

China Literature Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 772



2024

ENVIRONMENTAL,
SOCIAL AND GOVERNANCE REPORT

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About Us

China Literature Limited is committed to building a broad and high-quality universe of Chinese language IP. The Company cultivates and develops core IP and derivatives covering literature, animation, film and television, games and other diversified forms of digital entertainment, and strives to integrate with offline real life to meet the comprehensive spiritual needs of users. China Literature Limited includes well-known brands in the industry such as Qidian Reading, QQ Reading, New Classics Media, etc. to cultivate and develop IP, and has established extensive content distribution and IP cooperation with Tencent, our shareholder and strategic partner, as well as third-party partners. China Literature Limited has successfully delivered representative IP adaptations in the fields of animation, film and television, and games, including “Joy of Life” (《慶餘年》), “Candle in the Tomb” (《鬼吹燈》), “Soul Land” (《斗羅大陸》), “The King’s Avatar” (《全職高手》), and “My Heroic Husband” (《贅婿》). China Literature Limited’s large and rich content library and IP full industry chain development capability are our important advantage.

Vision and Mission

Our mission is “creating good stories that will live forever” and our vision is “creating the most valuable IP ecosystem for creators and becoming a world leading platform for cultural creativity”.

We established “Grand China Literature” strategy, which aims at establishing an open and inclusive ecosystem with our business partners, with online literature as our cornerstone and IP development as the growth accelerator.

1. About This Report

This report provides information on the Group’s environmental, social and governance (“ESG”) performance for the year of 2024. It should be read in conjunction with the annual report, in particular the Corporate Governance Report contained in the annual report, as well as the sections headed “Corporate Governance”, etc. on the Company website.

1.1 Scope of This Report

This report aims to systematically represent our management measures and practices in terms of operations in compliance, product responsibilities, employee care, supply chain management, environmental protection, climate change and community investment in 2024. We will focus on ESG issues that are of interest to stakeholders.

This report involves China Literature Limited (“China Literature”) and its subsidiaries for the period from 1 January 2024 to 31 December 2024. Compared with the ESG Report 2023 issued on 24 April 2024, there is no significant adjustment in the scope of this report.

This report is prepared in accordance with the “Environmental, Social and Governance Reporting Guide” in Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. It has complied with all the “mandatory disclosure” and “comply or explain” provisions and has included explanations for disclosure provisions which are not applicable to us.

1.2 Board Statement

The Board of Directors (“the Board”) is the body with the ultimate responsibility for overseeing and managing the ESG issues of the Group. In accordance with the “Environmental, Social and Governance Reporting Guide”, we have established the ESG governance framework to review the establishment and implementation of ESG objectives, and established an ESG risk management and internal control system. Details of the governance framework can be found in the “ESG Strategies” section of this report. The Board has also been involved in the assessment, prioritization and management of ESG issues as detailed in the “Stakeholder Communication” and “Materiality Assessment” sections of this report.

This report, which discloses in detail the progress and effectiveness of the Group’s ESG efforts in 2024, was considered and approved by the Board at its meeting on 18 March 2025.

1.3 Reporting Principles

This report follows the Reporting Principles in the Environmental, Social and Governance Reporting Guide.

“Materiality”: Significant stakeholders are identified, and stakeholder engagement and materiality assessment are included in the preparation of the Report as evidence for the determination of material ESG issues.

“Quantitative”: All the data in this report come from relevant statistical reports and official corporate documents. Meanwhile, relevant standards and methodologies used in calculating emissions/energy consumption are reported.

“Balance”: This report follows the principle of balance and objectively presents the ESG status of the Group.

“Consistency”: The methodology used for statistics disclosure of key performance indicators (KPIs) in this report is consistent with that used for ESG Report 2023.

1.4 ESG Strategies

We are fully aware that the improvement of environmental and social performance can have a material impact on the sustainability of our operations. We have integrated the ESG related risks and opportunities into our corporate operation strategy as guidance for daily business operations.

We have established the ESG management framework consisting of the Board, the senior management and the working group. To support the Company’s commitment to fulfill environmental and social responsibilities, the Board oversees, evaluates, prioritizes and manages material ESG issues, formulates relevant management policies, strategies, priorities and objectives, reviews the Company’s performance regularly and approves annual ESG reports. The senior management reports relevant risks and opportunities to the Board, and ensures the effectiveness of the ESG risk management and the internal control systems. And the working group is responsible for implementing the strategies and policies of the Board, conducting related management and reporting work and reporting to the senior management on the progress of the work.

After discussions with the management and combined with the stakeholder engagement results and the actual operations, we confirm the following ESG issues that have a material impact on us and will discuss our actions on a case-by-case basis in this report:

1. Product responsibilities

Provide quality and healthy works

Promote protection of IP rights

Cultivate excellent creators

Protect users' rights, interests and privacy

2. Workplace

Focus on occupational health and safety

Create a favorable working environment

Provide training and development opportunities

3. Compliant Operation

Uphold operations in compliance with laws and regulations and abide by business ethics

4. Supply chain management

Regulate procurement activities to reduce environmental and social risks in the supply chain

5. Community investment

Engage in public welfare activities to improve positive social benefits

6. Environmental protection

Practice green operation, protect the environment and conserve resources

We embrace the principle of sustainability, provide employees with a favorable working environment, contribute to the society, and uphold development principle of integrity and regulatory compliance. We have established internal response mechanism to assess our ESG performance as our key business performance indicators.

1.5 Stakeholder Communication

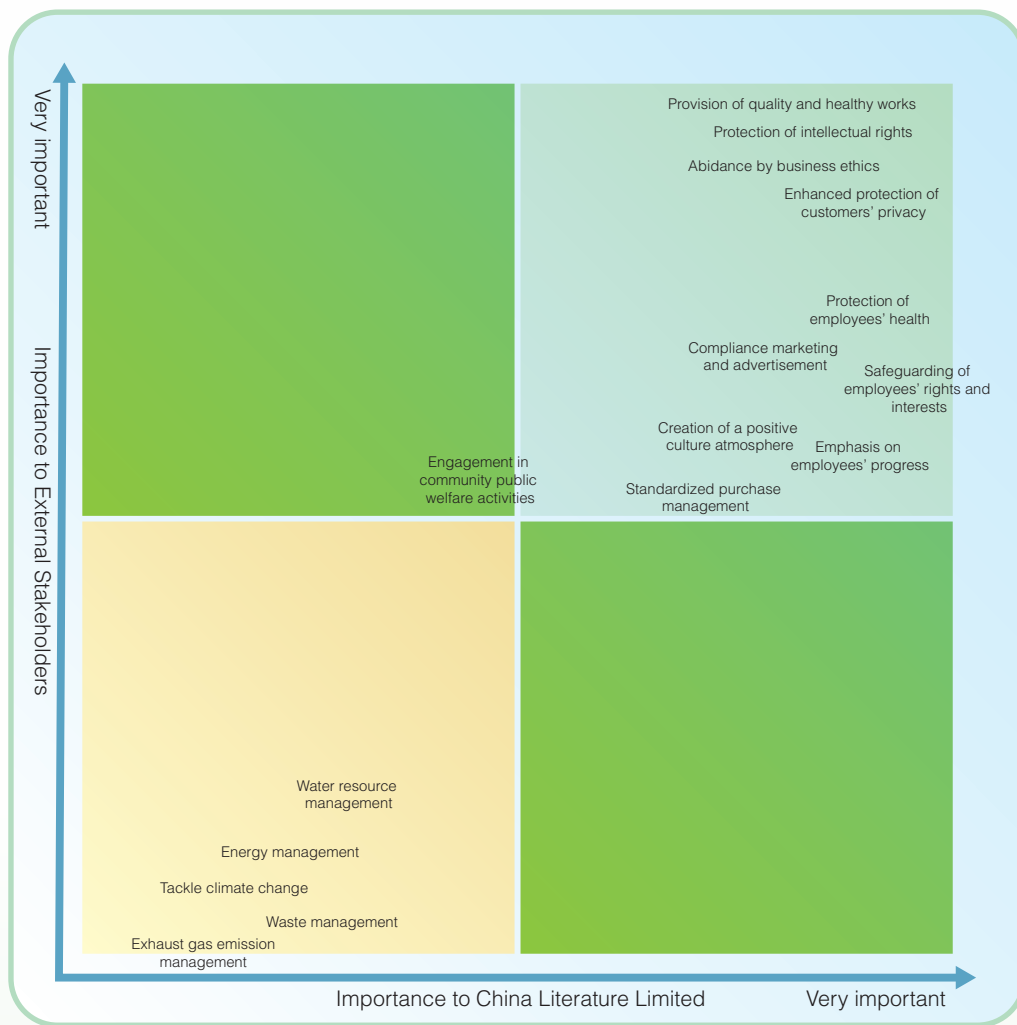
Our key stakeholders include shareholders and investors, regulators, industry associations, partners, customers, employees, suppliers and community. We emphasize stakeholder communication, encourage all stakeholders to participate in and supervise the implementation of our ESG strategies, and have multiple effective communication channels to understand their expectations and needs on ESG performance, which serve as important references when developing our ESG strategy. Issues concerned and major communication channels for stakeholders are as follows:

Stakeholders	Issues concerned	Major communication channels
Shareholders and investors	Sustained and steady business growth Business strategies Operations in compliance Transparent information disclosure	Corporate announcements Official website Regular meetings Investors' meetings
Regulators	Abidance by business ethics Compliance marketing and advertisement Corporate governance	Policy consulting Regulator training Official visits Information disclosure
Industry associations	Protection of intellectual rights Creation of a positive culture atmosphere	Seminars On-site investigation Industry activities
Partners	Protection of intellectual rights Provision of quality and healthy works	Daily communication Online platforms Regular meetings
Customers	Provision of quality and healthy works Enhanced protection of customers' privacy	Customer service hotline Online customer service Customer satisfaction survey Social media
Employees	Safeguarding of employees' rights and interests Protection of employees' health Emphasis on employees' progress	Employee training Annual meeting Performance evaluation Internal platform
Suppliers	Standardized purchase management Abidance by business ethics	Regular meetings Tendering process Strategy cooperation On-site investigation
Community	Creation of a positive culture atmosphere Engagement in community public welfare activities Environmental protection	Social media Public welfare activities

1.6 Materiality Assessment

When identifying the importance of ESG issues, we identified 16 ESG issues based on the requirements of the compliance guidelines and the operating situation, and determined the materiality of each issue in consideration of stakeholders' opinions. The materiality assessment results were finally confirmed after the management's evaluation and review, and were reported to the Board.

In 2024, the management revisited the materiality assessment results. As there were no significant changes in the business and operating environment, the previous result of the materiality assessment is still applicable to the Company:



Materiality assessment result

1.7 Availability

Both Chinese and English versions of this report can be viewed on the Company's website at <http://ir.yuewen.com> and Hong Kong Stock Exchange's website at <http://www.hkexnews.hk>. In case of any conflict or inconsistency between the Chinese version and the English version, the Chinese version shall prevail.

1.8 Contact Us

Stakeholders' valuable opinions can help the Company continue to improve performance on ESG. Please feel free to contact our Company Secretary with any comments or suggestions related to the Report.

Address: Room 1503-04, ICBC Tower, 3 Garden Road, Central, Hong Kong
Telephone: 852-31850017
Email: ir@yuewen.com

2. Product Responsibility

We comply with the Copyright Law of the People's Republic of China, Regulation on Internet Information Service of the People's Republic of China, Law of the People's Republic of China on the Protection of Personal Information, Law of the People's Republic of China on the Protection of Consumer Rights, Advertising Law of the People's Republic of China, Measures for the Administration of Internet Advertising, Cybersecurity Law of the People's Republic of China and other applicable laws and regulations on IP rights, content review, compliance marketing, advertising management, consumer rights and interests protection and privacy protection, and fully implement product responsibilities and legal obligations of the Company.

2.1 Safeguarding Content Security

As the leading platform of the domestic online literature industry, guiding a healthy online culture, maintaining data security and safeguarding customer privacy are the foundations of our good operation. In line with our development strategy, we set up a Compliance Management Committee led by the General Office of the company, and the persons in charge of relevant departments are responsible for the special work of network security and content compliance. We strictly comply with national policies and regulations, and establish internal working systems and security management mechanisms, formulate and implement systems on online security management and inspection and content review to continuously enhance our information maintenance and content management capabilities and implement information technology security and content security more effectively.

2.1.1 Green Healthy Reading

In order to uphold the high quality, health, and positive values of the information and content under its brands, and to prevent the dissemination of illegal information, content that violates public order and good morals, vulgar and indecent content, as well as information involving infringement and plagiarism, China Literature has established a comprehensive working system and security management mechanism. This system is based on policies and regulations such as the “Regulations on Publishing” and the “Ten Key Systems”, with the core principles of “Orientation-led and Value-based Management.” We implement integrated management through multiple aspects, including content review standards, emergency response systems, and security assessment mechanisms, ensuring that these systems are effectively updated and enforced. Additionally, China Literature has upgraded its content security review platform and established a more robust monitoring system.

The content review team regularly participates in the online literature editing business training and continuing education organized by the Cyberspace Administration of China and the Administration of Press and Publication, organizes internal content security training, improves the content management level and strictly controls the quality of the platform works. At the same time, we have been paying attention to the changes in the requirements of the regulatory authorities to create a healthy network environment. We require writers to have a strong sense of social responsibility and create works in line with mainstream socialist values, so we have informed writers of such requirements through relevant writing instructions.

We carry out content review through both manual review and technological monitoring. We have updated the content security review platform. Once a work is entered into the repository, China Literature will employ a combined system and manual interactive review method to conduct continuous monitoring and surveillance of the work's updated content. In terms of manual review, we implement the editor-in-chief responsibility policy, appointing the editor-in-chief as the person responsible for content review. For all of our websites, our editors must preview some chapters before putting the works on the websites, and strictly control the quality of the works. We adopt an interactive editing and review mechanism, which maintains interaction and communication between reviewers, editors and writers, and tracks and monitors the whole process of the access and updating of works, ensuring content compliance and controlling the quality of works. After manual review and approval, the relevant content can be released and displayed.

