement tasks depending on various business needs with fair, equitable and professional standards.



Supplier screening and admittance

- When screening suitable suppliers, we will conduct background investigations and compliance audits on the qualification of various potential suppliers in advance. For each link of procurement demand throughout the process of film and television content production, we summarize and sort out the qualifications of the exiting and past partners or those we are engaged with in terms of mutual historical cooperation, company size.
- For new suppliers, we adopt a more detailed comprehensive strength investigation, including the basic background information, product quality, after-sales service, price level, etc. of them. Only the suppliers that pass the investigation can enter the supplier base.



Supplier audit and evaluation

- We evaluate suppliers from multiple dimensions such as quality, scale, delivery, technology, and cost, and take online or offline on-site inspections to understand the actual qualifications of suppliers, and strictly control the quality of suppliers which in turn promotes our preferential selection in the supplier base.
- For entrusted suppliers and contractors, the procurement team will review all commerce clauses in the contracts and sign contracts with them. Especially in terms of copyright procurement, all commerce clauses will be reviewed by lawyers prior to signing, including terms of rights and obligations, exclusivity, non-exclusivity, length, price, etc., to ensure the compliance of procurement.
- Suppliers with fundamental problems, such as illicit competition, corruption, etc., will not be adopted.



ESG management and daily communication for suppliers

- We maintain vigorous interconnection with our suppliers in our daily lives. Especially during the project progress, we adopt various communication methods with suppliers to regularly feed back the project progress as well as implementation progress, sort out project requirements, and lay a good foundation for follow-up cooperation.
- Although the environmental and social risks involved in our supply chain are relatively minimal due to its business nature, we still take the environmental and social performance of our suppliers into consideration. We conduct anti-corruption propaganda for suppliers, and require suppliers to sign a integrity protocol simultaneously upon the conclusion of contract; as for technological procurement, we comprehensively inspect the supplier's privacy policy and the institutional protection for user information thereof. In addition, when conducting the physical procurement including office materials for administrative purposes, we will give priority to products with energy-saving and environment-friendly labels or certifications, such as energy-saving electronic equipment, so as to proactively implement green procurement behaviors.

During the reporting period, the Group cooperated with a total of about 185 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 amount of physical purchases are involved, such as daily administrative office supplies, materials, etc.

7. RUYI CONSCIENCE — INTEGRITY BASELINE

The Group has unswervingly regarded integrity and trustworthiness as the cornerstone of business development, adhering to the conscience of integrity to carry out cultural dissemination to the public. Resolutely abiding by the Companies Law of the People's Republic of China (《中華人民共和國公司法》), the Anti-Unfair Competition Law of the People's Republic of China (《中華人民共和國反不正當競爭法》), the Anti-Money Laundering Law of the People's Republic of China (《中華人民共和國反洗錢法》) and other relevant laws and regulations, the Group promotes the culture characterized by anti-embezzlement, anti-corruption and integrity internally. There is zero tolerance for malfeasance for embezzlement and corruption. During the reporting period, the Group did not identify any corruption lawsuits filed against the Group or its employees that had been closed.

7.1. Establishment of Integrity Environment

In order to regulate its own business ethics, the Group has explicitly stipulated the matters in the Staff Manual which relates to employee integrity codes, professional ethics and personal morality, and has set up internal and external reporting channels to prevent the violations such as bribery, extortion, fraud and money laundering.

The Group has always regarded honesty, integrity and fairness as important assets, and any employee is strictly prohibited from soliciting or accepting benefits from customers, suppliers, contractors or other business personnel at work. In terms of external business cooperation, the Group promotes the awareness of incorruptible cooperation to suppliers and require them to sign a integrity agreement.

The Group encourages employees to actively report corruption and other illegal activities. The Group has disclosed its reporting channels through which any employee can directly report suspected corruption to the human resources department or superiors of the Group. The responsible department or administrative staff will establish a research team to conduct a detailed investigation, handle all complaints fairly and confidentially to protect the whistle-blower immediately when receiving the whistle-blowing message. Feedback for results are despatched the whistle-blower in a timely manner upon completion of the investigation, which incorporates the archive of the report and investigation process. Anyone who violates the code will be subject to disciplinary penalty, and be held accountable for losses and legal liabilities pursuant to the law. In addition, the Group will further clarify the supervisory responsibility for business ethics, and develop independent integrity management-related systems to strengthen employees' integrity awareness with the provision of behavioral guidance.

7.2. Integrity Training

In order to create a working atmosphere full of integrity and honesty, the Group provides integrity education and training to employees at all levels to enhance their incorruptible awareness, so as to effectively reduce the incidence of corruption and other incidents. The Group conducts integrity training for all new employees, holds meetings to publicize the integrity and trustworthiness stipulated in the Staff Manual, and requires employees to sign the Learning Confirmation Letter after the training to ensure that they understand and abide by the relevant regulations of the Group.

8. RUYI TEAMWORK — CREATING A PROMISING FUTURE

Ruyi Holdings firmly believes that employees are the valuable corporate assets. While the Company is developing rapidly, we hope to go forward alongside our employees in pursue of a mutual growth. The Group strictly abides by relevant laws and regulations such as 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)》 and 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)》, and formulates and implements a series of internal management systems such as the Staff Manual, the Employee Attendance Management Systems, etc. which definitely ensures the labor rights, health and safety of employees and equal opportunities for all employees. Meanwhile, we recognize that the individual development of employees also constitutes a non-negligible component on the path of sustainable development of the enterprise. We continue to improve the training system that provides employees with abundant and diversified training content to enable employees to realize their satisfactory self-worth.

8.1. Staff Employment Management

The Group earnestly protects the labor rights and interests of employees, and strictly abides by laws and regulations such as 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)》 when conducting recruitment works. The Group signs labor contracts with incoming employees in accordance with the laws and requires applicants to provide relevant identification materials for inquiry and verification to ensure reasonable employment. The Group resolutely prohibit the illegal incidents such as child labor and forced labor, the occurrence of which once discovered, shall be prosecuted strictly according to law. During the reporting period, Ruyi Holdings did not have any illegal acts related to the employment of child labor and forced labor.

