



Litian Pictures Holdings Limited

力天影業控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9958)

2024

Environmental, Social and
Governance Report



Environmental, Social and Governance Report

ABOUT THE REPORT

Introduction to the Report

The report is the annual Environmental, Social and Governance (“**ESG**”) report issued by Litian Pictures Holdings Limited (the “**Company**”, “**Litian Pictures**” or “**we**”, together with its subsidiaries, the “**Group**”), for the purpose of fully elaborating the Group's ESG management strategies and performance for the period from 1 January 2024 to 30 June 2025, with a focus on the matters which are to stakeholders' concern and on how the Group pursues sustainable development in economic, environmental and social terms.

This Report is an integral part of our annual report and should be read in conjunction with the Annual Report of the Company.

Reporting Principles

The report is prepared in accordance with the “comply or explain” provisions in the HKEX ESG Reporting Guide, with reference to the TCFD Climate Disclosure Recommendations and SDGs.

The report follows four reporting principles: “Materiality”, “Quantitative”, “Balanced”, and “Consistent”.

Materiality: The report has identified important stakeholders and determined material ESG issues through materiality assessment.

Quantitative: The Group has disclosed the statistical standards, methods, calculation tools, and conversion factors used to generate all data in this report. We have outlined standardized methods and calculated KPIs.

Balanced: The report fairly describes the Group's performance during the Reporting Period, avoiding selection, omission, or inappropriate reporting formats that may affect the decisions or judgments of report readers.

Consistent: Unless otherwise stated, the Group has used consistent data calculation methods for effective comparison.

Reporting Scope, Period and Basis

This report describes the overall performance of the Group in sustainable development related to its core business, as well as the implementation of its ESG strategy during the period from 1 January 2024 to 30 June 2025.



Environmental, Social and Governance Report

This Report complies with the Environmental, Social and Governance Reporting Guidelines (the “**ESG Guidelines**”) set out in Appendix C2 of the Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited issued by The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), and takes the four reporting principles contained therein, namely Materiality, Quantification, Balance and Consistency, as the basis for the preparation of this Report. A complete index is attached to the last chapter of this Report so that readers can read this Report according to the ESG Guidelines. Unless otherwise specified, all currencies involved in this Report are measured in Renminbi.

Contact Information and Feedback

The report is published in electronic format and can be viewed on the Company's website (www.litian.tv) and the HKEX's website (www.hkexnews.hk).

Opinions will help the Group establish better sustainable development governance and strategies in the future. If you have any comments or suggestions on the content of this Report, please contact the Group by email to Litian@litian.tv.

Confirmation and Approval

The information stated in this Report extracts from the Group's official internal documents, statistical data, and management and operational data collected in accordance with its systems. This Report has been confirmed and approved by the Board on 21 November 2025.

1. STRENGTHENING ESG RESPONSIBILITY MANAGEMENT

1.1 *Statement of the Board*

The Board of Directors assumes full responsibility for the Group's environmental, social and governance strategies and reporting, assessing, and determining the Group's environmental, social and governance risks, and ensuring that the Group has established appropriate and effective ESG risk management and internal monitoring system. The Board of Directors and all its directors guarantee that there are no false records, misleading statements, or major omissions in this Report, and bear individual and joint responsibility for the authenticity, accuracy, and completeness of the content.

The Board of Directors of the Group is the highest decision-making body for ESG management, guiding the sustainable development direction of the Group, formulating the overall vision, goals and management strategies of the Group for sustainable development, reviewing the Group's annual ESG report, and its related working team will promote the implementation of ESG work within the Group. During the Reporting Period, we identified the following key ESG issues through stakeholder research: Product Quality, Intellectual Property Protection, Innovation Management, Responsibility Management, Customer Relationship Management, Labor Management, Development and Training, Diversity and Equal Opportunities, Privacy Protection, Business Ethics, Information and Data Security, Advertising Compliance, Risk and Crisis Management and Policy Impact. We will focus on the above issues in our daily work and manage goals accordingly. In the future, we will continue to adjust the sustainable development management strategy and promotion method according to the expectations of stakeholders and the actual operation of the Group, so as to continuously improve the level of sustainable development.

The Group has established an ESG goal management mechanism, and regularly reviews and reports the progress of relevant goals through meetings, ESG report disclosures and other forms. The progress and results of ESG-related tasks for the period from 1 January 2024 to 30 June 2025 have been disclosed in this Report. The Board guarantees that the contents of this Report do not have any false or misleading statements or major omissions, and are responsible for the truthiness, accuracy and completeness of its contents.