In terms of technological monitoring, our China Literature Intelligent Risk Control System undergoes continuous iteration. In 2024, China Literature upgraded its online, fully traceable content review system to enhance information transparency and traceability, and to strengthen the standardization and security of content management. Through systematic architectural design, we have achieved integrated management of review information and unified platform-based operations, thereby improving the efficiency and transparency of the review process. We utilize the content security review system for real-time content monitoring, which is equipped with capabilities such as semantic recognition, keyword combinations, and homophone detection to ensure content

compliance. For content creators, we implement a dual mechanism of pen name review and real-name verification to safeguard the authenticity of author identities and the copyright of works. In the area of UGC (User-Generated Content) review, our review process covers multiple aspects, including identity verification, nickname and avatar review, post review, and recall of trending content, to ensure the healthiness and compliance of platform content. Through this series of rigorous review measures, China Literature is committed to maintaining a secure and orderly online literature environment.

In the fight against plagiarism, China Literature has clearly published the reporting and handling procedures for plagiarism issues and opened four reporting channels to facilitate the reporting of plagiarism. At the same time, we have further improved the identification process of the “Plagiarism Identification Committee” and restructured the committee to ensure the fairness and impartiality of the handling mechanism. The members of the new Plagiarism Identification Committee are diverse, including third-party experts, veteran writers, senior editors from China Literature, and review experts. This composition not only provides a multi-perspective approach to identification but also brings new vitality and wisdom to the identification work. In addition, we continue to enhance our ability to identify the content of laundered works and use technological means to protect original works. We adhere to principles and take plagiarism and content laundering seriously, committed to maintaining a healthy industry ecosystem and protecting original works.

In order to provide healthy reading content to adolescents, we launched the teenager mode, under which a teenage-only content pool was established and high-quality books which are suitable for young readers were selected. Also, we set up the age selection function to provide appropriate high-quality content for teenager users of different ages. Under teenager mode, we have not only strictly controlled the pop-up windows and advertising content, blocked games and some advertising-related modules, but also strictly limited the amount of recharge and spending per month per visit, and restricted some of the spending functions.

2.1.2 High-Quality Literary Content

China Literature is committed to fostering a positive and healthy online literature environment and consistently upholding the mainstream values in politics, economy, and society. We adhere to the diverse development of online literature, taking it as the foundation and IP development as the core driving force. Together with industry partners, we jointly build an IP ecosystem to enhance our IP operation capabilities. In 2024, 68 works under China Literature received important awards and support in various selection and support activities organized by the National Press and Publication Administration, China Writers Association, local writers associations, the Publicity Department of the CPC Central Committee, and press and publication bureaus. Additionally, 63 works were collected by the National Archives of Publications and Culture, 24 by the Shanghai Library, 227 by the Shenzhen Library, and 10 by the British Library. 9 works were selected as cultural exchange collections and are housed by European institutions such as the Italian Writers’ Union and the Charing Cross Library in the UK.



China Literature's works have been included in the collection of the British Library

China Literature continues to enhance its influence in the field of online literature, with many of its works receiving widespread recognition from both the industry and readers. In the “2023 Excellent Online Literature and Art Works Annual Exhibition” held by the “Xuexiqiangguo” learning platform, 6 works from China Literature, including “Solo Journey in the Abyss” (《深渊独行》) and “Fox in the Forbidden Zone,” (《禁区之狐》) were honored with exhibition. Additionally, the company’s work “Battle Through the Heavens”(《斗破苍穹》) won the 2024 Weibo Culture Night•Weibo Annual Overseas Animation IP award, while “Dao of the Bizarre Immortal” (《道诡异仙》) and “Jade Dynasty” (《诛仙》) each received the 2024 Weibo Culture Night Weibo Annual Original Literature IP award. These honors are not only an affirmation of the quality of China Literature’s online literature works but also reflect its active role in promoting cultural creation and international exchange.

We utilize online literature as a medium to convey Chinese stories to the global audience, thereby constructing a digital bridge for cultural exchange in the new era. Adapted from its IPs, several film and television works, including “New Life Begins” (《卿卿日常》), “YOLO” (《热辣滚烫》), “The Legend Of ShenLi” (《与凤行》) and “The Tale of Rose” (《玫瑰的故事》), have successfully launched on overseas platforms, following the footsteps of “Joy Of Life”(《庆余年》) and “My Heroic Husband”(《赘婿》). In January 2024, China Literature held the 2023 Global Chinese IP Ceremony in Singapore, where it unveiled the Global Chinese IP list, honored outstanding works and talents, and nearly 70% of the listed works were those that had gone global, demonstrating the growing global influence of Chinese IPs.



YUEWEN GLOBAL IP AWARDS

2.1.3 High-Quality Film and Television Content

New Classics Media has formulated clear and effective processes and mechanisms in the screening of TV drama and film scripts, and acts upon regulatory requirements in the course of the script preparation, rough clipping and review. At the same time, New Classics Media continues to explore policy orientation and social development, and uphold the mainstream values in the political, economic and social dimensions, and matches and gives full play to the team's strengths in IP adaptations and unleashes its own production capabilities. By insisting on a long-term strategic layout of quality, diversification and seriation, we are committed to telling Chinese stories and conveying Chinese emotions. Besides, we advocate works of "ordinary people, strong enthusiasm, positive attitude" by sticking to the people-centered ideal and realism to ensure that the production, investment and publication of works are on a healthy track. In 2024, New Classics Media produced and broadcasted four TV series, "The Legend Of ShenLi" (《與鳳行》), "Joy of Life 2" (《慶餘年第二季》), "The Tale of Rose" (《玫瑰的故事》) and "Guardians of the Dafeng" (《大奉打更人》), all of which were synchronized with the broadcast on TV channels and the Internet, and gained unanimous recognition from the market and the audience.



"The Legend Of ShenLi" poster



"Joy of Life 2" poster



"The Tale of Rose" poster

In 2024, the dramas "The Legend Of ShenLi," (《與鳳行》) "Joy of Life 2," (《慶餘年第二季》), "The Tale of Rose," (《玫瑰的故事》) and "Guardians of the Dafeng" (《大奉打更人》) produced by New Classics Media, all entered the "Hit Club" of the broadcasting platform. Among them, "The Legend Of ShenLi" (《與鳳行》) broke the platform's record for the popularity of co-broadcast dramas, "Joy of Life 2" (《慶餘年第二季》) set a new historical high for platform popularity, and "The Tale of Rose" (《玫瑰的故事》) shattered the platform's record for the popularity of urban dramas. These three works also achieved a significant lead in discussion volume on third-party social media platforms. Thanks to their market performance and widespread public recognition, these 3 works have received various honors, including those from CCTV, Weibo, Douyin, Yunhe, and DeTarwen. Additionally, "A Lifelong Journey" (《人世間》) delivered an exceptional performance at the 34th Flying Apsaras Award, securing three major awards: Outstanding Television Series, Outstanding Director, and Outstanding Actor.

In the film sector, New Classics Media released “YOLO” (《熱辣滾燙》), which achieved remarkable success. The film received the “Spring Festival Special Honor” at the 14th Beijing International Film Festival and was nominated for Best Director and Best Actress at the 37th Hundred Flowers Awards. It was also nominated for “Best Asian Film” at the 43rd Hong Kong Film Awards. After its release, “YOLO” (《熱辣滾燙》) grossed 3.46 billion RMB, attracting 72.038 million viewers and becoming the domestic box office champion of 2024. Additionally, “YOLO” (《熱辣滾燙》) became the first domestic film for which Sony Pictures did not participate in production but acquired the global distribution rights. The film has been released in 11 overseas regions, with total overseas box office revenues exceeding 7.5765 million US dollars.



“YOLO” poster

The New Classics Media increasingly deepened the cooperation with China Literature Pictures to combine talent resources organically. In 2024, China Literature Limited achieved full integration with New Classics Media by the Film and TV Drama Business Unit, deepened the interoperability and complementarity of talents and resources, and effectively enhanced operational efficiency. New Classics Media and China Literature combined their talent resources organically to participate in film and TV projects of different genres in a more diversified way, playing to their respective strengths in content development, project development and distribution so as to complement each other, greatly improving the efficiency and success rate of IP development and continuing to create high-caliber and high-value cultural content.

New Classics Media also actively participated in various industry seminars and forums, discussing future trends with representatives from film companies, film marketing platforms, film creators, marketing professionals and film academics to promote the sustainable and healthy development of the industry. In 2024, New Classics Media participated in several important industry exchange activities, including the opening forum of the 37th Hundred Flowers Awards for Popular Films, China Film New Power Forum, and the New Wave Forum of the Aranya Waves Film Festival. At these forums, New Classics Media engaged in in-depth discussions with experts from academia and the industry on core issues such as storytelling of Chinese stories, industry innovation, and the development of emerging directors. Together, they explored industry trends and opportunities to promote the innovative development of the Chinese film industry.



Opening forum of the 37th Hundred Flowers Awards for Popular Films

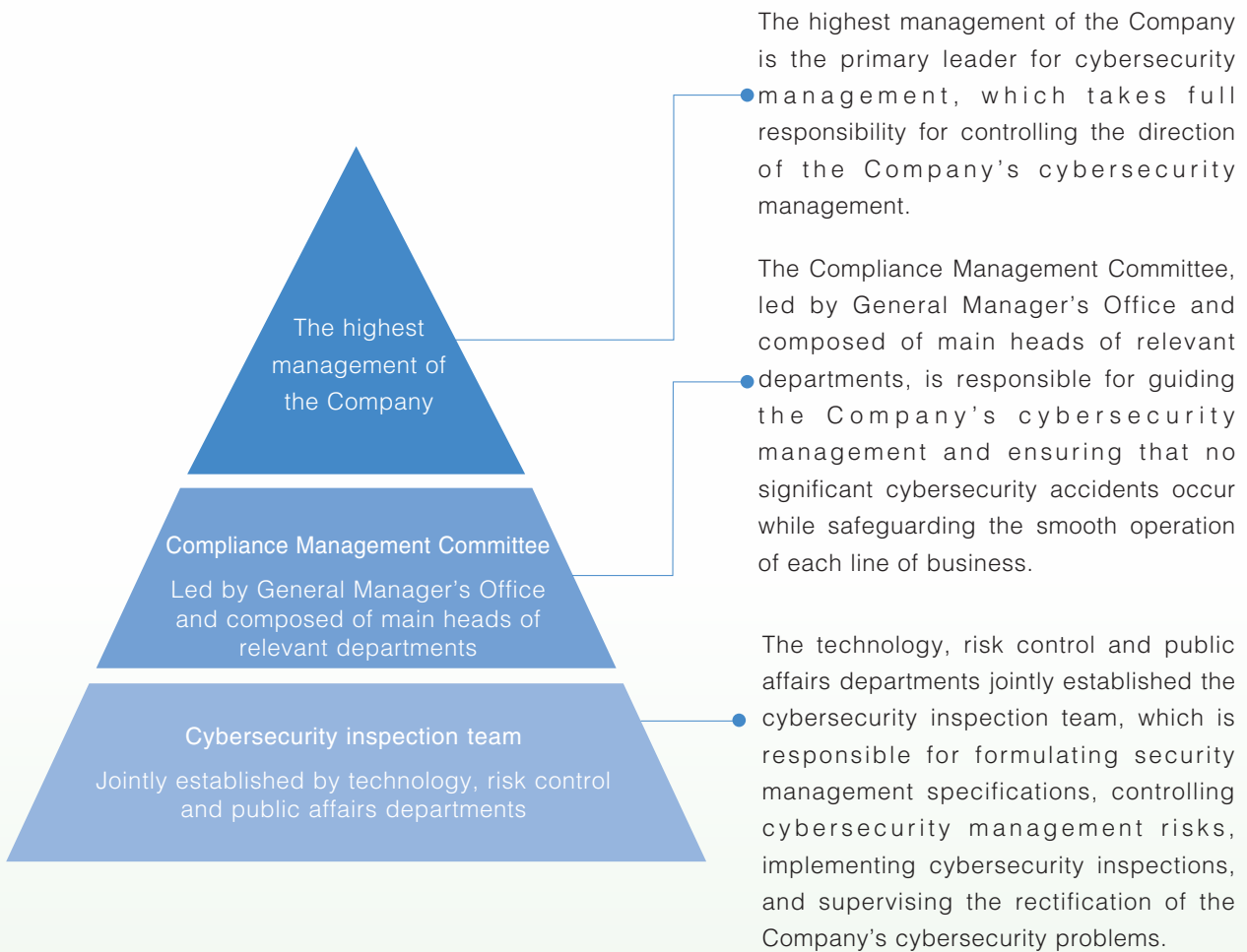


The 7th China Film New Force Forum

In addition, New Classics Media considered creators as its key component. While collaborating with artists, New Classics Media also selected and incubated promising young directors and screenwriters, so as to develop a diverse artistic style for New Classics Media's works and present a blossoming genre of artistic works. In 2024, New Classics Media participated in the Golden Rooster Film Festival's investment and financing unit for the sixth consecutive time, serving as a judge. The company also took part in the review and final judgement stages of the 2024 Online Film Investment and Innovation New Light Program, conducting rigorous screening and assessment of the projects. Additionally, we served as a jury member for the 2024 Aranya Waves Film Festival, providing professional evaluation of the works involved in the film week. These activities not only demonstrated New Classics Media's support for the growth of creators but also reflected the company's commitment to promoting the diversity and innovation of film art.

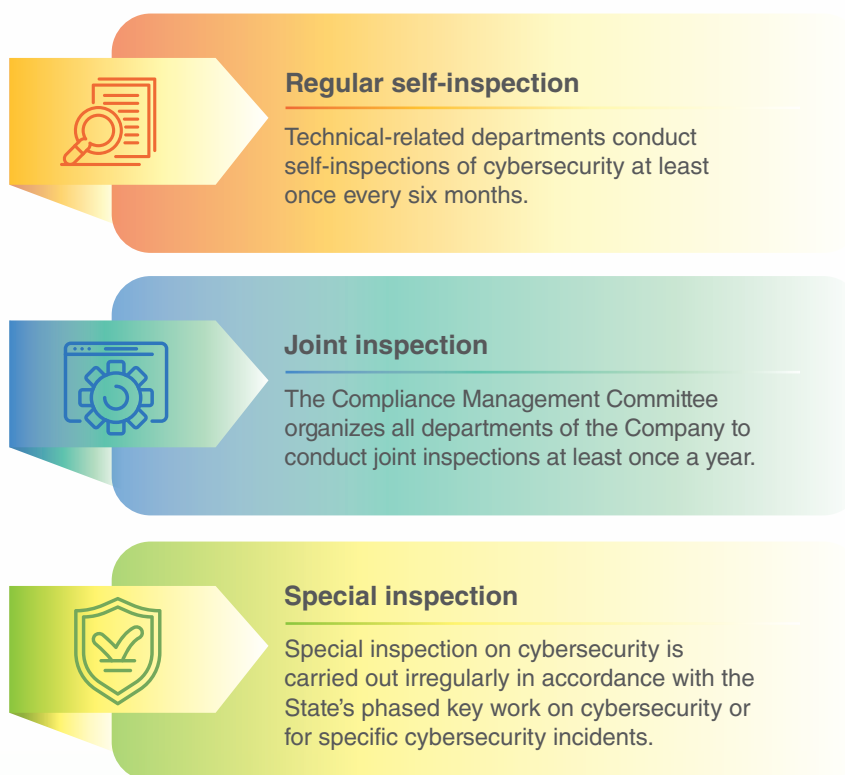
2.1.4 Information Security Protection

We attach great importance to cybersecurity and information protection, and strictly comply with all laws and regulations on the protection of user privacy and data security in the locations where we operate. We have formulated management systems such as Management System on Cybersecurity, Administrative System for Cybersecurity Inspection, Third-Party Data Compliance Management System, and Compliance Management Specifications for Users' Personal Information to ensure the stability and reliability of the network system. We have established a mature cybersecurity management system and organizational structure consisting of the highest management, Compliance Management Committee and cybersecurity inspection team. In 2024, we established a Cybersecurity Emergency Response Team, which possesses key functions such as content compliance, cybersecurity, and data compliance. Its main responsibilities include standardizing the overall content review system, building a review platform, ensuring system security and software compliance, developing cybersecurity inspection plans and institutional frameworks for the company, conducting data security audits, and organizing data security management and personal information protection initiatives.