Labor Standards

The Group fully understands that child labor and forced labor are in violation of basic human rights and international labor conventions and adversely affect the social and economic sustainable development. The Group only executes provisions under standardized labor contracts, and resolutely eradicate any illegal or unfair methods that limit the employment relationship between employees and the Group. The recruitment and employment standards of the Group are strictly in compliance with relevant rules under the Labor Law of the People's Republic of China. In particular, the Group strictly ensures:

- No child labor — All applicants must be aged over 16. During the recruitment, the Group will strictly investigate and verify the actual age of applicants through background survey and by checking the original copy of ID card;
- Freedom of accepting employment — We firmly forbid the phenomenon of forced labor, ensuring that the employment conditions are on voluntary basis and employees work for the Company voluntarily. They are free to resign by giving notice in accordance with relevant employment system of the Company;

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

- Remuneration and benefits — We will ensure that the remuneration and benefits of our employees meet with or superior to the minimum statutory requirement of the country where relevant staff is employed, and will not take remuneration reduction as a disciplinary action. Remuneration is determined based on the performance, qualifications and experience of the staff;
- Equal opportunities and anti-discrimination policy — The Group will ensure the recruitment, remuneration, training, promotion, dismissal and retirement policies and practices of the Group will not cause any discrimination to employees due to age, gender, marriage status, disability, race, religion, or other factors;
- Harassment and abuse — We will not tolerate any physical, sexual, psychological or verbal harassment or abuse to employees of the Group.

During the reporting period, the Group did not discover any significant violation of labor laws and regulations.

Diversity and equality

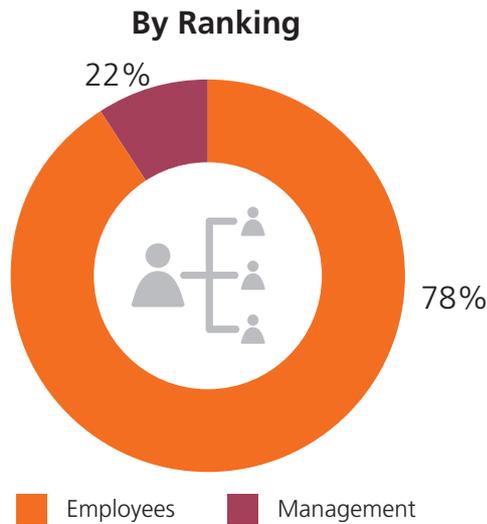
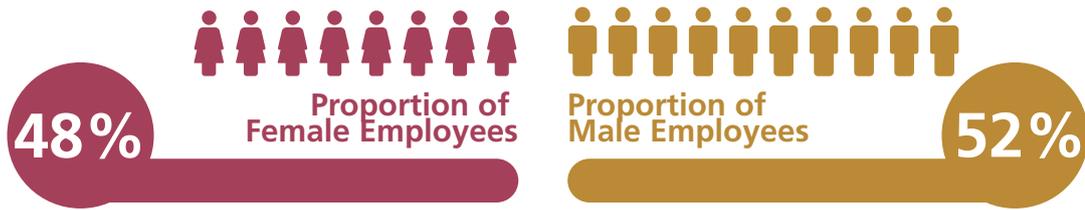
At the same time, we uphold the principle of fair and righteous employment management in the process of recruitment, training and promotion, strictly prevent all forms of discrimination, and definitely refrain from differentiated treatment due to personal characteristics such as gender, age, nationality, religious belief, etc., so as to ensure the employee diversity. The Group is committed to creating a positive and healthy workplace environment for our employees, actively promoting amicable communication and cooperation among colleagues, paying attention to the demands of every employee, and prohibiting any unfair treatment to employees.

We provide online and offline channels for employee feedback and complaints in virtue of which employees can directly report potential discrimination in the workplace to their superiors or the human resources department, and then the human resources department is responsible for handling the issues from employee feedback in a timely manner. We plan to clarify and emphasize the communication channels for feedback and complaints in the Staff Manual or related systems, continue to improve the supervision mechanism for complaint handling, and clarify the supervisory responsibilities of liable senior executives, which ensures the rationality of the processing results.

Talent team building

Annually, the Group predicts recruitment needs and formulates employment plans based on the development of each business segment to expand our talent pool. This year, the Group has gradually expanded the talent echelon construction of the game business segment, absorbing outstanding talents, and reserved elite talents for the Group on the emerging game business track. We constantly attract high-quality innovative talents mainly through various online channels such as Boss Zhipin (Boss直聘) and lagou.com (拉勾) and internal referral channels to support the rapid development of the Group's various business segments. We will fulfill our social responsibilities, continue to consummate the on-campus recruitment plan and intern program in order to contribute our due strength to reserve more professional talents for the industry.

As of 31 December 2022, the total number of employees of the Group's three business segments is 286. During the year, the Group continued to develop its businesses with the addition of game business segment, maintaining a low employment turnover rate¹.

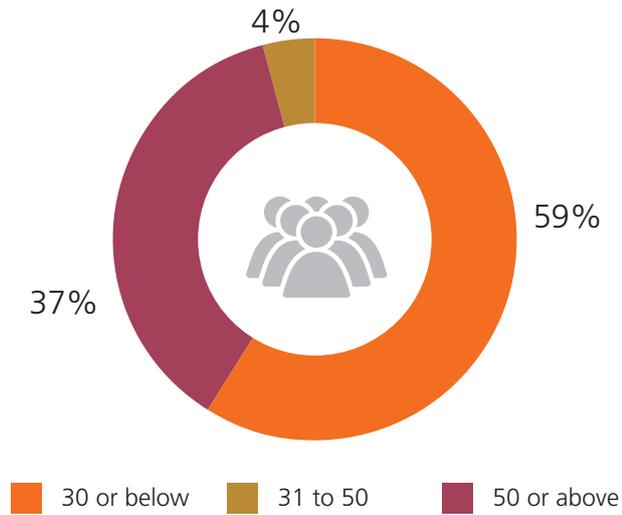


¹ Please refer to Appendix I for the employment turnover rate data of the Group in 2022

By Region



By Age Group



8.2. Occupational Health and Safety

As every employee represents an integral component of the Group, we pay full attention to the physical and mental health of employees, and are committed to providing employees with a healthy and safe working environment which accommodate employee without discomfort nor anxiety. Strictly abiding by relevant laws and regulations such as 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)》 and the Law on the Fire Prevention of the People's Republic of China 《(中華人民共和國消防法)》, the Group implements the employee on-duty system and operating procedures in accordance with the Staff Manual, the Safety Production Responsibility Statements 《(安全生產責任書)》 and other relevant internal rules and regulations to protect the personal health and safety of employees in the workplace. Meanwhile, in order to provide diversified health and safety protection measures, such as arranging regular physical examinations for each employee, we afford personal accident insurance and medical insurance for cast members. In the past three years, there was no case of work-related fatality, while the number of lost working days due to work-related injuries was zero. During the reporting period, the Group had no phenomenon or case in violation of laws and regulations related to occupational health and safety.