1.2 *ESG Governance Structure*

To strengthen the level of ESG governance, the Group has established an ESG governance structure and integrated sustainable development concepts into daily operations. The Group seeks to embed sustainable practices in its everyday operations and align sustainability goals with the Group's overall strategic direction. We believe that excellent ESG governance can enhance the competitiveness and long-term sustainable development of the Group, and create more lasting and stable value for employees, customers, Shareholders, and society.



Environmental, Social and Governance Report

We are committed to promote corporate social responsibility and sustainable development and integrate them into our business operations. Our Directors believe that other than being responsible for the interests of our shareholders and maximizing profits, the Group must also assume responsibility for the society in order to achieve a cohesive and sustainable relationship between the Group, the economy and the society.

Our ESG policy also sets out the organizational structure and the respective responsibilities of different parties in managing ESG matters. Our Board will be responsible for formulating our ESG strategies, framework and policies.

1.3 ESG Management Vision

Litian Pictures Holdings Limited is a drama series distribution company. Its business includes the development, production, marketing, and distribution of film and television drama, and at the same time, it has the advantages of rich drama series distribution channels. Since its establishment, Litian Pictures has been following the business philosophy of common development of economy, society and environment, promoting sustainable business practices and fulfilling corporate social responsibilities, so as to better grasp the opportunities brought by the development of the industry.

Litian Pictures aspires to ensure sustainable business development and operate in an environment-friendly manner and bring shareholders stable and long-term returns while protecting the environment. Although the film and television industry that the Group operates in is not a highly polluting industry, we strive to integrate environmental, social and governance initiatives into our business strategy and management model. By upholding our commitment to corporate social responsibility, we strive to forge ourselves into an environmentally friendly enterprise that cares about our employees' development and protects their rights and interests. We adhere to the principle of equality and integrity for our operation and comply with business regulations and ethic codes.

The Group always keeps corporate social responsibility in mind and infiltrates the concept of sustainable development into every aspect of corporate governance and operations with commitment to concurrently achieving economic, social and environmental benefits. We always believe that we will definitely create more value and continuously contribute to the society under the guidance of the concept of sustainable development.

Environmental, Social and Governance Report

1.4 Stakeholder Engagement

Stakeholders represent the stakeholder group that is most affected by business operations of the Company and can most affect its corporate development. The Group is committed to maintaining continuous engagement with stakeholders including government and regulatory authorities, investors, shareholders, customers, employees, suppliers and business partners, the community and the environment. The Group maintains active, transparent and stable communication with its stakeholders to obtain their feedback in a timely manner, and continuously deepens the understanding of their expectations and demands, and continuous improves of the sustainable development, business strategies and measures of the Group. The engagement channels with stakeholders include general meetings, corporate website, community activities, regular communication with employees, performance appraisal interviews and networking with suppliers.

Stakeholders	Expectations of Stakeholder	Communication and Engagement Mechanisms	Response of the Group
Shareholders and investors	<ul style="list-style-type: none">• Boost the Company's market value and profitability• Continuously improve the Company's environmental and social responsibility performance	General meeting, information disclosure, and the Company's website	<ul style="list-style-type: none">• Release periodic reports, disclose information in a truthful and comprehensive manner, endeavour to improve results and generate profits• Advance corporate governance and risk management level, convene general meetings, enhance investor relations management and strive to improve environmental and social responsibility management

Environmental, Social and Governance Report

Stakeholders	Expectations of Stakeholder	Communication and Engagement Mechanisms	Response of the Group
Customers	<ul style="list-style-type: none"> • Provide high-quality products and services • Safeguard customer's legitimate interests 	Sign contracts and agreements, and customer satisfaction survey	<ul style="list-style-type: none"> • Provide high quality products and services • Establish a complete customer service system and customer feedback and complaint mechanism
Employees	<ul style="list-style-type: none"> • Uphold employee remuneration and benefits • Care for safety and health of employees • Offer equal promotion and development opportunities • Improve communication mechanism 	Labour contracts and employee satisfaction survey	<ul style="list-style-type: none"> • Strictly abide by the items of labour contracts, improve remuneration and benefit system • Offer safe and healthy working environment • Offer development paths for both position and function, and organise staff training • Offer equal communication channel and implement negotiation
Government	<ul style="list-style-type: none"> • Observe the law, operate in compliance with the regulations, and in line with national policies 	Engage in relevant governmental meetings	<ul style="list-style-type: none"> • Strictly observe relevant laws and regulations, continuously enhance corporate compliance management, and respond to national policies