Cybersecurity management structure

We regularly carry out cybersecurity inspection through regular self-inspection, joint inspection and special inspection by technical departments. Cybersecurity inspection can be carried out by the Company's cybersecurity inspection team or entrusted to organizations or specialists with relevant security certification qualifications. We use external means at least once a year. Cybersecurity inspection covers the construction of organizational and management systems, the implementation, supervision and inspection of regulations and policies, network and application system security, desktop office system security, control over operational environment and technical security, etc., which enables us to fully supervise and efficiently manage current cybersecurity status to promptly identify technical security hazards and take appropriate action. Our main information systems have all passed the certification of classified network security protection assessed by the public security organ, covering more than 90% of our own products on platforms. Our main products are all offered through cloud-based service platforms with ISO27001 certification.



Cybersecurity inspection mechanism

In order to effectively prevent and deal with network emergencies, we have formulated the Emergency Plan for Cybersecurity Incidents of China Literature Limited by focusing on the levels of organizational system, prevention and early warning, emergency response, post-disposal and emergency security to further improve the capability of prevention and control of data leakage, network attacks and other network emergencies and minimize the harm and impact of emergencies. We regularly conduct cybersecurity emergency drills to simulate the entire process of a cybersecurity incident including detection and assessment, response, information notification, emergency response, problem eradication, recovery and reconstruction, investigation and continuous improvement. We did this to enhance the emergency response capability and speed of relevant departments, get prepared to respond to emergency incidents in a better way as for involved personnel, equipment, technology, etc., summarize and optimize the emergency response process and improve employees' cybersecurity awareness. We make unceasing efforts to improve our internal data security education and training policies and conduct data security training activities on a regular basis. In 2024, we continued to respond to the action plan of the "Data Security Shanghai" data security special action organized by the Shanghai Communications Administration. Specifically, we established and adopted the Chief Data Officer policy and completed the data security assessment and management. Moreover, we perfected the regular data security monitoring, early-warning and reporting mechanisms, reinforced data security management throughout the whole life cycle, and strengthened capacity building and talent cultivation in data security.

The protection of our users' personal information is a fundamental principle of our work. We incorporate regulatory requirements on privacy protection into our internal compliance policies, and make every effort to protect users' personal information through reasonable and effective information security technology and management processes. We incorporate the concept of privacy protection into all aspects of product or service development, including legal, product and design factors, and implement internal hierarchical control of permissions to protect user information throughout the process of information collection, transmission, storage, display and query. We collect only necessary information from users and retain it only for as long as it is required for intended use, and delete or anonymize their personal information as soon as practicable. Moreover, without users' permission, we are not allowed to disclose their personal information to any company, organization and individual other than China Literature, and we are also not permitted to make public or give away any third parties' access to private information and material that users have stored in our platforms, servers or databases for their use of network services.

We publish our privacy policy in clear and concise language on the websites and applications of our relevant products, make clear to users the purpose, manner and scope of the collection and use of personal information, and prompt users to read the privacy policy and other collection and use rules through pop-up windows and other clear reminders so that users are aware of our information protection initiatives. In addition, we provide effective functions to correct or delete personal information, respond to users' corresponding operations in a timely manner, establish and publish complaint channels about personal information security, and complete verification and processing within the promised time frame. We pay great attention to the protection of information of underage users and call on guardians and schools to provide proper guidance and work with us to create a safe and healthy online environment for minors. We have implemented the latest regulatory requirements of the State Internet Information Office on data security, clarified the protection of users' personal privacy and sensitive data in the relevant system, used encryption in all online interaction scenarios, encrypted user information, and standardized and optimized the user account cancellation process using self-service and manual customer service to protect the safety of personal information and important data.

New Classics Media has established a series of privacy protection clauses to safeguard the privacy rights and interests of artists. These clauses clearly define the responsibilities and obligations of both the artists and the project parties. By signing artist privacy protection clauses, New Classics Media ensures that the personal information, image, reputation, and privacy of artists are protected and prevents the misuse of artists' personal information for improper publicity activities.

2.2 Nurture Creative Talent

Combining a wealth of experience, talent and resources, we are committed to creating a nurturing system that is both practical, authoritative and groundbreaking and to continuously deliver creative talent to the industry and build a living force in the content industry. We are fully aware that authors are the most valuable partners. We are determined to build the "Writer Ecology 2.0 (作家生态2.0)" in self-growth, self-improvement, and self-motivation, create a service-oriented and connected platform comprehensively, to provide the personalized needs of writers with the whole chain service and continuously upgrade the service experience of writers.

2.2.1 Cultivate Excellent Creators

We have established a comprehensive training system covering high-end, intermediate and new writers, and have continued to strengthen communication between writers of all kinds and editors to overcome creative difficulties and continued to empower the growth of writers.

We have established the "China Literature Qidian Elite Camp", inviting many authoritative experts and scholars, well-known online writers and film and television scriptwriters to become mentors of the China Literature Qidian Elite Camp, dedicated to providing the industry with a continuous supply of creative writing talent and building a living force in the content industry. China Literature Qidian Elite Camp provides a comprehensive, multi-level, and graded training system for writers, and in addition to the online learning platform and online community, we also established offline short drama creative workshops, continuously delving into the field of content creation training. We offer a variety of courses, including

short drama script format, topic selection skills, and character development, to help trainees enhance their scriptwriting abilities. For story creative talents, including writers and screenwriters, we integrate existing resources to build a richer, more refined, and more professional cross-border cultural and creative industry gathering platform. This platform facilitates the exchange of IP adaptation experiences and skills and builds bridges from literature to film, animation, and games within the IP universe. As of the end of 2024, the China Literature Qidian Elite Camp has published over 1,300 courses, with a cumulative readership exceeding 32.2 million and nearly 300,000 writers served. The course satisfaction rate is over 97%.



offline short drama creative workshops

We carried out the “Young Writer Support Plan (青年作家扶持計劃)” to support the creation and development of young writers and assist them in promotion and development from four aspects, namely creation incentives, writing competition, honor rank and traffic support. In 2024, we have comprehensively refined various measures of creation supporting and launched diversified supporting programs for youth writers. China Literature will establish a “1 Billion Ecological Support Fund (10億生態扶持基金)” to increase investment in three areas: pre-IP incubation, IP visualization development, and multimodal infrastructure. The fund will intervene from the early stages of work serialization and systematically promote the full-cycle operation of IPs. By establishing creation bases, co-creating cultural IPs, and jointly organizing IP-related activities, we aim to explore new opportunities for development. With the support of this fund, China Literature has already launched outstanding works such as “Genius Club” (《天才俱樂部》) and “Taiping Order” (《太平令》).



The “1 Billion Ecological Support Fund” has been established.



“Genius Club”

We continue to explore the IP diversification model to provide more opportunities and support for writers, as well as to expand a market and audience for high-quality content. In 2024, we continued the “Stellar Program”, which aims to provide more preliminary IP incubation support for potential writers and high-quality works. We have set up a chief editorial team consisting of senior content experts to work hand in hand with writers from the beginning of the preparation period of their works, participate in the entire content control, and guide the operation of their works with IP creation mindset. This year, China Literature officially upgraded the “Star Incubation Plan” for short dramas, opening up the IPs and resources of over 100 short dramas for co-creation with upstream and downstream partners. Among them, one of the most popular short drama in 2024, “Ding! My billionaire husband is now online” (《叮!我的首富老公已上线》), generated close to RMB 40 million in gross revenue. In the future, we will leverage China Literature’s strengths in content production, IP operation and development, and support works in gathering IP energy in multiple dimensions such as promotion and operation, visual development, commercialization, and community. We will also provide more practical and diversified writer services for creators.

We encourage and support writers to create diversified stories with various creation spaces and development opportunities. In 2024, we organized a number of story selections for creators of realistic, China-Chic and other genres and invited industry experts to evaluate and select excellent works and outstanding new writers. The winning writers were rewarded with such benefits as cash prize, contractual incentives and promotional resources, which effectively supports the writers in diversified growth and development and preserves the ongoing vitality of good stories within China Literature.



The Upgrade of the “Star Incubation Plan” for Short Dramas

Pomegranate Trophy Writing Competition

With the theme of “Unity in Seeds, Emotion in Words,” the initiative aims to empower the construction of “Ethnic IPs” and encourages writers to create works in various directions, including national culture, modern national themes, national myths and legends, military, science fiction, and light novels. This is to showcase the close unity of the Chinese nation, like pomegranate seeds tightly clinging to each other.



Award Ceremony of “Pomegranate Trophy Writing Competition”

“China-Chic Raising” Female-Oriented Writing Competition

China Literature has partnered with 13 film and television partners to launch a writing competition, with the winning entries having the opportunity to be adapted into film and television productions. This initiative has effectively bridged the gap between online literature creation and film and television production, accelerating the adaptation process of literary works into visual media. By doing so, it has significantly increased the exposure and influence of these works.



“China-Chic Raising” Female-Oriented Writing Competition poster

The 2024 Qidian Reality Channel Spring and Autumn Writing Competition

Qidian Chinese Network has launched a copyright-oriented essay plan exclusive to its reality channel, providing comprehensive welfare support for contracted works and cash support for outstanding works. It also offers key assessment opportunities for works with first-tier institutions in publishing, film and television, encouraging authors to engage in copyright-oriented creation while ensuring the subscription value of their works.



The 2024 Qidian Reality Channel Autumn Writing Competition

“Huangshan Theme Writing Competition”

China Literature has actively integrated Huangshan into anime, film, and other cultural and creative resources. By organizing essay contests, it has revitalized Huangshan’s cultural resources. So far, the contest has produced outstanding works such as “The Book of Strange Tales”(《志怪書》) and “Master of Traditional Chinese Medicine”(《國藥大師》).



“Huangshan Theme Writing Competition” poster

“World Heritage and Chinese Stories” Writing Competition

This event has initiated a creative journey for online literature writers focusing on “World Heritage,” using the innovative power of online literature to help World Heritage break through boundaries and gain wider recognition. The essay contest integrates the advantages of online literature IPs into local tourist attractions, injecting new vitality and creativity into the sustainable development of local culture and tourism industries.



“World Heritage and Chinese Stories” Writing Competition poster

“Rising Storm” Game-themed Writing Competition

In order to better meet the unique reading needs of readers and enrich the reserve of high-quality content in niche genres, China Literature launched the “Rising Storm” Game Writing Competition call for submissions. Through this activity, nine outstanding works were selected.



“Rising Storm” Game-themed Writing Competition poster

By the end of 2024, a total of 304 of our writers had joined the China Writers Association. In addition, 13 of our writers were awarded major prizes by China Writers Association and various local writers associations, local governments and other organizations in 2024.

2.2.2 Improvement of Creators' Benefits

In adherence to the principles of equal cooperation, mutual benefit and win-win result, we maintain extensive and efficient communication with writers through various channels, such as talkfests, calls, and online platforms to have their voices and opinions heard. In order to meet practical cooperative demands from writers in a wide range and different works, we have continuously raised the criteria of serving writers, provided diversified and optional manners in the field of cooperative agreements and editing services, so as to ensure that writers enjoy the freedom of choice and creativity in different subjects. We are striving to create diversified and productive ecology for creators with diverse writing styles and are working with writers to promote the prosperity and development of online literature.

In order to better serve writers, we established the China Literature Gold Editing Studio, a group of professional and outstanding editors, in addition to the existing editorial team. The studio works in parallel with the editorial team, and writers can sign their own contracts. On the basis of unchanged treatment and resources, the studio provides personalized and customized writing guidance and services to writers in need. We keep building up the brand and reputation of the Gold Editing Studio, selecting more outstanding editors. We also provide personalized services for writers to help them improve their writing techniques to create excellent works. Additionally, to create outstanding works in an integrated manner, China Literature, based on mutual selection, appointed experienced content experts as chief editors to provide professional creative support for writers and to participate in the entire process of the works' operation. In

2024, several popular works, including "Genius Club,"(《天才俱樂部》) "Taiping Order,"(《太平令》) and "Guardian of the Multiverse,"(《萬界守門人》) were created under the guidance and collaboration of chief editors. Since the establishment of the Gold Editing Studio, 78 first-tier works and over 400 excellent works have been produced.

In order to increase the welfare and income for our writers, we continued to promote the "Star Project of Professional Writers (職業作家星計劃)", which covered writer support, writer care, brand operation and other fields, providing more comprehensive and refined support for writers. We not only gave writers sufficient time for literature exploration, stimulated their enthusiasm of creation, but also provided writers who want to improve their personal and work influence with services such as platform resources, fans operation, exclusive copyright brokers, media & promotion of writers, to cater to the writers' needs. We strongly support the development of female writers' works, and provide support for such works with direct supporting incentives and adequate returns such as diversified contractual incentives and ranking benefits as well as generous remuneration and cash subsidies offered to female writers of such works. In 2024, to better support every brilliant writer, we upgraded a number of writer benefits on our brand platforms such as kunlun.readnovel.com and xxsy.net. We also introduced various contractual modes, and offered creation subsidies, ranking bonuses as well as writing incentives in cash to maximize writer benefits. To offer the most effective help to a writer who is caught in trouble due to serious illness or accident, we also launched the "Literary Oasis Initiative" and donated to launch a "Special Fund of Love Relief by China Literature". The objects of assistance include not only the writer, but

also the writer's direct relatives, including spouses, children and parents. In 2024, we provided RMB200,000 to 2 writers in aid.