Shooting site security management

- The Group has established an impeccable shooting site management mechanism which requires signing the Safety Production Responsibility Statements with the heads of both the blasting department and action department of the film crew before shooting, so as to implement safety responsibilities.
- Upon formulation of the filming plan before shooting, a coordination meeting is organized for the camera crew and cast members for determining the action plan, so as to ensure that the personnel of all relevant departments have comprehended the shooting plan, blasting and dangerous actions as well as other specific schemes. During the practical shooting, we strictly implemented the shooting plan, and arrange the corresponding vehicles and personnel of fire, first aid and other departments to be on standby according to the scale of the on-site shooting.
- We strictly urge the relevant person in charge of the action department to 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.



Fire safety management

- We cooperate with the local fire department to carry out periodic maintenance on the fire fighting apparatus at the shooting site, office environment, warehouse, etc., to ensure the safety and effectiveness of each fire-fighting facility.
- The filming crew and the shooting location jointly signed the Fire Safety Responsibility Statements 《(消防安全責任書)》 to clarify the fire safety management responsibilities of the heads of relevant departments.



Employee health management

- During the pandemic, we strictly observe the epidemic prevention and control requirements of the country and the cities where our office areas are located, and proactively take anti-epidemic measures to safeguard the health of our employees. We rigorously enforce and implement the wearing of masks throughout the office period.
- We set up health observation areas at the shooting and filmmaking sites to provide a place for those who are under the weather to rest. If a person is found to be in serious physical condition, we will arrange medical treatment in time.

8.3. Talent Training and Development

The Group firmly believes that the personal growth of employees is inseparable from the progress of the enterprise. We continue to improve a robust talent cultivating mechanism, fostering excellent teams of diversity for each business segment with a view to continuously enhance the core competitiveness of various businesses. In virtue of the improved and optimized training system, we insist on training staff with work and opportunities, consolidate the capacity building of employees and expand their career development paths.

For new recruits, we specially set up pre-employment training to support new employees for adapting themselves to position requirements and corporate culture as soon as possible, enabling them to act as the vital force for business development. At the same time, we implement the “**apprenticeship**” coaching which assigns experienced senior employees to lead the rookies and adopts a one-on-one approach to cultivate management personnel for film and television and game business as well as business experts to boost the industrial development. The Group has formulated and implemented a special leadership training plan for management personnel at the level of department heads and above. In addition, through continuous training support and accumulative knowledge reserves for new employees, they will be competent in leadership to assume more extensive responsibilities in the future. In addition, in order to promote employees’ learning initiative and autonomy, the Group encourages and supports employees to upgrade their academic qualifications or obtain relevant educational certification by providing resources to assist employees in improving their academic degree in due course. The Group will continue to optimize the employee training plan, and strive to provide employees with diversified learning and development opportunities at multiple levels, and realize the sustainable growth of the enterprise and employees through the talent development strategy.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

Case: Establishment of the “Ruyi Window”(儒意之窗) to continuously improve the level of professional knowledge for all employees

In order to continuously promote the vocational skills and professional knowledge of employees, the Group has established the “learning-oriented organization” as its employee training philosophy. Since February this year, a weekly learning and training activity without suspension- “Ruyi Window” has been launched, which transmits the latest information in relation to policies and industrial trend to various business departments through electronic documents and bulletin boards, covering diversified thematic content such as internal systems, technologies, and the film-television industrial perceptive, so as to improve the professional knowledge level of each employee in multiple dimensions.

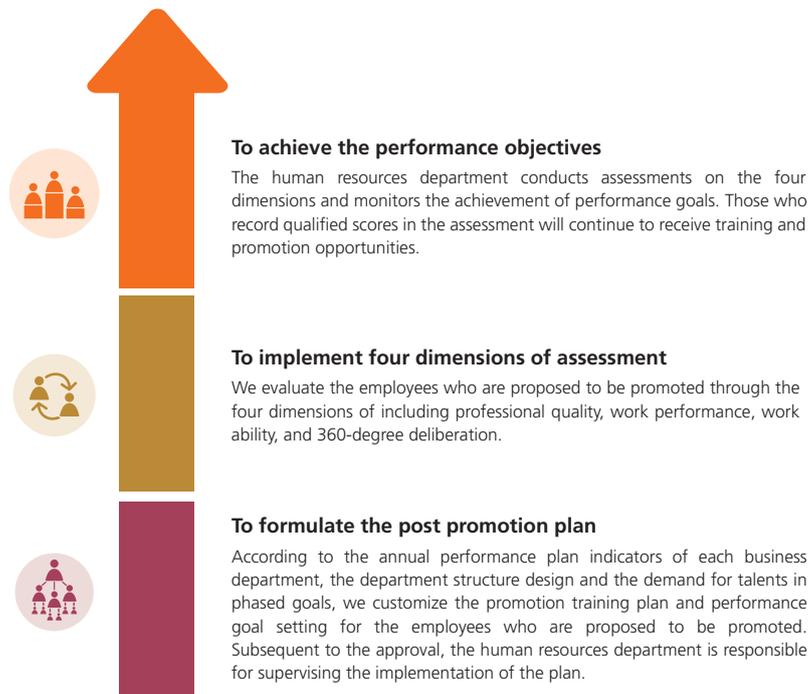


Setup of the “Ruyi Window” bulletin board to convey industrial information for employees

In 2022, the overall trainings of the Group were as follows:

| Employment types | | Percentage of staff trained | Average hours of training per staff (hours) |
|------------------|------------|-----------------------------|---|
| All employees | | 100% | 7.1 |
| By gender | Male | 52.1% | 6.9 |
| | Female | 47.9% | 7.4 |
| By ranking | Management | 20.6% | 1.8 |
| | Employee | 79.4% | 8.7 |

In terms of employee’s career development, the Group has formulated a promotion assessment management system and established a clear promotion path and development channel with regular performance evaluation and feedback every year to help each employee achieve better and more suitable personal growth and career development. By formulating explicit assessment methods and indicators, we promote the positions of employees with outstanding performance and preeminent ability, fully mobilize the enthusiasm of employees, and help employees improve their own abilities and qualities.