Environmental, Social and Governance Report

Stakeholders	Expectations of Stakeholder	Communication and Engagement Mechanisms	Response of the Group
Suppliers	<ul style="list-style-type: none"> Fair and impartial cooperation with integrity, mutual benefits and win-win results to promote industry development 	Sign contracts and agreements, and regularly hold tender and bidding, and supplier meetings	<ul style="list-style-type: none"> Actively perform the contracts and agreements by adhering to public and transparent business principles, adopt public and transparent procurement model, and develop an accountable supply chain
Peers	<ul style="list-style-type: none"> Fair competition, honest cooperation, transparent and open information Comply with industry norms and promote industrial innovation 	Communicate with industry-related research institutes, associations, mainstream media, etc.	<ul style="list-style-type: none"> Strengthen exchanges and cooperation with peers to jointly create a healthy and orderly competitive environment Participate in industrial innovation research, mutual benefit and win-win, common progress, participate in industry evaluation, and provide suggestions for industry norms

1.5 Materiality Assessment

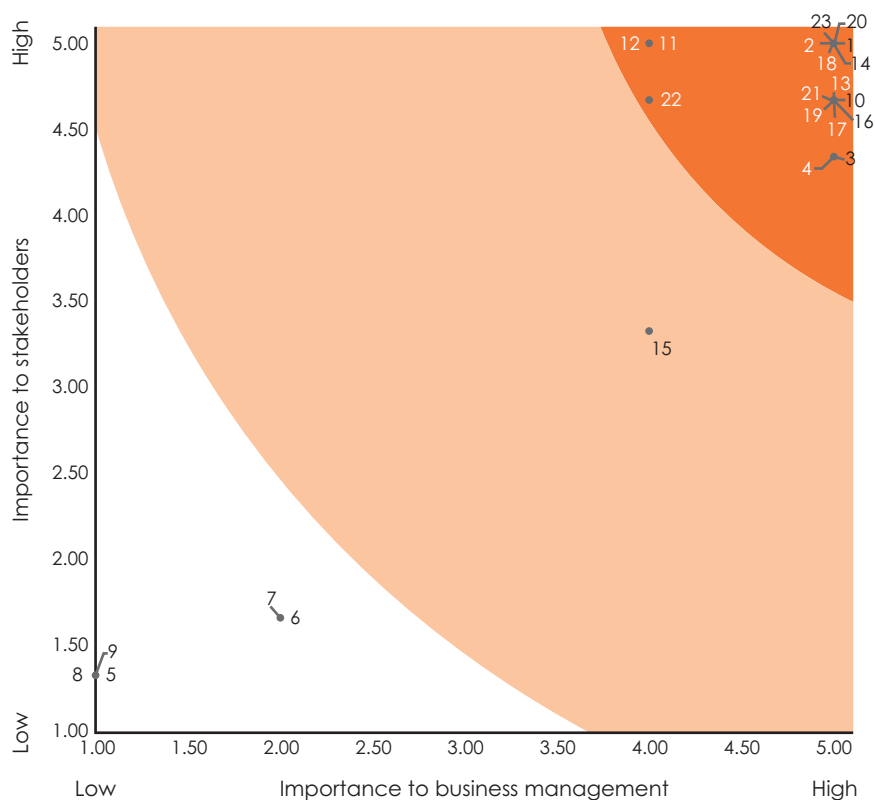
In addition to the above-mentioned communication methods, during the period from 1 January 2024 to 30 June 2025, the Group assessed the importance of ESG issues from the two dimensions of "importance to stakeholders" and "importance to business management" based on its own development direction and industry characteristics.

Assessment results of ESG issues were divided into three categories, namely "very important", "important" and "relevant", as shown in the chart below.

We have fully considered the importance of each key performance indicator to the operation and the stakeholders. After comprehensive evaluation, we have selected the following indicators as the major influential aspects of the Group's sustainable development. While taking all environmental and social responsibilities into consideration, the Group has paid more attention to the following areas: Product Quality, Intellectual Property Protection, Innovation Management, Responsibility Management, Customer Relationship Management, Labor Management, Development and Training, Diversity and Equal Opportunities, Privacy Protection, Business Ethics, Information and Data Security, Advertising Compliance, Risk and Crisis management and Policy Impact.

Environmental, Social and Governance Report

Materiality matrix of material issues for stakeholders of Litian Pictures



List of material issues in 2023 ESG reporting for Litian Pictures

Very important			
01 Product Quality	02 Intellectual Property Protection	20 Innovation Management	23 Responsibility Management
18 Customer Relationship Management	14 Labor Management	13 Development and Training	10 Diversity and Equal Opportunities
16 Privacy Protection	21 Business Ethics	19 Information and Data Security	17 Advertising Compliance
03 Risk and Crisis management	04 Policy Impact		
Important			
12 Occupational Health and Safety	11 Employee Rights and Benefits	22 Corporate Citizenship and Philanthropy	15 Supply Chain Management
Related			
07 Water Resource Management	06 Energy Utilization	09 Climate Change	05 Emissions Management

2. ENVIRONMENTAL PROTECTION

The Group is committed to operating its businesses in an environmentally responsible manner through improving energy efficiency and minimising its environmental footprint.