2.3 Intellectual Property Protection

Copyright protection plays an important role in our strategic development. We have independently developed a proactive and efficient anti-piracy system and established a dedicated IP team that is responsible for the internal management of copyright and the combat of copyright infringement. We have also established a litigation and right protection team to combat piracy and infringement of copyrights, so as to prevent interests of the Company and writers from being violated. In addition, we organized a joint anti-piracy working group composed of products, technology, legal affairs, content, customer service and other functions that makes a joint effort to combat piracy and copyright infringement with technology.

We have been actively exploring intelligent anti-piracy technology and have established an anti-piracy middle platform. With artificial intelligence, big data, content encryption, reverse testing and other technical means, we have improved anti-theft capabilities and comprehensively strengthen the attack and defense system, effectively solving the problem of automated batch piracy that has been troubling the industry for many years. Meanwhile, we drove comprehensive implementation of platform complaints, criminal and civil litigation and other means to safeguard copyright, and effectively cracked down on infringements in pirated platforms, search engines and application markets. By doing so, we have gradually formed an all-around crackdown network composed of online complaints, administrative reports, civil litigation, criminal litigation, etc. to make the piracy industry chain and transmission chain

suffer severe damage. Our intellectual property protection has been highly recognized by governments and judicial authorities. In 2024, the intellectual property protection cases we handled achieved remarkable results, successfully being selected as the "Typical Intellectual Property Judicial Protection Cases Involving the Film and Television Industry in Shanghai Courts in June 2024", as well as the "Top Ten Typical Intellectual Property Protection Cases of 2023" released by the Jiangxi High Court.

We have adopted an "Integrated Copyright" management mode to enforce our copyright development and protection, which enables us to manage the otherwise daily work such as copyright achievement and license in a systematic data-processing manner, thus improving online literature copyright management efficiency and providing online writers and partners with timely and professional legal support and comprehensive copyright services. We have cooperated with third parties and entrusted them with regular monitoring of scattered digital content infringement, and formulated targeted solutions for the protection of rights, to wipe out infringement and piracy in a more efficient manner. By the end of 2024, we had obtained more than 2,300 registered copyrights and more than 7,500 registered trademarks.

We actively undertake social responsibility, and participate in public affairs and events related to copyright protection, including participating in copyright protection seminars and contributing to the establishment of industry standards. We call on the whole society to pay attention to and jointly advocate the legalization of online literature copyright protection in cooperation with associations of writers and online literature platforms, so as to protect the original content ecology of online literature. In May 2024, China Literature participated in the business exchange activity themed “Strengthening Intellectual Property Protection and Empowering New-Generation Productivity” organized by the Intellectual Property Publishing House. During the event, China Literature actively engaged in in-depth exchanges with partners from relevant departments, industry experts, legal experts, and others. Together, they explored the current challenges and opportunities faced by the industry, aiming to support industry development and liberate productivity. The event facilitated knowledge sharing and experience exchange within the industry, jointly addressing new issues and challenges in intellectual property protection, and contributing to the healthy and sustainable development of the industry. Looking ahead, China Literature will continue to actively participate in such exchange activities, continuously enhance its professional level in the field of intellectual property protection, provide strong support for empowering new-generation productivity, and promote the prosperity and progress of the entire industry.



China Literature participated in the 2024 “Strengthening Intellectual Property Protection and Empowering New-Generation Productivity” Business Exchange Activity

New Classics Media has also clarified the protection measures and guidelines for the use of intellectual property rights, such as trademarks and copyrights, in order to strengthen the management of intellectual property rights, protect intangible assets and build and maintain credibility. New Classics Media has issued a legal statement on its website, making it clear that no one may use New Classics Media’s content and works in any form without the written permission of New Classics Media, and that the legal department will strictly review copyright documents to ensure that there is no risk of infringement. New Classics Media also carried out anti-piracy work before, during and after the release of a work through automatic monitoring, manual intervention and resource reporting, as well as technical measures such as blocking pirated links, feature codes and keyword blocking.

2.4 Respond to Users' Feedback

We are devoted to keeping the ecological environment of the platform healthy. To be specific, we have used the Polaris Real-Time Risk Control Platform to automatically screen and filter the undesirable and noxious information. In addition, we intervene in misconducts of users, including but not limited to malicious registration, fake comments, cheating, fraud and malicious refunds, conduct credit evaluation on users' behavior, and make blacklists or whitelists. We keep updating the Risk Control Platform and System in two major directions, namely risk identification capability and broadening the risk control landscape, to constantly keep strengthening the identification of risk behavior such as jailbreaking and malicious plug-in installation in order to improve the construction of a comprehensive risk prevention system.

In order to ensure the stable operation of the platform after the launch of new features and activities, we formulated the Pre-Review System for the Launch of New Product Activities and Features. The legal, public relations, customer service and content review departments have jointly conducted a preliminary review before the launch, so as to pre-judge users' feedback, review the completeness and reasonableness of the relevant explanations, promptly investigate the gaps, effectively prevent the escalation of customer complaints and maintain the stability of public opinion after the launch of new features and activities.

We also welcome users to provide feedback on bad information and work with us to maintain the healthy and positive content of our major websites. Users can report bad information through the complaints hotline (010-59357051), the complaints page ([https://](https://jubao.yuewen.com/)

jubao.yuewen.com/) and the complaints portal of the function pages. We will respond to the users' complaints in a timely manner, review and properly resolve all of them. In addition, the handling results will be sent back to the users via SMS or system push."

We place great emphasis on every complaint and suggestion from our users. We use a combination of manual customer service and intelligent customer service robots to answer users' questions and improve our service capabilities. We have set up a complaint handling mechanism where front-line employee is responsible for understanding the situation and preliminary handling, second-line employee is responsible for identifying and resolving the issue, and call-back employee is responsible for customer satisfaction survey and follow-ups. We also require front-line telephone customer service and online customer service to provide business instructions and submit problems when receiving user complaints and to offer satisfactory replies and solutions in a timely manner, which will reduce the problems being relayed to subsequent procedures and improve the efficiency in solving problems. For major grievances, we engage relevant departments of the Company to conduct an investigation and make a summary based on the result for the purpose of improving internal procedures and deterring similar incidents from occurring. We handle users' feedback in strict accordance with the principles for privacy protection. We have a strict control over customer service personnel's access to users' information and require all of them to sign a non-disclosure agreement to maximize the protection of users' privacy. In 2024, we optimized user feedback management through the "Echo Wall" platform. The platform has two major sections, namely "Listen to Users" and "Data Watchtower". It can automatically collect user feedback from

multiple channels, push it to the business and product research teams, and support task assignment and progress tracking of the feedback issues, forming a closed-loop management system. At the same time, the platform can also adjust the pushed content according to user needs, facilitating the rapid iteration of products and enhancing the user experience. In 2024, we received a total of 108,260 complaints from our customers and achieved a 100% complaint handling rate.

In addition, for the writers' group, we constantly track their practical concerns through interviews, regular surveys, customer service feedback and other methods. In the areas of contracting, support, recommendation and data, which are of common concern to writers, we have completed the upgrading of our product capabilities and content guidelines in phases, effectively improving the level of service and the satisfaction of writers. In 2024, the satisfaction rate of writers' consultation reached 99.30%.

We are principally engaged in the operation of online literature platforms, provision of literary content and production of TV series and films, and therefore we do not have any case of product recall.

While quickly responding to users' demands, we regularly check and analyze the quality of customer service process and effect in daily work, so as to improve service standards and quality, and realize service enhancement. We conduct targeted training for the senior management, middle-level and front-line employees in daily work, summarize users' feedback in a timely manner, continuously raise employees' awareness of company policies through training, improve employees' business skills, and ensure efficient communication and proper solution to various issues in operation. In 2024, we conducted specialized training on the standard operating procedures (SOP) for front-line customer service business guidelines and self-inspection for our customer service staff. This initiative aimed to enhance the quality of service and avoid common pitfalls, ensuring clear objectives, focused priorities, and rapid response. It also aimed to elevate the professionalism of the customer service team and provide users with a superior service experience. In 2024, the satisfaction rate for human customer service reached 98.43%.

3. Workplace

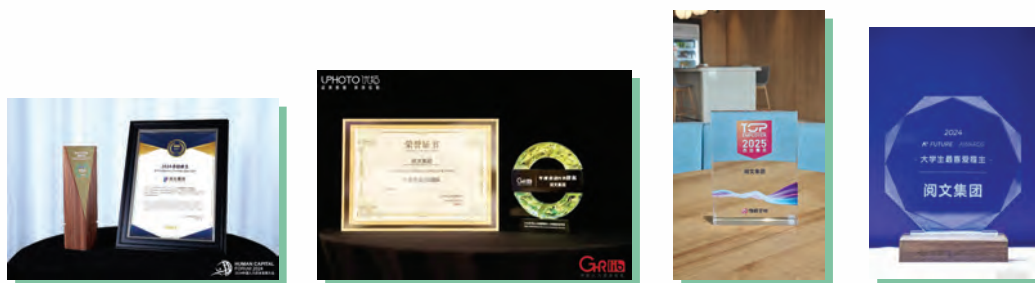
3.1 Employment and Labour Standards

3.1.1 Recruitment and Departure

Our employment practice complies with the Labour Law of the People's Republic of China, the Labour Contract Law of the People's Republic of China, the Provisions on Prohibition of Child Labour and other applicable laws and regulations (including but not limited to those which prohibit child and forced labour). Our recruitment complies with the principles of open recruitment, fair competition, comprehensive evaluation and merit-based admission. We comprehensively examine the educational qualification, job experience and professional background of each candidate during recruitment, and we have formulated the Staff Manual to standardize employment practices. In daily work and every process of recruitment, we uphold the principle of equality, and do not discriminate against anyone on the grounds of gender, educational background, age, marital status, ethnicity, race, geographical identity, nationality, political affiliation, religious belief, disability or physical disorder, etc., strictly respect and protect human rights. As at the end of 2024, we employed a total of 1,741 people, all of whom are full time employees.

Employee structure		2024 (person)
Total employees		1,741
By gender	Female	968
	Male	773
By age group	<30	582
	30-39	961
	40-49	185
	≥50	13
By geography	Chinese Mainland	1,719
	Hong Kong, Macao and Taiwan	8
	Overseas	14

In 2024, China Literature achieved significant milestones in the field of employer brand building. We were honored with the “Excellence in Human Resource Management Award” by HRoot. In the Nfuture selection, we were awarded the title of “2024 Favorite Employer of College Students”. We also retained to win the “Outstanding Employer” award from 51job. Additionally, at the 2024 Global Human Resources Think Tank’s industry selection event, our HR team, with their outstanding performance, won the honor of the annual outstanding HR team. Looking ahead, we will continue to optimize our human resource management strategies, build a more attractive and competitive employer brand, create broader development space for our employees, and inject strong momentum into the long-term development of the company.



China Literature wins several employer awards

We formulate demission (including resignation and dismissal) procedures in accordance with labour contracts and relevant laws and regulations. When employees leave, we conduct interviews with them to understand the reasons for leaving and obtain suggestions for improvement in the Company.

Employee turnover rate		2024
Total turnover rate		23%
By gender	Female	21%
	Male	26%
By age group	<30	31%
	30-39	19%
	40-49	16%
	≥50	31%
By geography	Chinese Mainland	23%
	Hong Kong, Macao and Taiwan	0%
	Overseas	8%

Notes:

- (1) Employee turnover rate = number of employees leaving in the reporting year * 2/(number of employees at the beginning of the reporting year + number of employees at the end of the reporting year)
- (2) The statistical scope of the number of separations includes employees who voluntarily quit or terminate their employment due to dismissal, retirement or death.

3.1.2 Labour Standards

We strictly abide by the Regulations on the Prohibition of Child Labour and other relevant laws and regulations, and we firmly prohibit the use of child labour and forced labour. We strictly control the recruitment process to avoid misrecruitment of child labour, and if we find misuse of child labour, we will immediately terminate the employment contracts with them in accordance with the laws and regulations.

3.1.3 Promotion and Career Development

China Literature supports employees' individual career development through a comprehensive career development system. We have designed dual career advancement paths in both professional and managerial tracks. Whether employees seek growth in their professional expertise or take on leadership roles in organizational management, clear development pathways are available to them.

In terms of talent identification, beyond regular professional and managerial promotions, individuals who achieve outstanding results in company-level strategic projects and those in key positions critical to the organization are also eligible for exceptional promotions. Mechanisms are in place to ensure that core talents with potential, strong capabilities, and irreplaceability are rapidly promoted.

We encourage all employees to obtain professional qualification certificates. For employees who register for the Professional Qualifications of Technicians in the Publication Profession ("Editor Certificate"), we provide the necessary public holidays, reimburse expenses related to assessments, in-person training, textbooks, and annual continuing education, and offer cash subsidies to those who obtain the Editor Certificate, thereby motivating employees to continuously enhance their professional skills.

3.1.4 Compensation and Benefits

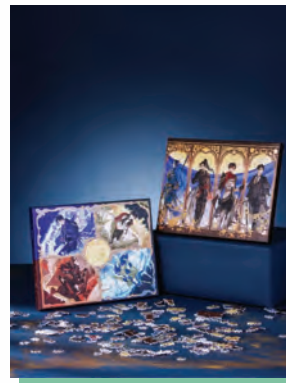
We offer competitive compensation benefits to attract and retain talent. The bonus is performance-based and ensured to reward employees with high performance.

In terms of employee benefits, we offer commercial health and accident insurance to every full-time employee and their children apart from basic social insurance. In daily work, we show our care for the well-being of our employees by various means. For example, we offer various welfare subsidies, festival gifts or bonus; celebrate special occasions of our employees (e.g. wedding, childbirth, etc.); In addition to arranging regular physical examination for employees, we provide annual medical check-ups for parents of employees who serve for more than three years.