8.4. Employee Care

With the accelerated pace of modern life and work and the impact of other comprehensive factors, we pay attention to the physical and psychological health of each employee, hoping employees can work optimistically in healthy lifestyle while working diligently to achieve personal ideals and business goals. We actively carry out the promotion activities themed by occupational health knowledge to popularize the methods and knowledge of occupational disease prevention and control for all employees, so as to strengthen employees’ awareness of preventing occupational disease while paying attention to their mental health. Meanwhile, we organize internal birthday celebrations and prepare gifts for employees monthly whose birthdays fall within that month, and organize the team building activities from time to time to enrich employees’ work and life, with a focus on enhancing the senses of belonging, fulfillment and happiness of employees.

Case: Design and organize a proposal for an employee

In September this year, we elaborately planned every aspect of an employee's marriage proposal within the Company, including carefully arranging the romantic proposal scene, formulating a surprise proposal process, etc., leaving unforgettable and happy memories for this new couple.



Case: Send blessings to the employees whose birthdays fall within the same month

Every month, the Group organizes birthday celebrations within the Company for employees who celebrate their birthdays in that month, which attaches electronic greeting cards with birthday wishes and distributes well-prepared birthday cake cards, flowers and gifts to employees who celebrate the birthdays. By means of sending blessings to every employee who celebrates their birthdays that month in time, employees' cohesiveness is improved.



At the same time, the Group attaches great importance to the two-way communication with each employee by expressing respects to and carefully listens to the voice of employees. This year, in order to gain an in-depth understanding of the working atmosphere and employee satisfaction of each department, we have comprehensively collected each employee's opinions or suggestions on the five dimensions including working environment, colleague relationship, job duties, company background and personal concepts through employee satisfaction questionnaire.

In addition, we also pay attention to the entry experience of new employees. This year, we conducted a new partner survey for new employees, thereby systematically and selectively understanding the satisfaction and expectations of new employees in all aspects of work upon induction. In response to the general feedback from employees, we have carried out continuous review and improvement, aiming to improve the overall satisfaction of employees while facilitating the improvement at the management level.

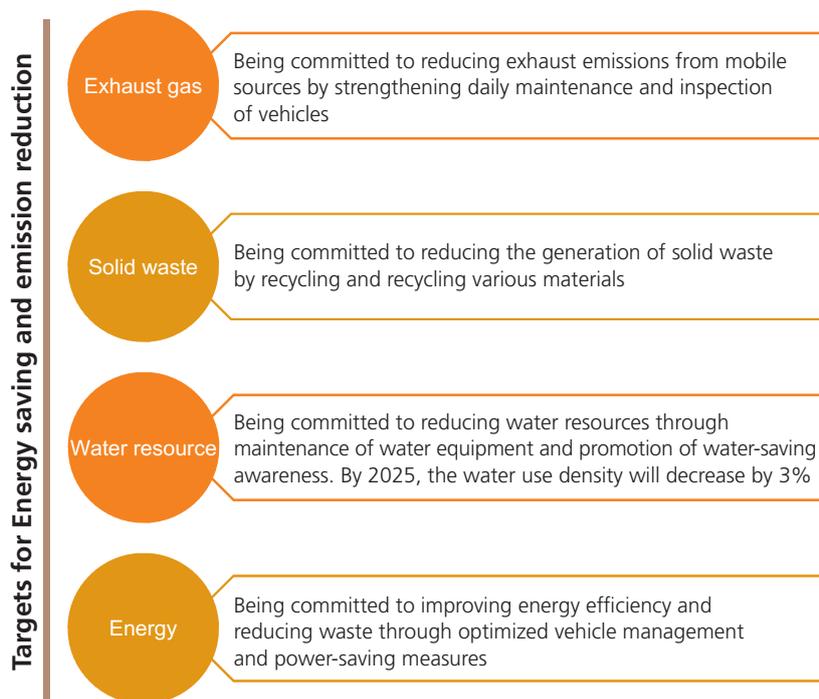
8.5. Remuneration and Benefits

Ruyi Holdings strictly complies with the Labor Contract Law of the People's Republic of China and the Labor Contract Law of the People's Republic of China, make contributions in pension insurance, basic medical insurance, employment injury insurance, unemployment insurance, maternity insurance and housing provident fund for employees in accordance with the law, and provides employees with annual holidays, annual leave, family leave, marriage and funeral leave and other statutory holidays. The Group is committed to creating a fair and transparent salary and welfare system, formulating a salary regime with external competitiveness, and building a first-class talent echelon. The Group's relevant salary determination and salary adjustment process is supervised and approved by the person in charge of the Company's human resources department to ensure that the individual salary level is closely linked to the employee's post value, ability, ranking, and performance, so as to achieve fairness and justice in salary adjustment.

Based on the market level and our own production and operation conditions, we comprehensively evaluate the working ability, experience, qualifications and other factors of employees to formulate employee salary standards fairly and reasonably. At the same time, we adjust the salary of outstanding employees every year according to their personal performance and company performance, and encourage employees to share the Company's development achievements by creating value. In addition, we have set up a specific reward mechanism, which grants additional rewards to innovative workers, advanced workers, annual full-attendance workers and performance superiors. By affirming employees' performance through material and spiritual rewards, we further enhance the corporate cohesion, stimulate the employee creativity and dedication, and improve the employee benefits.