The Group emphasizes environmental friendliness, energy-saving and emission reduction. While the Group is engaged in the film and television industry, which does not involve significant energy and resource consumption, waste generation and pollutant emission, and it is found that environmental issues are not important topics of the Group after materiality assessment, we always attach great importance to environmental protection in the course of daily operation and development, and always take conservation and emission reduction and pursuing resource recycling as the environmental goals in the business process. We are eager to integrate the concepts of green and low carbon development into our management strategy to minimize the negative impact of our operation activities on the environment, thereby enhancing the Group's efficiency in environmental protection.

2.1 Emissions Management

We have formulated a management system, which clarifies the environmental protection responsibilities of managers at all levels and departments, and implements environmental protection.

During the period from 1 January 2024 to 30 June 2025, the Group did not suffer any major environmental incidents or administrative penalties. The Group is committed to operating its businesses in an environmentally responsible manner through improving energy efficiency and minimising its environmental footprint.

In the daily operation activities, the Group is not involved in any waste gas and waste water emission and its greenhouse gas emissions solely include indirect greenhouse gas generated from purchased electricity. The sources of waste involved in the Group include hazardous solid wastes such as used toner cartridges and non-hazardous solid wastes such as waste paper generated during the office process. The Group has set up trash cans for office waste in the office area and the Group continues to implement the concepts of energy saving, consumption reduction and green environmental protection to reduce emissions from the source. The Group will always promote the process of emission management and environmental protection and take the path of sustainable development.

Environmental, Social and Governance Report

The sources of waste involved in the Group include hazardous solid wastes such as used toner cartridges and non-hazardous solid wastes such as waste paper generated during the office process. General office waste is the major non-hazardous waste generated by us, which primarily included office supplies, office equipment, such as calculators and TV mount. The unit volume and unit amount of such non-hazardous waste were trivial, and were collectively insignificant to our business operation. The Group has set up trash cans for office waste in the office area, and kitchen waste and hazardous waste are disposed of in the trash cans prepared in the park.

In our daily operation activities, the Group is not involved in any waste gas and waste water emission and its greenhouse gas emissions solely include indirect greenhouse gas generated from purchased electricity. The Group's greenhouse gas emissions mainly include indirect greenhouse gas generated from purchased electricity. The Group is committed to reducing the greenhouse gas emissions from the Group's own operations by identifying the sources of greenhouse gas emissions, planning and analysing the effectiveness and operability of various greenhouse gas reduction initiatives, and gradually implementing greenhouse gas reduction measures to achieve greenhouse gas reduction target.

During the period from 1 January 2024 to 30 June 2025, the water consumption of the Group was 176.3 cubic meters (2023: 215 cubic meters) with the intensity of 0.013 cubic meters per RMB10,000 in revenue (2023: 0.019 cubic meters per RMB10,000 in revenue).

2.2 Energy and Resources Consumption

A socially responsible corporation spares no effort in developing a resource-preserving and environment-friendly society. Energy-saving and improved energy efficiency may lower operating costs and facilitate long-term corporate development. The Group strictly abides by laws and regulations such as the "Environmental Protection Law of the People's Republic of China", "Water Law of the People's Republic of China" and "Energy Conservation Law of the People's Republic of China" to achieve balanced and sustainable development between the people, resources and environment. Since the Group does not operate any factory, we are therefore not expected to be exposed to significant risks in relation to water or raw material waste in the course of our operation.

Environmental, Social and Governance Report

The Group deeply recognizes that the protection of water resources is the common responsibility of the whole society, and puts water conservation in an important position in the development of the enterprise. The water consumption involved in the Group is mainly the daily water consumption in the internal office area. The Group has been strictly abiding by the relevant national and local laws and regulations on water resources management and has established the measures for water resources management to regulate the use of water, rationally develop, utilize and recycle, and protect water resources. In the future, we will continue to actively explore innovative methods to achieve planned water use, scientific water use, water conservation, and water recycling. During the period from 1 January 2024 to 30 June 2025, the Group did not identify any significant risk of water shortage in obtaining suitable water sources. During the period from 1 January 2024 to 30 June 2025, the water consumption of the Group was 176.3 cubic meters (2023: 215 cubic meters) with the intensity of 0.013 cubic meters per RMB10,000 in revenue (2023: 0.019 cubic meters per RMB10,000 in revenue).