In 2024, during Women’s Day and Children’s Day, China Literature carefully prepared shawls and parent-child mountain climbing equipment for our employees. For the Mid-Autumn Festival, we created a unique Mid-Autumn Festival gift box for our employees. The gift box, using a three-dimensional jigsaw puzzle as a carrier, ingeniously gathers the most influential IP character images under China Literature in 2023, such as Tang San from “Soul Land,”(《斗羅大陸》) Xiao Yan from “Battle Through the Heavens,”(《斗破蒼穹》) Ye Xiu from “The King’s Avatar,”(《全職高手》) and Klein Moretti from “Lord of the mysteries”(《詭秘之主》) and other classic characters. We hope that our employees can share this unique gift with their families during the Mid-Autumn Festival, enjoy the bright moon together with the company, and feel the warmth and togetherness.



Gift Boxes for the Women’s Day and Children’s Day



Gift Boxes for the Mid-Autumn Festival

In 2024, New Classics Media launched a series of welfare and gift programs for its employees. Employees had the opportunity to participate in activities organized by the local trade union federation on a regular basis and to receive a variety of benefits, including movie tickets and car wash vouchers, which provided convenience for their daily lives. On International Women’s Day, the company held a special coloring and painting event for female employees, offering them a chance to relax and unwind. For the Mid-Autumn Festival, New Classics Media customized unique gifts for its employees, combining the classic image of a clapperboard with a practical card holder, which not only reflected the company’s characteristics but also had practical value.

3.1.5 Working Hours and Holidays

We comply with all related laws & regulations on working hours and holidays. We advocate that employees avoid overtime work during holidays or weekdays, and hope that employees can maintain a good work-life balance, protect their physical and mental health, and avoid forced labour. We maintain a leave scheme that allows them to enjoy statutory leaves and holidays including annual leave, personal leave, marriage leave, funeral leave, maternity leave, paternity leave, parental leave, sick leave, etc. Employees are also entitled to extra annual leave that accrues based on length of service. In addition, employees must be compensated or given days-off for overtime work after internal approval.

3.1.6 Employee Communication and Engagement

We attach importance to employee satisfaction, respect any opinions and suggestions of employees that contribute to the company's development, and are committed to building a variety of adequate communication channels for employees. We have set up communication channels for employees and management, such as annual company gatherings and Lexiang Employee Communication Community, conveying and strengthening corporate strategy and culture, encouraging employees to speak freely, and creating an effective communication culture of equality and candidness.

We pay attention to organizational culture and talent construction and are committed to creating a knowledge-sharing environment and diversified development space for growth together, providing employees with a respectful and open working environment and a positive growth platform, activating organizational capabilities and personal value, and growing together with employees. In 2024, we carried out a variety of employee cultural activities. We held an annual company-wide conference, combining offline venues with online live streaming. Integrating deeply with our business, we organized a wide range of interactive activities and performances, providing employees with a platform for self-expression. This also allowed them to deepen their understanding of China Literature's mission and vision in a relaxed and entertaining atmosphere, while experiencing the inclusiveness and warmth of our corporate culture. Additionally, we hosted an exclusive employee sale, where employees could fully appreciate the charm of China Literature's IP derivatives and engage in more communication with each other.



China Literature annual party



Exclusive employee sale

3.2 Health and Safety

In strict compliance with all applicable laws and regulations on safety and health including the Law of the People's Republic of China on Prevention and Control of Occupational Diseases, as well as internal systems including Fire Prevention Management System, Environmental Standards Management Measures, and Emergency Response Plan of China Literature, we strive to provide a comfortable working environment for our employees and ensure their mental and physical health and safety. From 2022 to 2024, there were no work-related fatalities among our employees. The lost days due to work injury were 24 days in 2024.

We create a comfortable working environment for our employees and take care of their physical and mental well-being. The office area is equipped with warm yellow lighting, which protects eyesight and creates a cozy atmosphere. We also provide brand-new ergonomic chairs to correct posture. The relaxation areas are spread across all floors, including a riverside discussion area and a rooftop “Yuexing Platform (阅星台)” for leisure. There is also an audio-visual space to help employees relax. The gym is equipped with imported fitness equipment and professional trainers to support exercise and enhance team cohesion.

There are well-established security and fire prevention systems at the workplace, with regular fire safety inspections by fire-fighting administrators, to deal with any potential risk identified in a timely manner. Besides, we organize training events to publicize fire-fighting knowledge and skills and conduct comprehensive fire drills for firefighting, thus effectively safeguarding employees' lives and the Group's property. In 2024, we conducted fire drills at our office locations in Shanghai and Beijing. Through enhanced fire safety education, we aimed to raise employees' awareness of fire safety. By simulating the triggering of fire alarms and the broadcasting of fire evacuation announcements from the monitoring center, we organized all staff to evacuate through fire exits. This helped employees become familiar with the evacuation routes on each floor and the locations of fire extinguishers, effectively enhancing their safety awareness and emergency response capabilities.



Fire Drill Display Boards



Fire Evacuation and Assembly

We formulated environmental management standards and make efforts to ameliorate working environment. We regularly test the air quality and drinking water in the workplace, and formulate improvement plans in case of poor indoor air quality and poor drinking water quality with rectification and re-test carried out in a timely manner. At the same time, we conduct operation and maintenance management on air conditioning equipment, fresh air equipment, lights, water dispensers and other equipment and facilities to ensure that air quality, drinking water, lighting, decibel of noise, etc. in the workplace meet the Group's standards and therefore maintain a safe, healthy and comfortable working environment. To create a refreshing working environment and maintain good air quality, we have installed air purifiers and air quality monitors at workplace and exhaust ventilators at conference rooms, which help eliminate air pollutants and odors in working environment, keep the air circulating, and purify the air. We sanitize the workplace on a monthly basis through exterminating bacteria, viruses and other microbes in the air to protect the respiratory system of employees and ensure a healthy working environment for them.



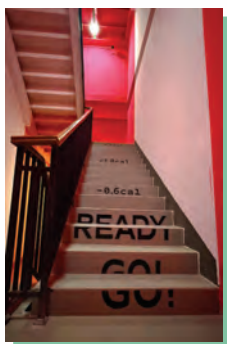
Air purifiers



Air quality monitors

We attach great importance to the physical and mental health of our employees. We arrange annual medical checkups for employees and organize a range of fitness activities such as traditional Chinese health therapy, neck and shoulder massage and psychological stress relief. We have created a comprehensive, professional and specific “Wenxin Inn(文心客棧)” employee assistance program, opened a physical/psychological counselling hotline and set up stress relief rooms in our Shanghai and Beijing offices. Through various online and offline activities such as occasional psychological articles, psychological stress relief activities and on-site psychological counselling, we spread the awareness of healthy living and healthy working to our employees and provide them with comprehensive physical and mental health services.

In 2024, to enhance employees' working conditions and help them maintain health and vitality, China Literature meticulously planned and carried out a Health Week campaign. During the event, we extensively posted promotional posters and desk signs in the office areas, actively encouraging employees to engage in simple yet effective activities such as 3-minute stretching and gazing at the river view during work breaks to protect their eyesight and restore their energy. In addition, we ingeniously transformed the stairwells into a dopamine color scheme, creating a pleasing visual atmosphere and encouraging employees to improve their physical fitness through climbing stairs, thus meeting work challenges with a positive and optimistic attitude. In both Beijing and Shanghai, we successfully held the offline event "Promoting a Positive State of Mind," which attracted more than 700 employees to participate enthusiastically. Meanwhile, a series of colorful activities such as the Health Week calendar, physical examination report interpretation, and MBTI course sharing were also widely welcomed and actively participated by employees, fully stimulating their enthusiasm and pursuit of a healthy life. The implementation of this Health Week not only provided employees with a variety of health promotion methods and enhanced their health awareness and self-care abilities but also created a positive, vibrant corporate culture atmosphere.



China Literature Health Week campaign

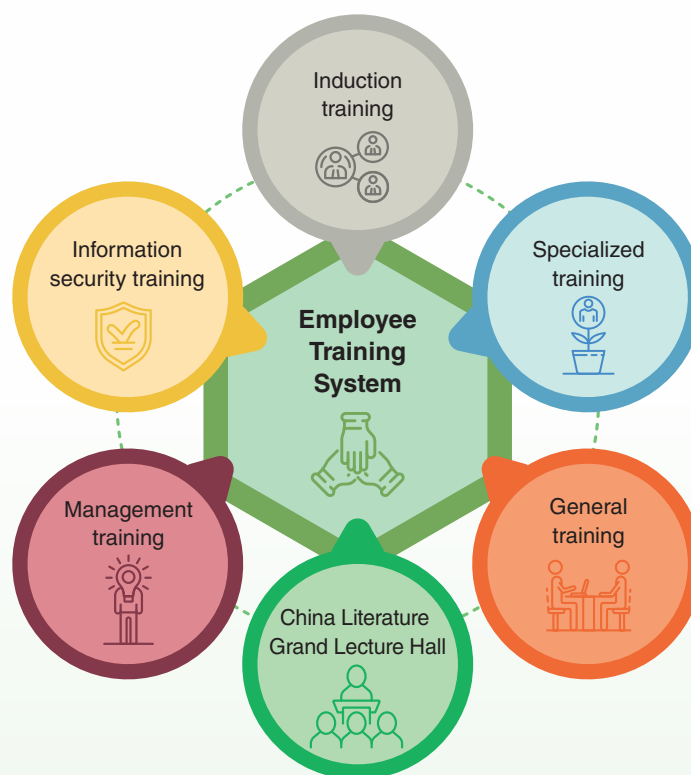
New Classics Media has also formulated and strictly implemented the Regulations on Production Safety Management of Film Crew to create a favorable working environment and safe shooting scenes for crew members during filming. We set up safety officers for fire prevention, public security and filming safety, and assign on-site professional medical staff. We formulate safety management rules for special operations including fire operation, working at heights and crane operation to strictly control and eliminate the potential risks and safety hazards, thus preventing safety accidents in the filming area. At the same time, New Classics Media educated crew members on safety including fire prevention and power consumption before filming, strengthened the awareness of "ensuring safety for production and ensuring safety in production", required relevant personnel to sign safety commitments, and purchased personal accident insurance for crew members. We required all staff in preparatory group and film crew to live in a concentrated area for closed management, and regularly checked sources of purchased goods to ensure the safety of devices, water and food. We have established an early warning mechanism for extreme weather in office locations. Prior to the arrival of severe weather conditions such as thunderstorms, we will promptly issue warning notifications, reminding employees to take measures such as closing windows and doors to protect the office area and personal safety.

3.3 Employee Training

Improvement of employee competency is key to safeguarding the achievement of enterprise development. We put a premium on employee training and have invested adequate resources and energy to create various internal and external training opportunities. Employees are encouraged to be involved in these training sessions taking their actual needs into consideration. To stipulate employee training expenses and budgets, we have formulated the Training Management System of China Literature. By allocating training funds and resources in a uniform manner, we are able to provide strong financial support for organizing activities including in-house learning, lectures given by external experts and assignment training.

We established China Literature Academy which upholds the slogan of "Learning to be a better self". We engage a wide array of external experts on one hand and build an in-house trainer team on the other hand, setting up a comprehensive employee training system, so as to offer different work and life training programs catering to the needs of employees at each stage of career.

We actively carry out various training activities such as China Literature Grand Lecture Hall, induction training, specialized training, general training, management training, information security training. We adopt a combination of offline training + online training, regularly conduct online live classes for employees, and provide various professional courses and rich learning resources on the online learning platform, so that employees can learn relevant courses anytime and anywhere according to their needs, to comprehensively improve their professional ability and comprehensive quality.



Employee training system

China Literature Grand Lecture Hall: In 2024, we have established the “China Literature Grand Lecture Hall” as a sharing platform, with topics widely covering every link of the IP industry chain, including content creation, platform operation, film and television production, derivative development, and IP operation. In 2024, we organized several thematic sharing activities, inviting numerous internal and external guests to participate. Among them, seasoned experts in the content and animation fields looked forward to the future development trends of the industry. The company’s vice president and the person in charge of its own platform shared their professional concepts and management experience. The production team of the top-grossing movie of the year conducted an exclusive post-mortem analysis within the company. The founder of a star company in the card game track also shared their entrepreneurial insights and valuable experience, all of which brought a wealth of industry experience and practical knowledge to our employees. The average number of participants who signed up for each session of the “China Literature Lecture Hall” exceeded 250 people, with a cumulative coverage of more than 1,000 management cadres and employees in 2024.



The Event Site of the “China Literature Grand Lecture Hall”

Induction training: To acquaint employees with rules, regulations and corporate culture of the Company, we provide induction training for every new employee. In particular, we adopt mentorship for fresh graduates, enabling them to quickly adapt to the Company’s culture and working environment with the help of the experienced employees and managers assigned as career mentors. In 2024, we successfully launched the “n.e.w.S New Employee Training” program, which adopts an innovative training method that combines online and offline approaches. This enables new employees to more quickly and accurately grasp the connotations of corporate culture, brand value, the development history of online literature, and the company’s important training systems covering various aspects such as human resources, finance, and legal affairs. In addition, the newly added online training course on public relations systems this year also provides convenience and support for new employees’ future work.



New Employee Training

Specialized training: Based on the professional characteristics of employees, we have organized various professional trainings in a targeted manner and closely monitored the career development paths of professional talents. Each professional track regularly holds 1 to 2 professional knowledge sharing sessions per month, in which excellent practice cases, professional skills, and cutting-edge industry experiences are deeply exchanged and shared with employees to help relevant employees enhance their technical capabilities and business levels. In 2024, to further increase the browsing volume of online literature and the monetization of advertisements, we specially launched the “Traffic Magic: Ad Monetization Practical Course” for relevant employees. Focusing on the sharing of practical application skills, the course aims to improve employees’ strategies and professional abilities in the face of market changes, thereby promoting the continuous growth and innovative development of online literature business. For content operation personnel, based on in-depth analysis of the current online literature market, we have carefully designed professional training courses to help relevant employees gain a comprehensive understanding of the future direction of content operation from multiple perspectives. This enhances their ability to control and analyze works and deepens their understanding of market trends.



The poster of Traffic Magic:
Ad Monetization Practical Course



The poster of Decoding the Future Direction of
Content Operations

General training: In order to comprehensively enhance employees’ overall capabilities, we regularly provide 2 to 3 meticulously planned course trainings for employees on a monthly basis. The training courses are arranged by the department in charge of training. Through targeted invitations, the course information is accurately conveyed to the target employee groups. The course content is developed by experienced internal instructors based on their professional knowledge and practical experience. At the same time, some high-quality general courses are introduced to meet the learning needs of different employees. Before each course is officially launched, it undergoes careful refinement by a professional team to ensure its quality and practicality, meeting the learning and development needs of all employees. We are committed to building a high-quality, targeted training course system, striving to enable every employee to gain knowledge and skill improvement through training.