9. RUYI ENVIRONMENT — SAFEGUARDING GREEN HOMELAND

While developing our business, we attach great importance to resource conservation and environmental protection. Our principal operations involve film and television shooting and indoor office, which will not cause major pollution to the environment. In compliance with 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 laws and regulations, we properly handle various types of emissions, formulate the targets about energy conservation and emission reduction, and take various specific measures to reduce environmental pollution and resource waste, and simultaneously create a green operating model. We also conduct business-related climate risk assessments with reference to the reporting framework of the Task Force on Climate-Related Financial Disclosures (TCFD), and formulate appropriate plans in response to climate change.



9.1. Green Operation

Due to the adjustments of the Group’s business segments this year, in order to follow the reporting principles and take into account the actual situation, the Group mainly disclosed the situation of the film and television content production, online streaming media and online game business segments in terms of environment-related KPI data for the year. In addition, due to changes in the scope of data collection, the KPI data for the previous year will not be comparable.

9.1.1 Emission management

Emissions generated by the Group mainly include daily office wastewater, vehicle exhaust, filming and office waste, purchased electricity and greenhouse gases generated by vehicle fuel. For the above-mentioned types of emissions, we have adopted appropriate treatment and disposal measures to minimize their environmental pollution. We will make practical efforts to integrate the concept of environmental protection into the Group’s business, and fulfill our commitment to attach equal importance to environmental protection and development.

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. As of 31 December 2022, we have neither had any serious violations of environmental laws and regulations nor major environmental pollution incidents.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

Wastewater

For daily office wastewater, its pollutants include COD, BOD, nitrogen and phosphorus, etc. Which are discharged uniformly to the municipal sewage pipe network for centralized treatment by urban sewage plants. Our wastewater discharge equals municipal water consumption. For statistical data related to water consumption, please refer to the chapter headed "Resource management, energy conservation and emission reduction — Water resources".

Air emissions

For environmental exhaust, its emission source are mainly the Group's vehicle fuel, and its main pollutants include nitrogen oxides, sulfur oxides and particulate matter. We reduce vehicle fuel consumption and exhaust emissions by performing regular maintenance and inspection on vehicles, such as tire repairs and inflation. Our data of exhaust emission is shown in the table below:

| Air emissions | 2022 | |
|-------------------------|----------------------|-----------------------|
| | Emission amount (Kg) | Intensity (Kg/person) |
| Nitrogen oxide | 119.44 | 0.42 |
| Sulfur dioxide | 0.33 | 0.0012 |
| Particulate matter | 11.22 | 0.0392 |
| Total exhaust emissions | 131 | 0.46 |

Solid waste

For shooting and office waste, it can be divided into hazardous waste and non-hazardous waste. Among them, hazardous waste represents mainly used electronic equipment, batteries and ink cartridges, etc., and non-hazardous waste represents mainly waste paper, household garbage, etc. We conduct separate wastes collection for proper managements. After collection, hazardous waste is recycled regularly by suppliers of related equipment. Non-hazardous waste is collected and disposed of by the property management company in the industrial park where the office is located. Our statistics of solid wastes are shown in the following table:

| Solid waste | 2022 | |
|---------------------|-----------------|--------------------------------------|
| | Generation (Kg) | Intensity (Quantity produced/person) |
| Non-hazardous waste | 3.60 | 0.013 |
| Hazardous waste | 5.85 | 0.020 |

* Non-hazardous waste here includes paper only. Household garbage in the non-hazardous waste is uniformly processed by the municipal sanitation department, so the recycling statistics are not counted.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

In order to maximize the use of resources and reduce the generation of waste, we reduce the consumption of paper and shooting props and other items through recycling, such as:

- Reuse single-sided printed papers that are non-confidential to save office resources;
- Use daily shopping bags twice or multiple times according to the material to reduce environmental pollution;
- Establish a shooting prop warehouse to store shooting props and equipment from secondary recycling and to be used;

9.1.2 Resource management, energy conservation and emission reduction

The resources and energy mainly used in our business include water, electricity, and vehicle fuel. In daily operations, we count the usage of various resources and energy, and formulate targeted energy conservation and emission reduction goals and practical plans to effectively reduce resource waste, environmental pollution and GHG emissions.

Water resources

Regarding the use of water resources, the Group thoroughly implements the managerial principles of water conservation in the daily office process, not merely posting water-saving slogans in the office area. This year, the Group commenced to formulate its medium- and long-term water saving goals. We use 2022 as the baseline year and plan to reduce the Group's water intensity by 3% by 2025.

The place where the Group operates has sufficient water sources and a well-established water supply system, so it has not encountered any difficulties in sourcing water. Statistics on water consumption are shown in the following table:

| Water resource | 2022 | |
|-----------------|-------------------------------|------------------------------------|
| | Consumption (m ³) | Intensity (m ³ /person) |
| Municipal water | 2,033 | 7.11 |

Energy

Regarding the use of energy, our main energy consumption is electricity for shooting locations and offices, followed by oil for vehicles. 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.

- Require employees to turn off the computer and power source in time before leaving the office when off duty;
- After using the printer, set it to energy-saving mode;
- When entering or leaving the office, turn off the lights when there is no one in the room;
- Install energy-saving lamps and post energy-saving signs in the office area;
- Regularly overhaul vehicles, optimize the dispatch system and travel routes to reduce fuel consumption;

Case: Formulation of the Vehicle and Driver Management Measures (《車輛及司機管理辦法》) to optimize the vehicle management model



Vehicle overhaul

The Group requires the drivers to keep the vehicles clean, perform daily maintenance on the vehicles, and check the vehicle's engine oil, water tank, brakes, batteries, tires, audio, air-conditioning, appearance, control system and other facilities, so as to report the potential problems in time according to the process.



Vehicle dispatch

As far as the standardized requirements regarding vehicles dispatching formulated by the administration department of the Group, the processing of "permissible", "alternative transportation suggestion" or "impermissible" are arranged according to the actual situation.