The Group meets the energy requirement in the course of operation with purchased electricity. Electricity consumption primarily arises from equipment, lightings, cooling and heating systems within the scope of our daily management. In addition, the Group is not involved in the use of packaging materials as it is a film and television company. During the period from 1 January 2024 to 30 June 2025, the consumption of electricity purchased by the Group was 92,152.42 kWh (2023: 112,381 kWh), with an intensity of 6.94kWh/RMB10,000 in revenue (2023: 9.91 kWh/RMB10,000 in revenue).

The Group's goal in energy and water resources management: to improve the effective utilization of energy and water resources, and to maximize the environmental and economic benefits of energy and water resources on the premise of satisfying business activities. In order to save energy and ensure efficient utilization, the Group has actively adopted energy saving measures. We promoted DingTalk paperless office throughout the Group, and actively encouraged employees to print on both sides of paper during the office process; we adopted LED lights with excellent energy saving in the office area, saving more than half of energy compared with the original fluorescent lamps; strictly controlled the power consumption of the office building, adjusted the air conditioner switch in time according to the weather changes, and closed the doors and windows when the air conditioners operated; reduced the use of official vehicles within the Group, and advocated green transportation; actively responded to the national call to carry out environmental protection promotion and other environmental protection activities.

In the future, we plan to further promote energy conservation within the Group, continue to uphold the concept of green development and the requirements of green and low-carbon development, and effectively reduce unreasonable consumption behaviors.

Environmental, Social and Governance Report

2.3 *The Environment and Natural Resources*

The Group will continuously increase the investment on various environmental protection projects, re-identify the source of wastes generated during operation and the impacts on the environment when using resources, to enhance and install different types of environmental protection facilities and ancillaries, and continue to optimise internal management systems, working guidelines and environmental protection measures; continuously enhance employees' awareness on environmental protection and resource conservation through promotion, education and other effective methods, and take up the social responsibilities and obligations with employees in the process of management and development. The Group recognises its responsibility in minimising significant negative impacts on the environment and natural resources in its business operations. In addition, the Group remains conscious of its existing and potential impacts, and regularly assesses the environmental risks of its business model, adopts preventive measures and ensures compliance with relevant laws and regulations.

During the period from 1 January 2024 to 30 June 2025, there was no confirmed non-compliance incident or grievance in relation to the Group's business which had significant impact on the environment or natural resources.

2.4 *Climate Change*

The Global Risk Report published by the World Economic Forum depicted that the environmental risks remained as the primary issue from the perspective of the probability and impact of risks in the next decade. Environmental risks are closely related to climate change, and to cope with the severe challenges brought about by climate change, the development of a low-carbon economy has become the consensus of the international community. For enterprises, risks and opportunities coexist due to the impact of climate change – how to integrate climate change into the business strategies and daily operation activities of the enterprise is related to whether the enterprise can maintain and enhance its own competitiveness and survive and develop in the fierce international market competition.

The Group's operations have no significant impact on the environment and natural resources. We have stated the Group's efforts to conserve resources and reduce emissions in the preceding sections.

Meanwhile, we actively respond to the national "3060" target and promote the emission reduction of greenhouse gas, mainly carbon dioxide, in terms of climate change. We have taken relevant measures to save energy, improve the ecological environment, and enhance emission management, and make unremitting efforts to achieve the "3060" target.

The Group actively undertakes the corporate social responsibility of addressing climate change, takes effective measures to address the challenges brought by climate change, and seizes the historical opportunity of developing a low-carbon economy, expecting to occupy the strategic commanding heights in the future competition, so as to achieve its own sustainable development. Besides, the Group will also regularly provide induction training or courses related to emergency response plans and procedures for all employees in the future.

3. SOCIAL

3.1 Employment

In order to standardize our recruitment process, stringently control the staffing and recruitment criteria and procure eligible and appropriate talents for the Group to enhance our talent echelon formation and ensure smooth proceeding of every task within the Group, the Group has put in place the Recruitment Management System which is applicable to the Group's internal and external staff recruitment.

The Group prioritizes internal recruitment and adheres to a fair and open principle during recruitment process, which means suitable candidates within the Group who meet the requirement of vacant position with outstanding performances will be given priority in being selected for promotion, while public recruitment is considered as a second choice. During the recruitment assessment process, we insist on the principles of "transparent recruitment scheme and vacant position", "transparent assessment process and position requirement" and "impartial assessment standard and assessment process" to recruit candidates in possession of relevant knowledge, experience and skills for the position on a merit basis according to their education background, working experiences and comprehensive qualities.