New Classics Media is also committed to providing comprehensive employee training and learning resources. We deepen employees' understanding of the integrity value bottom line in their work through mandatory courses and exams on the High Voltage Line Code of Conduct. The company also participates in professional courses such as producer and executive producer training classes and film and television playback data training, helping employees to enhance their abilities to better analyze and understand project performance. At the same time, through the tax policy publicity conference of the cultural media industry, employees have a deeper understanding of national tax policies, thereby ensuring the legality and rationality of tax payment.



*The Course of
"Intellectual Property Around Us"*



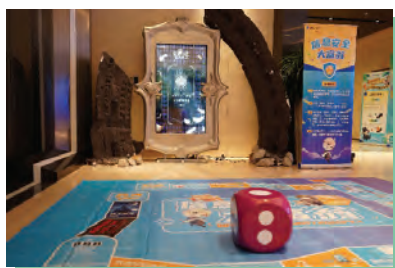
Film and television playback data training

Management training: To enhance the overall effectiveness of the management team, we have meticulously organized management capability training and tailored a variety of leadership development programs for management cadres. These courses are closely aligned with the company's business development needs and current management status, aiming to assist management cadres in overcoming management challenges and shaping outstanding leadership in a targeted manner. For newly promoted management cadres, we have specifically developed the "Fundamental Leadership Course," which provides in-depth instruction from multiple dimensions, including basic concepts, practical tools, and analysis of classic case studies. This course helps employees smoothly transition from executors to managers and enhances their management capabilities. In addition, we have also launched advanced leadership courses to further assist management cadres in expanding their management horizons, optimizing management skills, and comprehensively improving their management abilities.



Leadership Training Course

Information security training: We understand that information security is the foundation of the Company's development. In order to improve the Company's comprehensive network security management level, and to enhance all employees' awareness of network security, we actively carry out special training on information security, and require all employees to complete the mandatory course of information security compliance, covering common information security and threats, how to protect information security, and behaviors of safety high voltage line issues that employees should be aware of and avoid. For development and operation and maintenance technicians, we introduce mandatory courses including development security specifications, operation and maintenance security regulations, and security cases to raise the technicians' awareness of information security and to enhance the relevant skills of them. For new employees, we provide them with special training on information security so that they can understand the concept of information security, establish information and data protection awareness and avoid risky operations. We require all employees to participate in and pass the information security examination after completing the corresponding courses. New employees can become regular ones only after they have completed all mandatory courses and examinations for all employees and their corresponding posts. In doing so, we can ensure that all employees have a thorough understanding of the Company's information security requirements, and improve their awareness of information security protection. In 2024, we organized 7 offline training sessions, covering a total of 304 participants. At the same time, we launched the "Cybersecurity Week" campaign, organizing fun activities such as the Information Security Monopoly game for employees, and prepared prizes like dolls and gift boxes. These initiatives continuously enhance employees' awareness of cybersecurity and promote the construction of a cybersecurity culture.



China Literature Cybersecurity Week

Employee training		Percentage of employees trained	Average training hours completed per employee (hours/person)
By gender	Female	50.62%	5.12
	Male	57.44%	5.92
By job level	Senior management	57.69%	26.46
	Mid-level management	55.10%	4.07
	Grassroots	53.49%	5.66

Notes:

- (1) Training data is derived from internal training files and includes only online or offline training conducted by Group-level organizations.
- (2) Percentage of employees trained = number of employees in the category trained in the reporting period/total number of employees in that category * 100%
- (3) Average number of hours trained per employee = Total number of hours trained for employees of that category in the reporting period/total number of employees in that category

New Classics Media also conducts a variety of trainings based on the market competition situation and knowledge development model with industry characteristics. For example, it conducts new employee training to introduce organizational structure, corporate culture and other contents to new employees; invites professional leaders of business sectors to conduct internal training to share the compliance of project planning, production and distribution; carries out external training on personal skills such as execution, leadership and communication skills for employees of different ranks; and arranges key business personnel to participate in professional qualification training organized by industry associations.

4. Compliant Operation

We implement the strictest laws and ethical standards throughout the operation and comply with the Anti-Unfair Competition Law of the People's Republic of China, the Company Law of the People's Republic of China and other applicable laws and regulations combating bribery, extortion, fraud and money laundering, and adopt an attitude of zero tolerance in relation to corruption in any form. We have established internal systems, such as the Code of Conduct for High Voltage Line Behaviors of China Literature Limited, the Anti-Fraud Reporting System of China Literature Limited, Risk Management and Internal Control Policy and the Employee Declaration System of China Literature Limited, which create a solid anti-fraud protection mechanism to combat fraud and ensure operational compliance strictly. We have set up an in-house antitrust legal officer to be responsible for the Company's antitrust compliance, to follow up on the introduction and updating of antitrust laws and regulations, and to conduct in-house publicity and training. In 2024, the number of concluded corruption litigation cases in the company was 1.

We have established a risk control framework, clarifying the three lines of defense, and closely monitor risks associated with the company and its systems and processes. We promptly identify issues to implement targeted rectifications. Actions such as falsification, embezzlement and bribery, violations of laws and discipline, information security breaches, and the disclosure of confidential information, as well as any behavior that damages the interests of the company and its employees, are regarded as High Voltage Line violations. Once such violations are detected, the employment contract with the employee will be directly terminated. In the event that the activity violates any relevant laws or regulations and meets the standard of case filing, the employee shall be transferred to the judicial department. We conduct internal audits each year to assess whether there is any risk of fraud in the Company's operations and formulate specific audit procedures to test for fraud. New Classics Media has established artist ethical compliance clauses, which are designed to urge artists to adhere to social ethics and professional morality, and to consciously maintain a healthy public image.

We have set up a special whistleblowing system and provide multiple whistleblowing channels and the ways how we should deal with such concerns. We also encourage employees to lodge reports on any suspected breach of the High Voltage Line and secure the complete confidentiality of reported content and the identity of the whistle-blowers. We will make the final disposition of violations in accordance with the Code of Conduct for High Voltage Line Behaviors of China Literature Limited and other relevant regulations. For actions that constitute criminal offenses, legal procedures will be initiated and handled accordingly.

We also maintain a high level of integrity and professional ethics during the cooperation with our suppliers and have entered into the Statement against Commercial Bribery with them, which demonstrates our firm opposition to improper profits and ensures the fairness and transparency of the cooperation process. We will immediately terminate the cooperation with them in case of any breach. Leveraging the supplier management system, we uniformly manage and supervise the compliance of supplier bidding, admission, evaluation, blacklist, and other processes to effectively reduce the risk of fraud in the business process.

We encourage all the Directors to participate in continuing professional development by distributing them training materials relating to corporate governance, functions and duties of directors, listing rules and other regulations, ensuring operation compliance. In our daily operations, we have established an anti-fraud training framework for all employees, with a particular emphasis on the risk control system, High Voltage Line clauses, employee reporting system, and information security. We actively carry out anti-fraud training for all employees. The total number of participants in this year's advocacy activities is approximately 1,950. We incorporate anti-fraud awareness initiatives into the training for new employees, and continue to carry out special risk control training covering various business units, to raise employees' awareness of anti-fraud and risk control. All new employees are required to participate in the onboarding orientation and complete the mandatory course "China Literature Conduct Series – High Voltage Line" as required. This year, we held five sessions of the High Voltage Line mandatory course, with a total of 270 employees participating. In 2024, we have launched the "Visionary Program (致遠計劃)" learning initiative for senior management

cadres of China Literature. Focusing on three core topics: content security and public opinion situation, data security compliance, the fraud case analysis and key risk management. The plan enables senior management cadres to enhance their capabilities in risk management and strengthen their awareness of internal control through systematic study of these topics, thereby creating a healthier and more robust internal control environment.



The poster of "Visionary Program"

5. Supply Chain Management

We give high priority to managing environmental and social risks of our supply chain by formulating and implementing the Supplier Management System of China Literature Limited, and continuously supervise and manage the suppliers' category framework maintenance, admission and review, selection and use, performance evaluation, process construction, information maintenance, etc. to ensure standardized management on the Company's procurement and supplier.

We set out strict requirements for the conduct of internal procurement staff and external suppliers. For internal procurement staff, we have developed a code of conduct, where the staff are required to declare in writing any sensitive relationships, they may have with our suppliers to ensure the fairness of procurement business. For all external suppliers, we adhere to the principles of openness, transparency, fair competition, equity and honesty. We have signed an Anti-Bribery Statement with all of our long-standing suppliers, as well as provisions relating to labour rights, health and safety and environmental protection commitments to ensure the fairness and order in all aspects of the supply chain.

We continuously maintain the supplier system and optimize the management of supplier categories. The digital system covers all aspects of suppliers, including admission and filing, performance assessment, capacity-building training, and rewards and replacement. It enables standardized management of suppliers throughout their entire life cycle, standardizes the operational procedures for procurement and supplier management, and establishes a sound mechanism for updating and maintaining supplier information, effectively ensuring the continuity and stability of the supply chain. In 2024, we upgraded the compliance requirements for suppliers, and the procurement department further tightened the criteria for selecting suppliers. Meanwhile, we optimized the supplier back-end management system to enhance management efficiency and transparency. We also implemented stricter control measures for contract management to ensure the compliance and enforceability of contract terms. Through these measures, we have not only improved the overall quality and stability of the supply chain but also strengthened our capacity for managing and supervising suppliers.

Other factors including service quality and technical capabilities of the vendors will be taken into consideration when selecting vendors. Suppliers are subject to background check on registration record at the industrial and commercial bureau, legal conformity, authorization, etc. before being approved. We maintain records of all relevant documentation when conducting purchasing activities.

To ensure service quality of suppliers, we have established a sound supplier evaluation system and operation process to regularly evaluate the performance and score the technologies of suppliers of key categories and high-frequency cooperation. We set up detailed evaluation indicators by supplier categories to comprehensively evaluate their capabilities. We fully consider suppliers' performance in terms of product quality, service quality, delivery time, risk control information, response speed, environmental qualification, etc., comprehensively use and maintain the opinions from various departments, and carry out necessary on-site visits and inspections according to the actual situations to provide meaningful reference for procurement. When the evaluation is completed, we will systematically analyze the results of the supplier assessment. For suppliers with unsatisfactory performance, under the premise of complying with the applicable contractual arrangements, we may:

- Discuss with them on the remedial steps to help them improve their service quality;
- Reduce the number of orders;
- Impose penalties;
- Cease to make the payments.

We may disqualify the supplier, if:

- The supplier practices bribery, breaches confidentiality, or seriously violates business ethics;
- We suffer significant losses due to late delivery, quality problems or supplier default.

Region	Number of suppliers as at 31 December 2024
Chinese Mainland	6,463
Hong Kong, Macao and Taiwan	65
Overseas	243
Total	6,771

Note: Number of suppliers refers to the number of suppliers in the supplier database and region refers to the supplier's registered location.

We effectively ensure the security of information in cooperation with suppliers. We have formulated the Third-party Data Compliance Management System of China Literature Limited to guide the Company in carrying out third-party data security management and thus to effectively control data security risks from partners in the course of providing services. We sign the Letter of Commitment for Compliance with Business Cooperation Confidentiality with all suppliers, which states that both parties are not allowed to disclose the confidential information such as user privacy, confidential data, and intangible assets to any third party in any form without written consent. We also include confidentiality clauses related to the protection of information data in the contract to ensure the security of information and data during the cooperation process. The 9 key suppliers we cooperate within the fields of R&D outsourcing, IT materials, IT services and cloud services all have the ISO 27001 Information Security Management System Certification. We conduct periodic review of the suppliers' performance in data and privacy protection to ensure that their actions comply with the confidentiality requirements.

We attach importance to the suppliers' performance in environmental protection, require manufacturing suppliers to strictly comply with relevant laws and regulations of environmental protection, establish corresponding pollutant treatment systems, pass the environmental responsibility review by the competent authorities, and obtain the environmental protection approvals and other qualifications required for production.

New Classics Media also adheres to the concept of environmental protection in procurement. We give priority to purchasing energy-saving and environment-friendly office appliances such as LED lights, degradable garbage bags and sensor faucets. For office furniture suppliers, we require the manufacturers to pass ISO 14001 Environmental Management Certification, ISO 45001 Occupational Health and Safety Management Certification, ISO 9001 Quality Management Certification, China Environmental Labeling Product Certification, etc., and operate in strict accordance with their management standards to ensure that their products do not cause damages to the natural environment or human health.

6. Community Investment

We are committed to creating social benefits and giving back to the society in different ways in the course of business development. We have formulated the Measures for the Management of Public Welfare Activities of China Literature Limited and leveraged on the advantages of our platform in cultural communication, we set up the public welfare committee to plan the direction of public welfare projects, project scale and resources, to maximize the value we create for society.

During 2024, we organized the following events:

(a) Literary Legacy Flourishing, Meeting Intangible Cultural Heritages in Literature

In November 2024, Prince Kung's Palace Museum under the Ministry of Culture and Tourism and China Literature Limited successfully held the award ceremony of the 2nd "Meeting Intangible Cultural Heritages in Literature" Writing Competition at the East Branch of Shanghai Library. In this competition, numerous award-winning works ingeniously integrated nearly a hundred intangible cultural heritage elements such as shadow puppetry and puppet shows into novel creation, enabling readers to deeply experience and perceive the unique charm of excellent traditional Chinese culture. At the same time, 24 outstanding writing works and the Prince Kung's Palace Museum's research works and related documentary materials on excellent traditional Chinese culture were included in the collection of Shanghai Library. This not only enriched the library's collection resources, but also promoted the in-depth integration of excellent traditional Chinese culture and digital reading.

Since September 2022, the "Three-Year Plan for the Promotion of Excellent Traditional Chinese Culture" jointly initiated by the Prince Kung's Palace Museum and China Literature Limited has been successfully implemented for two years. During this period, the writing competition has been held for two consecutive sessions, collecting nearly 100,000 works with a total word count of over 2 billion. Among them, works such as "I Have No Intention of Becoming an Immortal" and "The Wandering of the Dagger" stood out and became representatives of excellent online literary works. These works have not only been listed as key support projects for online literature by the China Writers Association, but also selected into the China Online Literature Influence List. In addition, some outstanding works are being adapted into audiobooks, publications, animations and films one after another, allowing readers to experience and understand intangible cultural heritage from multiple angles and in an all-round way.