- Within a distance of one kilometer, no car will be dispatched;
- If the employee's destination is near the subway line, no car will be dispatched in principle;
- When arranging vehicles, the administration department should make reasonable arrangements as far as possible, for example, the employees bound for the same routine should share the same vehicle.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

This year, due to the increase in the proportion of natural gas purchased by the Group for heating in the total energy consumption and the cancellation of the use of diesel vehicles, the Group's types of energy indicators have changed. The specific energy consumption data are shown in the table below:

| Energy | 2022 | | |
|--------------------------|-------------|------------------|---------------------------------------|
| | Consumption | Unit | Intensity (consumption/ person) |
| Electricity | 136,916.37 | KWH | 478.73 |
| Gasoline | 22,752.67 | Liter | 79.55 |
| Natural gas | 4,560 | M ³ | 15.94 |
| Total energy consumption | 346.65 | Thousands of KWH | 1.21 |

GHG

The Group has carried out GHG accounting work for consecutive years in order to grasp the details of its other GHG emission sources and emission load. We actively respond to the country's dual-carbon policy, and are committed to supporting the implementation of the goal of "carbon peaking and carbon neutrality" through energy-saving and emission-reduction measures to achieve a green and low-carbon development.

The Group's GHG emissions mainly come from purchased electricity in Scope 2, followed by vehicle fuel in Scope 1. Through the above-mentioned various measures for energy conservation and emission reduction, our GHG emission data for this year are shown in the table below:

| GHG | 2022 | |
|--------------------|-------------------------------|---------------------------------------|
| | Emission (tCO ₂ e) | Intensity (tCO ₂ e/person) |
| Scope 1 | 60.52 | 0.21 |
| Scope 2 | 128.96 | 0.45 |
| Total GHG emission | 189.48 | 0.66 |

9.2. 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 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 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 | Extreme weather events such as high temperature, typhoon and flood occur frequently | <ul style="list-style-type: none"> Filming delayed due to casualties on location | <ul style="list-style-type: none"> Forecast priority: establish a coordination and communication mechanism with the local meteorological department which adjusts the shooting plan in time according to the weather changes in the next 24 hours, 48 hours and one week, and try to avoid the impact of extreme weather on the shooting schedule from the source. 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, heatstroke prevention medicines, wind-cold and wind-heat medicines, etc. Safety education: For shooting locations such as mountainous areas, seashores, and forest areas that are susceptible to extreme weather, the film crew is required to designate a responsible person for internal safety to carry out safety training on the team in response to extreme weather and other related content. |
| | Chronic | <p>Changes in climate patterns intensify, such as ocean acidification and sea level rise</p> <p>Rising average temperature</p> | <ul style="list-style-type: none"> Damage to filming facilities led to an increased cost of the film | |

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

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

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

10. RUYI INHERITANCE — PROMOTING SOCIAL DEVELOPMENT

While developing film and television and game culture, the Group has always cared about the society. Starting from promoting the development of the industry, publicizing cultural concepts, and participating in social welfare, the Group undertakes corporate social responsibilities and creates value for the public.

Impetus of culture propaganda

We take the industrial advantages to strengthen the dissemination of public welfare culture, broadcast public welfare movies through streaming media platforms, show the power and magnificent achievements of China to the public and convey positive energy. We set up a red column with Chinese characteristics, in which the cultural film topics include: Celebrating the 20th National Congress of the Communist Party of China (喜迎二十大), Forging ahead on a New Journey (奮進新征程), Building the Chinese Dream Together (共築中國夢), Demeanor of Glorious Leaders (光輝領袖偉人風采), Pioneering Models (先鋒人物榜樣力量), Military Legends in Peacetime (和平年代軍旅傳奇), Salute to Reform and Opening Up (致敬改革開放), the War to Resist US Aggression and Aid Korea (揚我國威的抗美援朝), the War of Liberation toward Victory (走向勝利的解放戰爭), and the Arduous War of Resistance Against Japan (艱苦卓絕的抗日戰爭).

Case: Red Culture Special Program——“The Decade” (《這十年》)

The series consists of 18 episodes, which focus on the extraordinary decade commencing from the 18th National Congress of the Communist Party of China, and narrate the story of the Party Central Committee leading the people to initiate a new era, with an accumulative broadcast volume exceeding 10,000 person-times.



Promotion of industrial development

In order to boost the film and television industry to flourish, explore emerging forces in the industry, and identify outstanding film and television talents and works, we discover high-quality films through variety shows and film festivals. This year, Ms. Chen Zhixi (陳祉希), the chief executive officer of Ruyi Films, participated in the competitive reality TV show “Hi Director” (《導演請指教》) launched by Tencent Video as a producer mentor. In the program, 16 emerging directors are led by 4 industrial producers, being coordinated with a group of actors with exquisite showmanship to create film and television works, which strongly supports the cultivation of rookie directors in the film and television industry and the publicity of excellent works.



The variety show, "Hi Director"
(《導演請指教》)

In addition, Ms. Chen Zhixi was also invited by the 2022 First Youth Film Venture Capital Conference (2022 First 青年電影創投會) to participate in the mentor jury of the Surprise Lab (驚喜實驗室), searching for the most forward-looking creators for the Chinese film market, so as to discover emerging forces in film and television. In addition, at the end of the show, Ms. Chen Zhixi sponsored RMB100,000 for the film "Take off" (《今夜不宜飛行》) in praise of the amazing filming, helping the development of the film and television industry with practical actions.



2022 First Youth Film Venture Capital Conference

Being committed to charity

We continue to invest public welfare funds in the field of agricultural support to facilitate the consumption of agricultural products. In September 2022, at the call of the Culture and Tourism Bureau of Shanghai Songjiang District, the Group participated in the agricultural food procurement activities of the Shanghai Consumption Assistance Work Platform, purchasing supplies amounting to RMB45,000 in total, which marked that the Group had completed the goal of corporate consumption assistance, and supported the collaboration between the east and the west of Songjiang District.