The Group's employees are classified as contract staff and employed staff. Contract staff are required to sign a labour contract, a confidentiality agreement and a letter of guarantee for the integrity of corporate employees; while employed staff are required to sign an employment contract, a confidentiality agreement and a letter of guarantee for the integrity of corporate employees. Labour contract, employment contract, confidentiality agreement and letter of guarantee for the integrity of corporate employees are entered into between the Group and employees voluntarily after arm's length negotiation, which is legal binding and the terms thereof should be observed by both the Company and the employees. For renewal, dismissal and resignation of employees, the Group has established the Management System for the Renewal, Dismissal and Resignation of Employees and relevant incidents are handled in strict compliance with the system.

The Human Resources Department will adopt social recruitment, school recruitment, internal recommendation and high-end headhunting recommendation according to the requirements of each department for talents.

Environmental, Social and Governance Report

As at 30 June 2025, the Group had a total of 45 employees (as at 31 December 2023: 44), the workforce categorized by gender, age groups and geographical region are depicted below:

		Number of employees in the period from 1 January 2024 to 30 June 2025	Number of employees in 2023
By gender	Male	17	19
	Female	28	28
By age	Below aged 30	7	19
	Aged 31-50	8	24
	Above 51	5	4
By location	Beijing	13	25
	Hangzhou	9	10
	Horgos	14	12
	Hong Kong	9	–

The Group strictly abides by national laws and regulations, and resolutely eliminates the employment of child labor and forced labor; the Group strictly controls the recruitment process, and the candidates entering the interview process are not less than 18 years old, and the original personal ID card is required for the interview. The candidates must provide the original ID card, the original graduation certificate and other documents to go through the admission procedures.

The Group strictly complies with the “Labor Contract Law” and any relevant labor laws and regulations. If there is a serious violation of the code of conduct, the Group has the right to terminate their employment relationship. Employees may also voluntarily terminate their contracts and must complete handover during the notice period and comply with resignation arrangements.

The employee turnover rate was 40.00% for the period from 1 January 2024 to 30 June 2025. The employee turnover rates categorised by gender, age groups and location are depicted below:

		Percentage
Turnover rate of total employees		40.00%
By gender	Male	37.50%
	Female	39.22%
By age	Below aged 30	38.46%
	Aged 31-50	44.90%
	Above 51	N/A
By location	Beijing	63.16%
	Hangzhou	21.05%
	Horgos	15.38%
	Hong Kong	N/A

Environmental, Social and Governance Report

To ensure a fair and equal protection for all employees, the Group does not tolerate any form of sexual harassment or bullying in the workplace.

During the period from 1 January 2024 to 30 June 2025, the Group did not have any labor disputes due to violations of laws and regulations, nor the employment of child labor or forced labor, nor any violations of social insurance or default in payment.

We understand that protecting the rights and interests of employees is the primary social responsibility an enterprise needs to fulfil, whose sustainability is directly affected by employees and in turn determine the development and stability of our society. Therefore, the Group has established a series of rights and interests protection systems to offer employees reasonable remuneration packages, protect their basic right to take leaves and create a discrimination-free, diverse and equal career development platform for them, so as to actualize their rights and interests.

In order to objectively and fairly evaluate the performance and contribution of employees, so as to better motivate and explore the potential of employees as well as to strengthen their sense of competition and responsibility, the Group has developed the Performance Evaluation System (《績效評估制度》), pursuant to which, the Group will conduct an annual performance evaluation at the end of each December. Performance Evaluation Form will be completed in an organized manner and the results of which will be kept and reviewed by the Financial Department who, upon review will submit them to the President for examination. Relevant results will serve as a reference for salary adjustment, performance commission and task bonus of employees. We aim to motivate our employees and improve their working efficiency by fair, healthy and reasonable measures, thereby enhancing the overall effectiveness of the Group. At the same time, we also fully protect employees' right to take leaves and have established a comprehensive Attendance and Leave Management System.

In addition, the Group timely contributes to the "six pensions" (retirement pension, unemployment pension, medical pension, provident fund, work injury insurance and maternity insurance) or foreign labour insurance (if required) for employees in accordance with national regulations, and the proportion of contributions made by the Group and the individual is determined according to national regulations. Besides, the Group has also set up a welfare committee to handle various staff activities and welfare initiatives for directors, employees and their dependants. The specific welfare programmes include birthday cakes for employees, the Group's annual dinner, staff travels and many other staff welfare initiatives.

Environmental, Social and Governance Report

The Group implements an equal employment opportunity system, in accordance with applicable laws, candidates and employees will be given equal employment opportunities regardless of their ethnic background, color, gender, sexual orientation, origin, age, disability, religion, nationality, familial or marital status, civil rights, military or veteran status, gender identity, genetics, pregnancy and other legally guaranteed class or characteristics.