Ceremony for the Inclusion of Meeting Intangible Heritage Literary Works in the Museum Collection

(b) Reading for Good, Illuminating New Horizons

China Literature Limited has always attached great importance to the challenges faced by different groups of people in the field of reading and has been actively committed to providing rich reading materials through public welfare reading programs. During the “99 Giving Day” in 2024, China Literature joined hands with Beijing Hongdandan Cultural Service Center for Visually Impaired to launch the “Reading Together Public Welfare Program”, which is specifically targeted at visually impaired children and aims to provide them with more quality audio book resources. During the campaign, users can not only learn about the reading experiences of the visually impaired through the Qidian Reading App, but also express their support and love by participating in audiobook reading and interaction. The Qidian Reading platform currently has 150,000 audiobooks, covering both traditional publications and online literature. The campaign attracted the active participation of 253,848 users, with a cumulative total of more than 10.82 million visits, both figures representing an increase of more than 400% compared to last year. More than 160,000 users completed the task of listening to books, with the cumulative listening time reaching 1.5 million minutes, and the cumulative love value collected approaching 3.6 million. In addition, the campaign received strong support from seven online literature authors and two major virtual IP influencers, and gained exposure from Tencent Public Welfare, QQ Browser, Shenzhen Metro and other online and offline resources. A total of 851 book fans were called upon to contribute donations amounting to RMB22,500, and 15,000 audio books were raised for visually impaired children.

This event has garnered extensive attention and coverage from 37 mainstream media outlets, including the People’s Daily, the People’s Political Consultative Daily, and China News Service, with a total of 556 reports across the internet. Additionally, the micro-documentary “Hearing the Light” that we released profoundly reflects the current reading situation of the visually impaired community and has received high praise from public welfare organizations. It has achieved over 600,000 views online, setting a new record for interaction on China Literature’s WeChat Channels. Focusing on the core project of “Love Action for Blind Children’s Reading Assistance,” Qidian Reading has launched multiple resource positions, including splash screens, mandatory pop-ups, and audiobook channel banners. Employees of China Literature have actively participated in public welfare audiobook recording, recommending classic literary works to visually impaired children. Looking ahead, China Literature will continue to collaborate with Qidian Reading to promote public welfare audiobook resources to more schools for the visually impaired, committed to making reading a source of light in the dark world of visually impaired individuals.



*“Reading Together Public Welfare Program”
in 99 Giving Day*



“Hearing the Light” microdocumentary film



Postcards in 99 Giving Day



Publicity material in 99 Giving Day

(c) Navigating the Sea of Books, Enjoying the Digital Week

In April 2024, QQ Reading, under the China Literature Limited, joined hands with the Shanghai Library, 14 public libraries, and 73 publishing houses—including the Central Literature Publishing House, People’s Literature Publishing House, and People’s Posts and Telecommunications Press—to launch a curated booklist for the “Digital Reading Week.” This initiative recommended over 500 high-quality books and provided them as time-limited free access. The booklist covered 44 diverse fields, including literature, fiction, history, philosophy, and psychology, aiming to meet the varied reading needs of readers across different age groups and to achieve comprehensive coverage of reading demands. During this collaborative event, the China Literature also introduced a “message in a bottle” book-sharing activity and established a “Book & Veggie Corner” section in Freshippo. By integrating online-to-offline approaches, the campaign promoted the Reading Week from multiple dimensions and supported the national reading initiative. Coinciding with the 29th World Book Day, the Global Times Research Institute and the China Literature jointly released the “Z Generation Digital Reading Report.” This report meticulously depicted the profile of the Z Generation in the field of digital reading from multiple dimensions, including geographical distribution, reading behavior, and content preferences, and revealed the new trends in digital reading among the Z Generation in 2023. The report highlighted that the Z Generation has become a major force in digital reading, accounting for as much as 43% of the new users added to the China Literature in 2023, with an average annual reading volume of 28 works per person. Online literature, as the primary source of digital reading content, has provided a rich array of high-quality works, offering significant spiritual and cultural nourishment to the younger generation.



The booklist of "Digital Reading Week"



"Message in a bottle" event

(d) When Chinese Culture Meets France, the IP Dazzling in Paris

In June 2024, the 10th China-France Brand Summit grandly opened at the headquarters of UNESCO in Paris, France. At this forum, China Literature Limited, as the sole representative of China’s cultural industry, attended and jointly launched the “Enjoy Reading Paris” initiative with the Eiffel Foundation of France and the China-France Brand Aesthetics Center. The event invited illustrators to ingeniously combine well-known IP images with iconic French architectural landmarks, infusing new vitality into these IP images through the integration of Eastern and Western cultures, while also expanding the development of diversified IP derivative products, including collectible cards. Moreover, China Literature Limited was selected to enter the “China-France 60 Brands in Global Innovation Cooperation” list. This recognition not only affirms the innovative concept of cultural fusion between the East and the West but also acknowledges the contributions made by China Literature Limited in promoting cultural exchanges between China and France. Looking to the future, China Literature Limited aspires to further enhance the cooperation and exchange between the cultural and creative industries of the two countries, and to support Chinese IPs in entering France and stepping onto the international stage.



Launching ceremony of the “Enjoy Reading Paris” program

(e) Literature Mirrors Reality, Writing Captures Life's Essence

China Literature Limited has always adhered to the principle of keeping pace with the times, committed to nurturing outstanding works and disseminating mainstream values. In 2024, the 8th Online Realistic Literature Essay Contest, themed “Good Stories for Love and Life,” attracted 47,254 writers from various industries, who submitted a total of 49,102 works, marking a significant increase from the previous year. With the continuous holding of the competition, over 300,000 writers have engaged in the creation of realistic themes, with works’ subjects and narrative techniques becoming increasingly diverse. This has given rise to hybrid creative paths such as “reality and thriller” and “reality and fiction,” which, with their broader creative perspectives and mature literary values, have attracted many young readers. Past award-winning works have been showcased across multiple domains, including physical publication, audiobooks, comics, animations, films, and derivative products, enabling writers to present the nuances, grandeur, complexity, and diversity of social realities to the public through various channels. China Literature Limited will continue to focus on supporting works that address social realities and promote the growth of creators and multi-faceted IP development through diversified development and integration in the future, further advancing the positive energy dissemination of online literature in society.



Award ceremony of the 8th Online Realistic Literature Essay Contest

(f) Promoting Revolutionary Culture, Keeping the Torch of Tradition Alive

China Literature has always upheld the spirit of patriotism, contributing to the inheritance and development of red culture through diverse activities. We are committed to revitalizing the red gene in the new era, endowing it with new vitality and brilliance, and inspiring more people to engage in the great cause of cultural inheritance and innovation. In July 2024, the “Passing on the Torch, Everlasting Vitality” volunteer team organized by China Literature invited leaders and representatives from the Luoshan Military Retirement Home in Pudong to visit the company and jointly hold an innovative sharing session on the inheritance of red culture with its employees. During the session, several retired military personnel engaged in in-depth discussions around various China Literature IPs, such as “Joy of Life” and “Guardians of the Dafeng,” expressing their eager hope to see more high-quality IP stories on platforms like mobile Apps, television, and in cinemas. After the sharing session, the

military retirees and volunteers participated together in a paper-cutting co-creation experience activity themed on the inheritance of red culture. Through the active efforts of the “Passing on the Torch, Everlasting Vitality” volunteer team, China Literature has not only empowered the inheritance of red culture with digital reading resources but also promoted the integration of military retirement with cultural engagement, providing new inspiration and impetus for the creation of realistic-themed works.



“Passing on the Torch, Everlasting Vitality” Activity

7. Environmental Protection

7.1 Green Operation

We recognize the importance of environmental protection and conservation of resources for our sustainable development. In line with this concept, we strictly comply with all applicable environmental protection laws and regulations including the Environmental Protection Law of the People’s Republic of China and the Energy Conservation Law of the People’s Republic of China. We have also formulated the Management System for Energy Conservation and Emission Reduction to promote low-carbon office and resources saving and reduce the generation and emission of pollutants by adopting recyclable office supplies to the extent possible.

We give high priority to the harmonious and sustainable development of enterprises and the environment, actively promote green office, adopt clean technology, fully implement the measures for energy saving and emission reduction, and adhere to the green development route to strive to become a contributor of green operations by continuous improvement of the environmental management system. At our office premises, we have adopted various measures for the refinement of energy. We have introduced an intelligent light control system, which utilizes efficient LED lamps, intelligent dimming, time control and other functions to achieve fine management of the lighting system. All display equipment is equipped with intelligent screen-off function, which significantly reduces energy consumption compared to traditional equipment through functions such as shutdown timer, brightness adaption, and dynamic adjustment. We have replaced office paper with brands with

renewable certification, and disposed of destroyed hard drive components and lead-acid batteries to qualified suppliers for certified hazardous waste treatment. Also, we have implemented fine management of air conditioning, which balances the comfort needs of the staff with energy saving targets through functions such as temperature control, humidity control, and timer. In addition, we have implemented a number of energy-saving, water-saving and emission reduction measures to maximize energy efficiency:

- ✓ Turn off computers, lights and electrical equipment that are not in use to save electricity;
- ✓ Use sensor faucets and carry out the daily maintenance of water equipment to prevent running, dripping, and leaking;
- ✓ Prioritize on purchasing and using energy-saving office facilities;
- ✓ Print double-sided by default to reduce paper usage;
- ✓ Advocate paperless office and put in place recycling baskets for recycled paper;
- ✓ Put up energy and water saving posters to improve employee environmental awareness;
- ✓ Advocate the use of ceramic cups, recycle bags and refillable pens to reduce the consumption of disposable office supplies;
- ✓ Promote awareness of garbage classification and install classified garbage bins.
- ✓ The temperature setting of the data center air conditioning was increased to reduce energy consumption.

The office building located at the headquarters of China Literature has been awarded LEED certification, which signifies that the building has achieved exceptional standards in energy and water conservation, reduction of greenhouse gas emissions, and minimization of natural resource consumption. The headquarters office building employs sustainable materials to reduce waste generation during the construction process. Additionally, by optimizing indoor air quality, we are committed to creating a healthier and more comfortable working environment for its employees.



LEED certification



The office building of China Literature

In the procurement of official vehicles, we give priority to energy-saving and environmentally friendly models and implement the “one vehicle with one fuel card” management system, which enables the accurate recording of the distance traveled and fuel consumption and improves the standardized and transparent use of vehicles. With this system, we can identify and solve exceptions in fuel consumption in a timely manner, and optimize the utilization of vehicles and fuels, thereby reducing fuel consumption and emissions.

7.2 Climate Change

Global climate change is profoundly affecting human survival and constraining sustainable development, and accelerating action on climate change adaptation is a common issue facing the world.

7.2.1 Governance

Our company has established a comprehensive and robust ESG governance framework, which advances ESG governance and performance improvement, including climate governance, through three layers: board-level oversight, management-level promotion, and business representative implementation. The board of directors, as the highest ESG governance and decision-making body of the company, has incorporated climate change-related risks into the corporate risk management framework. It oversees daily operational activities, reviews the overall and specific development strategies annually, and examines information disclosed externally. Various departments work in concert to implement climate actions across business segments, assess and execute climate risk mitigation measures, and support the implementation of climate strategies at the group level.

7.2.2 Risk Management

We have integrated climate risk into our company's risk assessment and management system. Various departments have also implemented measures in their operational management to manage and mitigate the impacts caused by climate risks in business operations. The company places emphasis on analyzing the impacts of climate change on the economy, society, and environment. Through internal surveys, climate scenario analysis, industry research, and external recommendations, we identify, analyze, and assess climate risks and opportunities in order to formulate risk response strategies and methods for seizing opportunities.

Step 1: Listing of Types of Climate Risks and Opportunities	In alignment with the TCFD framework, we have conducted an initial inventory of climate risks and opportunities, including physical risks, transition risks, and opportunities.
Step 2: Identification of Risk and Opportunity Inventory	By identifying practices among industry peers and along the upstream and downstream segments of the value chain, and leveraging suggestions from internal and external experts as well as database analysis, we have developed an inventory of climate-related risks and opportunities.
Step 3: Assessment of the Impact of Risks and Opportunities	Conduct scenario analyses at both the industry and asset levels to identify key climate risks and opportunities within business operations and the value chain. Through the advice of internal and external experts, assess the impact of climate factors on the business strategy of China Literature.
Step 4: Risk Management and Response	To address material risks and opportunities, the company has enhanced its climate risk response strategies. Various departments collaborate to gain an in-depth understanding of climate risks and their impacts, and develop and upgrade targeted response strategies accordingly. Meanwhile, the company regularly monitors the progress of risk management improvement.

7.2.3 Response Strategies

In 2024, China Literature conducted an in-depth analysis of various information, market, and technological trends to identify a list of climate risks and opportunities relevant to the company. Referring to the risk and opportunity management process, we carried out a screening of the list, ultimately identifying six climate-related risks and opportunities: 3 physical risks, 2 transition risks, and 1 climate opportunity. We also performed physical risk scenario analyses for climate disasters under different climate scenarios and time horizons.

Assessment Timeline	Selection of Climate Scenarios ¹
<ul style="list-style-type: none"> • Baseline • 2030 • 2050 	<ul style="list-style-type: none"> • Low-Carbon Scenario: SSP1, NGFS Net-zero 2050 • High-Carbon Scenario: SSP3, NGFS fragmented world

We have identified the following key climate risks and the corresponding response measures implemented:

Type	Risks and Opportunities	Description of the Risk	Time Horizon	Response Measures
Physical risks	Typhoons and Floods	Causing damage to office, data center, or server room equipment, resulting in data loss, disruption to continuous operations, and posing safety risks to employees.	Short-term, Medium-term, and Long-term	<p>Consideration of flood and water body location factors in the site selection process for data centers and office buildings.</p> <p>Development of emergency response plans for typhoons, heavy rain, and floods to ensure adequate emergency preparedness.</p> <p>Placement of servers, air conditioning units, and other critical equipment in locations that meet the required flood and wind resistance standards.</p> <p>Purchase personal accident and health insurance for employees.</p>

¹ The Sixth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) introduces the Shared Socioeconomic Pathways (SSP). The Network for Greening the Financial System (NGFS), an international platform composed of multiple central banks and financial regulatory authorities including the People's Bank of China, has jointly designed and launched the NGFS climate scenarios and analysis models in collaboration with climate scientists and economists.