APPENDIX I: 2022 ESG KEY PERFORMANCE FIGURES

Environmental aspect

| KPI | | Unit | 2022 |
|-------------------|---------------------------------------|---------------------------|--------|
| Air emission | Nitrogen oxide emissions | Kg | 119.44 |
| | Sulfur dioxide emissions | Kg | 0.33 |
| | Particulate matter emissions | Kg | 11.22 |
| | Total air emissions | Kg | 131 |
| | Sulfur oxynitride emission intensity | Kg/person | 0.42 |
| | Sulfur oxides emission intensity | Kg/person | 0.0012 |
| | Particulate matter emission intensity | Kg/person | 0.0392 |
| | Total air emission intensity | Kg/person | 0.46 |
| GHG emission | GHG emission (scope 1) | tCO ₂ e | 60.52 |
| | GHG emission (scope 2) | tCO ₂ e | 128.96 |
| | Total GHG emission | tCO ₂ e | 189.48 |
| | GHG emission intensity (scope 1) | tCO ₂ e/person | 0.21 |
| | GHG emission intensity (scope 2) | tCO ₂ e/person | 0.45 |
| | Total GHG emission intensity | tCO ₂ e/person | 0.66 |
| Solid waste | Total non-hazardous waste | Kg | 3.60 |
| | Total non-hazardous waste intensity | Kg/person | 0.013 |
| | Total hazardous waste | Kg | 5.85 |
| | Total hazardous waste intensity | Kg/person | 0.020 |
| Water consumption | Water consumption | M ³ | 2,033 |
| | Water intensity | M ³ /person | 7.11 |

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

| KPI | | Unit | 2022 |
|--------------------|------------------------------------|---------------------------|------------|
| Energy consumption | Electricity consumption | KWH | 136,916.37 |
| | Oil consumption | Liter | 22,752.67 |
| | Gas consumption | M ³ | 4,560 |
| | Total energy consumption | Thousands of KWH | 346.65 |
| | Electricity consumption intensity | KWH/person | 478.73 |
| | Oil consumption intensity | Liter/person | 79.55 |
| | Gas consumption intensity | M ³ /person | 15.94 |
| | Total energy consumption intensity | Thousands of KWH/person | 1.21 |
| GHG emission | GHG emission (scope 1) | tCO ₂ e | 60.52 |
| | GHG emission (scope 2) | tCO ₂ e | 128.96 |
| | Total GHG emission | tCO ₂ e | 189.48 |
| | GHG emission intensity (scope 1) | tCO ₂ e/person | 0.21 |
| | GHG emission intensity (scope 2) | tCO ₂ e/person | 0.45 |
| | Total GHG emission intensity | tCO ₂ e/person | 0.66 |

Descriptions of environmental data and coefficient

1. The period of environmental data spans from 1 January 2022 to 31 December 2022. The scope of data collection covers the Group's content production, online streaming media and online game business.
2. GHG emissions (Scope 1) are mainly from the fuel consumption of office vehicles, and GHG emissions (Scope 2) arise from the consumption of purchased electricity; the data sources are the payment bills of relevant fees and administrative statistical ledgers. The GHG emission factors of purchased electricity refer to the China Regional Power Grid Baseline Emission Factor for 2019 (《2019年度中國區域電網基準線排放因子》) issued by the Ministry of Ecology and Environmental of PRC, and other energy emission factors are based on the Reporting Guidance on Environmental KPIs (《環境關鍵績效指標匯報指引》) issued by the Hong Kong Stock Exchange.
3. The types of energy consumed by the Group in 2022 included fuel for official vehicles, purchased electricity and natural gas. The data sources were the payment bills for relevant expenses and the administrative statistics ledger; the energy consumption coefficient was in reference to the conversion factors provided by the International Energy Agency, the national GB/T2589-2008 General Principles for Calculation of the Comprehensive Energy Consumption (《GB/T2589-2008綜合能耗計算通則》) and 2006 IPCC Guidelines for National Greenhouse Gas Inventories (《2006年IPCC國家溫室氣體清單指南》).
4. Hazardous waste is obsolete batteries, waste tube, waste ink cartridges and toner cartridges.
5. Non-hazardous waste is office waste generated from administrative offices
6. The Group's water is supplied from the municipal network, and the source of data is financial records and administrative statistical accounts.
7. In 2022, the Group disclosed the environmental performance indicators of content production, online streaming media and online games, which accounted for a relatively high proportion of business, and neither involve other businesses nor included packaging materials. Therefore, there was a change in environmental data as compared with the previous year.

Social aspect

| KPI | | 2022 | | 2021 | |
|--|---|-----------------------|-------------------|-----------------------|-------------------|
| Total workforce by gender, employment category, age group and region | | | | | |
| | | Workforce (person) | Proportion (%) | Workforce (person) | Proportion (%) |
| By gender | Male | 149 | 52% | 178 | 44% |
| | Female | 137 | 48% | 223 | 56% |
| By employment category | Full-time | 283 | 99% | 392 | 98% |
| | Part-time | 3 | 1% | 9 | 2% |
| By age group | 30 or below | 169 | 59% | 181 | 45% |
| | 31–50 | 106 | 37% | 175 | 44% |
| | 50 or above | 11 | 4% | 45 | 11% |
| By region | Mainland China | 286 | 100% | 380 | 91% |
| | Overseas and Hong Kong, Macao and Taiwan | 0 | 0% | 21 | 9% |
| Total workforce | | 286 | | 401 | |

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

| Turnover by gender, age group and region | | | | | |
|---|----------------|------------------------------------|---------------------|------------------------------------|---------------------|
| | | Number of dismissal (person) | Turnover rate(%) | Number of dismissal (person) | Turnover rate(%) |
| By gender | Male | 40 | 26.85% | 37 | 20.79% |
| | Female | 56 | 40.88% | 37 | 16.59% |
| By age group | 30 or below | 65 | 38.46% | 34 | 18.78% |
| | 31–50 | 27 | 25.47% | 8 | 4.57% |
| | 50 or above | 4 | 36.36% | 0 | 0% |
| By region | Mainland China | 96 | 33.57% | 74 | 19.47% |
| Supplier data | | | | | |
| China and overseas | | 185 | | 211 | |
| Health and safety | | | | | |
| Work-related fatality | | 0 | | 0 | |
| Lost days due to work injury | | 0 | | 0 | |
| Customer service data | | | | | |
| Number of customer complaints (times) | | 0 | | / | |
| Number of customer complaints handled (times) | | 0 | | / | |

Descriptions of social data:

1. The period of social data spans from 1 January 2022 to 31 December 2022. The scope of data collection covers the Group's content production, online streaming media and online game business.
2. In 2022, the Group disclosed the social data performance indicators of content production, online streaming media and online games, which accounted for a relatively high proportion of business and did not involve other businesses.