3.2 Occupational Health and Safety

Health and safety in the workplace is part of our duty of care for employees. As a responsible employer, the Group is committed to reducing accidents, illness, and risks in the working area as far as possible, promoting the health of its employees, and thus also reducing the absence rate and employee turnover rate. The Group makes every effort to ensure that the complete safety facilities in the office and other workplaces, create a healthy and safe working environment for employees, and regularly give employees health and safety tips to improve employees' self-health and safety awareness.

The Group pays close attention to the safety and health of every employee. We strictly abide by relevant laws and regulations such as the Safety Production Law of the People's Republic of China and have adopted a series of measures to fully ensure the health and safety of its employees.

During the period from 1 January 2024 to 30 June 2025, the Group did not have any violations related to providing a safe working environment and protecting employees from occupational disease hazards, and there was no employee death due to work relations, and the number of working days lost due to work-related injuries was 0 days.

Occupational health and safety performance		The Period from 1 January 2024 to 30 June 2025		
		Unit	2023	2022
Lost work days due to work injury	Days	0	0	0

3.3 Development and Training

The Group adheres to the "people-oriented" philosophy and believes that employees with sufficient skills and experience are the Group's most valuable asset. Enterprises need to continuously innovate and introduce new technologies and new concepts, which requires continuous training of employees.

In order to standardize and promote staff training work in the Group and improve their job skills and quality so that the Group and employees can grow together, Litian Pictures has established the Staff Training Management System. Through continuous improvement of the management system, the Group has gradually established a three-dimensional and multi-level training system covering all employees to comprehensively enhance the professional ability of employees to ensure the sustainable and healthy development of the enterprise.

Environmental, Social and Governance Report

The Group's training categories are divided into new employee training, job skills training, job transfer training, etc. according to different purposes and different objects. The training methods are also divided into online and offline methods according to different course arrangements, so that employees can choose more flexibly and conveniently. The specific training categories and related training information are listed in the table below.

Category of Training	Target Trainee	Purpose of Training	Subject of Training	Method of Training
New employee training	New staff	To help new employees gain understanding of the Group and fit into the corporate environment and their role as soon as possible	<ol style="list-style-type: none"> 1. The Group profile, corporate culture and organizational structure, management composition 2. The Group development strategies and directions 3. Various company rules and policies 4. Trade knowledge and skills of the job position 	Lecture, tour, practical guidance
Job skills training	On-the-job staff	To enhance employees' skills and improve working quality and efficiency as well as minimize errors	<ol style="list-style-type: none"> 1. Job skills 2. Relevant knowledge and skill enhancement 	Lecture, practical guidance
Transfer training	Transfer staff	To prepare for job position rotation, horizontal transfer and promotion	<ol style="list-style-type: none"> 1. Basic information about new job positions 2. Skill training of new job Positions 	Lecture, practical guidance

Environmental, Social and Governance Report

Category of Training	Target Trainee	Purpose of Training	Subject of Training	Method of Training
Continuing education training	Professional and technical staff	To improve professional skills and the overall technical expertise of the Group	Professional and technical technique trainings provided by external professional agencies outside the Group	Lecture, practical guidance
Departmental internal training	Department staff	To conduct small-scale, flexible and practical trainings to staff based on actual working needs	Trainings for various works and procedures within the department	Lecture, practical guidance
Employee's self Training	Individual staff	To enhance personal quality and working capabilities	Knowledge and skills related to individual employees	Self-training

Employee training	The period from 1 January 2024 to 30 June 2025		2023	
	Percentage of employee	Average duration of training (hours)	Percentage of employee	Average duration of training (hours)
By gender				
Male	100%	2	100%	2
Female	100%	2	100%	2
By position				
Management	100%	2	100%	2
Non-management	100%	2	100%	2

In addition, for the financial personnel of the Group, the Group has specifically developed the Training Management System for Financial Personnel. The finance department is responsible for organizing business trainings for financial staff, and the target trainees include all financial personnel. The training covers accounting standards, finance and tax policies, financial analysis, financial systems and business procedures, work operations and guidance, and solutions to various difficult issues, etc., with an aim to continuously promote professionalism and improve ethics of our current staff, update and expand their knowledge and skills, and cultivate financial, technical and management talents.

3.4 Labour Standards

The Group implements its labour standards in strict compliance with the labour laws and regulations against child labour and forced labour in the PRC.

The Group maintains strict recruitment process, all employees must present valid documents to the Group. The above procedures can ensure no child labour will be employed.