Type	Risks and Opportunities	Description of the Risk	Time Horizon	Response Measures
Physical risks	Extreme High Temperatures	Increased cooling demands for equipment and facilities, leading to power supply shortages, resulting in higher operating expenditures, and posing health and safety risks to employees.	Short-term, Medium-term, and Long-term	<p>In response to extreme high temperatures, enhance the heat dissipation capabilities of buildings and the efficiency of equipment.</p> <p>In anticipation of fire hazards that may be caused by high temperatures, develop fire emergency response plans, conduct regular training and drills to ensure adequate emergency preparedness.</p>
Physical risks	Drought and Water Resource Stress	Leading to a shortage of cooling water for data centers or server rooms, thereby affecting continuous operations and potentially increasing expenditures on the procurement of backup water sources.	Medium-term, and Long-term	<p>Consider the impact of water resources in the site selection process for office buildings.</p> <p>Adopt water-saving equipment and implement water-saving retrofits for existing devices to enhance water resource efficiency.</p> <p>Consider the installation of backup water facilities in the event of water shortages.</p>
Transition risks	Carbon Emissions	With global efforts to limit total greenhouse gas emissions, measures such as carbon trading, carbon taxes, and carbon border taxes are being implemented. The cost of greenhouse gas emissions is likely to increase annually, thereby leading to higher operating costs.	Medium-term, and Long-term	<p>Engage a third-party team to continuously monitor the latest developments in carbon-related laws and regulations, and conduct regular annual calculations of carbon emissions. Implement energy-saving projects within the office environment and continuously advance emission reductions throughout the supply chain.</p> <p>Optimize the use of existing equipment, implement localized and diversified sourcing, and advance the green transformation of the supply chain.</p>

Type	Risks and Opportunities	Description of the Risk	Time Horizon	Response Measures
Transition risks	Corporate Reputation	Regulators, investors, customers, and other stakeholders are increasingly demanding higher standards for corporate climate performance. Climate disclosures and responses may significantly impact corporate reputation, which in turn affects financing and market value.	Medium-term, and Long-term	<p>Conduct transparent disclosures through the official website, ESG reports, and ratings, and promptly respond to the concerns and demands of stakeholders regarding China Literature's climate performance.</p> <p>Actively participate in various exchange activities to communicate key measures for addressing climate change and high-quality industry development with stakeholders.</p>
Climate opportunity	Low-Carbon Products and Services	<p>Provide low-carbon products that meet customer preferences and their carbon neutrality needs, thereby increasing market share.</p> <p>Write online literature or other digital content products themed around low-carbon and environmental protection, and collaborate with relevant government departments and social organizations to conduct green advocacy campaigns.</p>	Long-term	<p>Participate in or organize thematic activities focused on low-carbon and environmental protection, such as launching environmental writing contests.</p> <p>Manage the company's carbon emissions, reduce the carbon footprint of products, and provide customers with low-carbon product options.</p>

After assessment, the climate transition risks we face, including those related to policy, regulation, technology, market, and reputation, are considered to be low. The primary physical risks stem from acute climate events caused by climate change, such as typhoons, heavy rain, and floods. These extreme weather events and natural disasters may potentially impact our company's operations.

To address the operational risks that may arise from extreme weather and natural disasters, we have developed the "China Literature Emergency Response Plan for Contingencies". This plan includes detailed emergency response measures and preparations for typhoons, fires, earthquakes, and other sudden events, with the goal of minimizing damage to office equipment and facilities and safeguarding the safety of our employees.

Typhoons and Floods

China Literature Limited has conducted short-term, medium-term, and long-term analyses of the physical risks it faces, with a particular focus on the risks of typhoons and floods as representative cases. Using climate scenario models, the potential risks for the regions and provinces where the company's office locations and data centers are situated have been assessed from the present to 2050. The analysis primarily targets office locations in high-risk areas. The conclusions indicate that under a low-carbon scenario, the flood risks faced by China Literature's office locations in the short and medium term are relatively low. However, under a high-carbon scenario, some office locations may face flood risks. To address these potential risks, we have developed a series of risk adaptation and mitigation strategies, including emergency response plans for typhoons, heavy rain, and water inundation:

- ✓ Conduct regular inspections and maintenance of drainage systems and waterproofing facilities within the office area to ensure their proper functioning.
- ✓ Closely monitor weather forecasts and take preventive measures in advance of heavy rain or other weather conditions that may cause water inundation.
- ✓ Stockpile essential emergency rescue materials, such as sandbags, pumps, waterproof fabric, buckets, and hoses.
- ✓ Provide security personnel with training on emergency response to water inundation to enhance their capability for emergency rescue.
- ✓ Establish an emergency response working group to immediately activate emergency procedures upon receiving a warning signal.
- ✓ Form on-site rescue teams, technical support teams, medical and health teams, and logistical support teams to implement emergency measures in a coordinated manner, ensuring comprehensive rescue efforts.

Climate opportunity

Among the diverse works published by China Literature, a number of pieces have emerged that focus on the harmonious coexistence of humans and nature, as well as themes related to environmental protection, new energy, and climate change. These works not only explore and envision the relationship between humanity and nature but also pay attention to environmental conservation and sustainable development. With the growing demand from customers for sustainable and climate-friendly products, China Literature has analyzed the driving factors influencing these demands and formulated strategies for green advocacy. We pay attention to works related to environmental protection, new energy, and climate change, in order to seize potential market and business opportunities.

7.2.4 Targets for indicators

We formulated the following environmental targets and promoted the achievement of these targets by comprehensive environmental management:

Environmental target	Base year	Target year	Description of the target
Greenhouse Gas Emission	2019	2025	<ul style="list-style-type: none"> • Direct GHG emissions (Scope 1) decline by 30% • Indirect GHG emissions (Scope 2) decline by 15%
Energy efficiency	2019	2025	<ul style="list-style-type: none"> • Gasoline consumption decline by 30% • Electricity consumption decline by 15%
Water efficiency	2019	2025	<ul style="list-style-type: none"> • Water consumption decline by 15%
Wastes	–	2025	<ul style="list-style-type: none"> • 100% implementation and completion of the garbage classification system among all offices • 100% completion of harmless disposal of wastes among all offices • Harmless disposal of all destroyed hard drive components and lead-acid batteries by qualified suppliers
Paper usage	–	2023	<ul style="list-style-type: none"> • 100% adoption of office paper with renewable certification among all offices since 2023 to ensure that the purchased paper products come from sustainable forest resources

Below are the environmental Key Performance Indicators of the Company. Unless otherwise specified, such Key Performance Indicators cover our office buildings in Beijing, Shanghai, Suzhou, Shenzhen, Hebei, Zhuhai, Hainan and Hong Kong.

(a) Emissions

	2024	2023	2022
Total GHG emissions (Scopes 1 and 2) (tonnes)	1,386.85	1,777.11	2,018.77
Direct GHG emissions (Scope 1) (tonnes)	45.47	43.17	35.27
Including: Petrol (tonnes)	45.47	43.17	35.27
Energy indirect GHG emissions (Scope 2) (tonnes)	1,341.38	1,733.94	1,983.50
Including: Electricity purchased (tonnes)	1,341.38	1,733.94	1,983.50
Total GHG emissions per floor area (tonnes per square meter)	0.03	0.05	0.06
Total non-hazardous waste (tonnes)	554.08	336.03	342.16
Total non-hazardous waste per floor area (tonnes per square meter)	0.013	0.009	0.0100
Indirect GHG emissions (Scope 3) (tonnes)	2,403.48	/	/
Total GHG emissions (Scopes 1,2 and 3) (tonnes)	3,790.33	/	/

Notes:

- (1) The emissions arising from our operation is limited, mainly includes domestic wastewater. Domestic wastewater has no material impact as it is discharged into municipal pipelines, so KPI A1.1 "types of direct emissions and respective emissions data" is not disclosed in this report.
- (2) Due to the operational characteristics, our significant GHG emissions are direct GHG emissions derived from petrol consumption (Scope 1) of vehicles for business and shipping purposes and energy indirect GHG emissions derived from purchased electricity consumption (Scope 2).
- (3) The GHG inventory includes carbon dioxide. GHG emissions data is presented in carbon dioxide equivalent and is based on the Guidelines of the Greenhouse Gas Emissions Accounting and Reporting for the Public Building Operation Enterprises issued by the National Development and Reform Commission.
- (4) The hazardous waste arising from our operation is limited, mainly includes waste toner cartridge and waste ink cartridge from printing equipment at office buildings, as well as few disposed hard drive components and lead-acid batteries. All of the above-mentioned hazardous wastes have no material impact as they are collected and disposed of in a harmless manner by qualified suppliers, so KPI A1.3 (total hazardous waste produced) is not disclosed in this report.
- (5) Non-hazardous waste arising from our operation mainly includes domestic waste, disposed devices and waste books. Domestic waste is centrally disposed by the property management company. Disposed devices are recorded and handled by the administration department for recycling or disposing. To further reduce non-hazardous waste, we adopt the paperless office platform to reduce paper photocopy and printing and encourage practices of printing on both sides and reuse of wastepaper, so as to avoid unnecessary paper waste.
- (6) Indirect GHG emissions (Scope 3) include Category 6: Business Travel and Category 7: Employee Commuting. The calculation method refers to the Greenhouse Gas Protocol's Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

(b) Use of Resources

	2024	2023	2022
Total energy consumption (MWh)	2,488.32	2,522.33	2,816.64
Total direct energy consumption (MWh)	185.98	176.58	144.28
Including: Petrol (MWh)	185.98	176.58	144.28
Total indirect energy consumption (MWh)	2,302.34	2,345.75	2,672.36
Including: Electricity purchased (MWh)	2,302.34	2,345.75	2,672.36
Total energy consumption per floor area (MWh per square meter)	0.06	0.07	0.08
Running water consumption (tonnes)	4,441.63	4,625.51	18,954.96
Running water consumption per floor area (tonnes per square meter)	0.10	0.16	0.71

Notes:

- (1) Total energy consumption is worked out by the data of electricity and petrol with reference to the Annex I Fossil Fuel Coefficients in the Guidelines of the Greenhouse Gas Emissions Accounting and Reporting for the Public Building Operation Enterprises issued by the National Development and Reform Commission.
- (2) Our water resources come from municipal water supply, which is secure. The data on running water consumption and running water consumption per employee reported here only covers the domestic water of office buildings in Shanghai, Shenzhen, Beijing and Suuzhou. The condensed water in the machine room used by the Shanghai Bingjiang office and Beijing Jiaming office was recycled for 24 hours and was not included in the statistics of tap water consumption. And the water fees of other office buildings in Hong Kong, Hainan Hebei and Zhuhai are borne by the property management companies.
- (3) KPI A2.5 (total packaging material used for finished products) is not applicable to us, as we do not use packaging materials during operation.
- (4) As we do not use other environmental and natural resources during operation, the aspect of A3 (environmental and natural resources) and A3.1 (description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them) are not applicable to us, so they are not disclosed in this report.

8. Outlook

In the future, we will continue to improve our environment, social and governance system, adhere to the unity of economic benefits and social benefits, base on the actual business, create high-quality content for users, protect users' rights and interests, work together with our employees, share value with our partners, and actively carry out various public welfare activities. We will advocate reading for all, spread and promote positive energy, assist in the building of creative teams and the cultivation of talents, and continue to contribute to building a harmonious society and promoting the prosperity of socialist culture.

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Issue	Disclosure Items	Location in Report
A. Environmental		
Aspect A1	Emissions	
General Disclosure	Relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	7.1 Green Operation
A1.1	The types of emissions and respective emissions data	7.2.4 Targets for indicators
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	7.2.4 Targets for indicators
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Not applicable
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	7.2.4 Targets for indicators
A1.5	Description of emission target(s) set and steps taken to achieve them	7.1 Green Operation
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction targets(s) set and steps taken to achieve them	7.1 Green Operation

Issue	Disclosure Items	Location in Report
Aspect A2	Use of Resources	
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	7.1 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)	7.2.4 Targets for indicators
A2.2	Total water consumption and intensity (e.g. per unit of production volume, per facility)	7.2.4 Targets for indicators
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them	7.1 Green Operation
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them	7.1 Green Operation
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	Not applicable
Aspect A3	Environment and Natural Resources	
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources	Not applicable
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	Not applicable
Aspect A4	Climate Change	
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer	7.2 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	7.2 Climate Change

Issue	Disclosure Items	Location in Report
B. Social		
Aspect B1	Employment	
General Disclosure	Relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	3.1 Employment and Labour Standards
B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region	3.1 Employment and Labour Standards
B1.2	Employee turnover rate by gender, age group and geographical region	3.1 Employment and Labour Standards
Aspect B2	Health and Safety	
General Disclosure	Relating to providing a safe working environment and protecting employees from occupational hazards. (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	3.2 Health and Safety
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	3.2 Health and Safety
B2.2	Lost days due to work injury	3.2 Health and Safety
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored	3.2 Health and Safety

Issue	Disclosure Items	Location in Report
Aspect B3	Development and Training	
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work Description of training activities	3.3 Employee Training
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	3.3 Employee Training
B3.2	The average training hours completed per employee by gender and employee category	3.3 Employee Training
Aspect B4	Labour Standards	
General Disclosure	Relating to preventing child and forced labour: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	3.1 Employment and Labour Standards
B4.1	Description of measures to review employment practices to avoid child and forced labour	3.1 Employment and Labour Standards
B4.2	Description of steps taken to eliminate such practices when discovered	3.1 Employment and Labour Standards
Aspect B5	Supply Chain Management	
General Disclosure	Policies on managing environmental and social risks of the supply chain	5. Supply Chain Management
B5.1	Number of suppliers by geographical region	5. Supply Chain 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	5. Supply Chain Management
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	5. Supply Chain Management
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	5. Supply Chain Management

Issue	Disclosure Items	Location in Report
Aspect B6	Product Responsibility	
General Disclosure	Relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	2. Product Responsibility
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	Not applicable
B6.2	Number of products and services related complaints received and how they are dealt with	2.4 Respond to Users' Feedbacks
B6.3	Description of practices relating to observing and protecting intellectual property rights	2.3 Intellectual Property Protection
B6.4	Description of quality assurance process and recall procedures	2.1 Online Content Security
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored	2.1 Online Content Security
Aspect B7	Anti-corruption	
General Disclosure	Relating to bribery, extortion, fraud and money laundering: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	4. Compliant Operation
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	4. Compliant Operation
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored	4. Compliant Operation
B7.3	Description of anti-corruption training provided to directors and staff	4. Compliant Operation

Issue	Disclosure Items	Location in Report
Aspect B8	Community Investment	
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests	6. Community Investment
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)	6. Community Investment
B8.2	Resources contributed (e.g. money or time) to the focus area	6. Community Investment