APPENDIX II: CONTENT INDEX OF 2022 ESG REPORTING GUIDELINES

| ESG Indicators | | Disclosure Situation | Corresponding Chapter |
|-----------------------|---|----------------------|--|
| A1 General disclosure | Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. | Disclosed | 9.1. Green Operation |
| A1.1 | The types of emissions and respective emissions data. | Disclosed | 9.1. Green Operation |
| A1.2 | Direct (scope I) and energy indirect (scope II) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). | Disclosed | 9.2. Responding to Climate Change |
| A1.3 | Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). | Disclosed | 9.1. Green Operation |
| A1.4 | Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). | Disclosed | 9.1. Green Operation |
| A1.5 | Description of emission goals and measures to achieve these goals. | Disclosed | 9.Ruyi Environment-Safeguarding Green Homeland |
| A1.6 | Description of how hazardous and non-hazardous wastes are handled, as well as emission goals and measures to achieve these goals. | Disclosed | 9.Ruyi Environment-Safeguarding Green Homeland |
| A2 General disclosure | Policies on the efficient consumption of resources, including energy, water and other raw materials. | Disclosed | 9.1. Green Operation |
| A2.1 | Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility). | Disclosed | 9.1. Green Operation |
| A2.2 | Water consumption in total and intensity (e.g. per unit of production volume, per facility). | Disclosed | 9.1. Green Operation |
| A2.3 | Description of energy consumption efficiency goals and measures to achieve these goals. | Disclosed | 9.1. Green Operation |
| A2.4 | Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency goals and measures to achieve these goals. | Disclosed | 9.1. Green Operation |
| A2.5 | Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced. | N/A | / |

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

| ESG Indicators | | Disclosure Situation | Corresponding Chapter |
|-----------------------|---|----------------------|--|
| A3 General disclosure | Policies on minimizing the issuer's significant impact on the environment and natural resources. | Disclosed | 9.Ruyi Environment-Safeguarding Green Homeland |
| A3.1 | Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. | Disclosed | 9.Ruyi Environment-Safeguarding Green Homeland |
| A4 General disclosure | Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer. | Disclosed | 9.2. Responding to Climate Change |
| A4.1 | Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them. | Disclosed | 9.2. Responding to Climate Change |
| B1 General disclosure | Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. | Disclosed | 8.1. Staff Employment Management |
| B1.1 | Total workforce by gender, employment type (full-time or part-time), age group and geographical region. | Disclosed | 8.1. Staff Employment Management |
| B1.2 | Employee turnover rate by gender, age group and geographical region. | Disclosed | 8.1. Staff Employment Management |
| B2 General disclosure | Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards. | Disclosed | 8.2. Occupational Health and Safety |
| B2.1 | Number and rate of work-related fatalities occurred in each of the in past three years (including the reporting year). | Disclosed | 8.2. Occupational Health and Safety |
| B2.2 | Lost days due to work injury. | Disclosed | 8.2. Occupational Health and Safety |
| B2.3 | Description of occupational health and safety measures adopted, and how they are implemented and monitored. | Disclosed | 8.2. Occupational Health and Safety |

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

| ESG Indicators | | Disclosure Situation | Corresponding Chapter |
|-----------------------|--|----------------------|---|
| B3 General disclosure | Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. | Disclosed | 8.3. Talent Cultivation and Development |
| B3.1 | The percentage of employees trained by gender and employee category (e.g. senior management, middle management). | Disclosed | 8.3. Talent Cultivation and Development |
| B3.2 | The average training hours completed per employee by gender and employee category. | Disclosed | 8.3. Talent Cultivation and Development |
| B4 General disclosure | Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor. | Disclosed | 8.1. Staff Employment Management |
| B4.1 | Description of measures to review employment practices to avoid child and forced labor. | Disclosed | 8.1. Staff Employment Management |
| B4.2 | Description of steps taken to eliminate such non-compliant practices when discovered. | Disclosed | 8.1. Staff Employment Management |
| B5 General disclosure | Policies on managing environmental and social risks of the supply chain. | Disclosed | 6. Ruyi Partners — Cooperating Together |
| B5.1 | Number of suppliers by geographical region. | Disclosed | 6.1. Supplier Management |
| B5.2 | Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored. | Disclosed | 6.1. Supplier Management |
| B5.3 | Description of practices relating to identifying environmental and social risks in every part of the supply chain, and how they are implemented and monitored. | Disclosed | 6.1. Supplier Management |
| B5.4 | Description of practices relating to promoting usage of environmental friendly products and services when selecting suppliers, and how they are implemented and monitored. | Disclosed | 6.1. Supplier Management |

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

| ESG Indicators | | Disclosure Situation | Corresponding Chapter |
|-----------------------|--|----------------------|--|
| B6 General disclosure | Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress. | Disclosed | 5.1. Ruyi Management — Emphasis on Compliance Operations |
| B6.1 | Percentage of total products sold or shipped subject to recalls for safety and health reasons. | N/A | / |
| B6.2 | Number of products and service related complaints received and how they are dealt with. | Disclosed | 4.2. Maintenance of Customer Relationships |
| B6.3 | Description of practices relating to observing and protecting intellectual property rights. | Disclosed | 5.3. Intellectual Property Protection |
| B6.4 | Description of quality assurance process and recall procedures. | N/A | / |
| B6.5 | Description of consumer data protection and privacy policies, and how they are implemented and monitored. | Disclosed | 5.1. Network Security and Privacy Protection |
| B7 General disclosure | Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering. | Disclosed | 8. Ruyi Conscience — Integrity Baseline |
| B7.1 | Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases. | Disclosed | 7. Ruyi Conscience — Integrity Baseline |
| B7.2 | Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored. | Disclosed | 7.1. Establishment of Integrity Environment |
| B7.3 | Description of anti-corruption trainings for directors and employees. | Disclosed | 7.2. Integrity Training |
| B8 General disclosure | Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests. | Disclosed | 10. Ruyi Inheritance — Promoting Social Development |
| B8.1 | Focus on areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport). | Disclosed | 10. Ruyi Inheritance — Promoting Social Development |
| B8.2 | Resources contributed (e.g. money or time) to the focus area. | Disclosed | 10. Ruyi Inheritance — Promoting Social Development |