The Group respects the freedom of employment of its employees, force labour or defaulting on remuneration are strictly prohibited. The Group informs the employees of the working hours of their corresponding positions before they join the Group and obtains consent from employees if the working hours require to be adjusted due to production needs or post changes after they take up the job. In addition, all employees of the Group are entitled to have sick leave, injury leave and maternity leave with medical proof in accordance with the applicable laws and regulations. During the period from 1 January 2024 to 30 June 2025, there was no non-compliance case with relevant laws and regulations relating to child and forced labour.

3.5 Supply Chain Management

The Group has always focused on supplier management and understands that sustainable development cannot be achieved without the joint engagement of our suppliers. While enhancing our own environmental and social governance capabilities, we will drive the positive development of our suppliers and promote mutual cooperation and win-win situation.

For improving accuracy and manageability of the Group's purchasing operations, it has set up the Purchasing Management System and established Rules on Project Initiation and Budget Report and Approval Process in accordance with relevant laws and regulations of the PRC, so as to regulate and monitor purchasing activities, thereby reducing operation risks.

Currently, the Group is primarily engaged in the business of licensing the broadcasting rights of self-produced and outright-purchased drama series. Purchases made by the Group consist of three main categories, namely, raw materials (i.e., outright-purchased scripts), fixed assets (including those used in production and office equipment) and office supplies (including those for department use and individual use). In particular, the Planning Department is responsible for purchasing scripts with the assistance of the Literary Creation Department; while the Administration and Human Resources Department is responsible for purchasing fixed assets and office supplies; and the production crew is responsible for purchasing office supplies for its own use.

Environmental, Social and Governance Report

During the period from 1 January 2024 to 30 June 2025, the Group had a total of 11 suppliers. The breakdown by region is as follows:

Information	Unit	Number of suppliers in the period from 1 January 2024 to 30 June 2025	Number of suppliers in 2023
North China (Beijing, Tianjin, Shanxi, Hebei, Inner Mongolia Autonomous Region)	Nos.	3	15
East China (Shanghai, Jiangsu, Zhejiang, Anhui, Fujian, Jiangxi, Shandong)	Nos.	6	16
Rest of Mainland China	Nos.	2	5
Total	Nos.	11	36

The Group established a full life cycle management process for various suppliers from procurement, payment, acceptance to withdrawal, and continuously inspects and evaluates the hardware facilities and operational capabilities of suppliers. In the process of supplier access, we will include the supplier system certification and whether the supplier has the relevant qualifications for green environmental protection, whether it has ISO 14001 or ISO 45001 certificates and other factors into the scope of qualification audit. If necessary, the Group will check the relevant licenses at the supplier's site to ensure the authenticity and validity of the licenses provided by the supplier. During the evaluation stage, suppliers with quality defects, unqualified environmental impact assessments or integrity problems will be eliminated and blacklisted. Through communication and cooperation with our suppliers, we encourage them to comply with regulations and guidelines related to the environment and social responsibility, and implement an effective management plan to enable them to comply with regulations in a systematic manner. We hope to demonstrate supply chain responsibility, redefine internal management requirements and adjust procurement strategies.

During the period from 1 January 2024 to 30 June 2025, the suppliers to whom the practices related to supplier access were implemented were fully covered in the audit of the suppliers who had cooperated.

Environmental, Social and Governance Report

During the procurement process, the Group encourages suppliers to use environmentally friendly products and services. The Group adheres to fair operating practices and has a sound supplier selection process with clear supplier selection criteria and the ability to identify potential risks in the Group's supply chain. We encourage our suppliers to maintain high standards of business ethics and conduct and strive to achieve satisfactory environmental and social performance. When selecting and evaluating suppliers, we will consider a number of factors such as quality system, environmental and social performance, and strive to establish long-term supply and demand cooperation.

3.6 Product Responsibility

R&D in Innovative Products

The Group has always adhered to the business philosophy of "creating a better future for Chinese cinema and television". Driven by user needs and based on the market situation, we encourage innovation. We strive for professionalism, with a view to reaching the younger generation and market. We keep abreast with the industry trend to create high-quality drama series for the Chinese audience. Since our establishment, the Company has invested in and produced numerous drama series, including Female Bodyguard of Song Dynasty, a large-scale historical action drama series, and Guerilla Heroes, a historical drama series of the War of Resistance against Japanese Aggression. These two drama series have achieved great distributing results in well-known domestic TV festivals in Shanghai, Beijing and Shenzhen. Meanwhile, Guerilla Heroes, Double Guns, The Brothers, and A Gallant Army, drama series in which the Group has invested, have been distributed in multiple TV channels. In particular, in 2019, A Gallant Army was premiered in CCTV-8 during the golden hours. Regarding outright-purchased drama series, we have distributed a considerable number of drama series that are well received in the market, including The Chinese Dream, Bright Star, Road to Rebirth, Under Cover etc. During the period from 1 January 2024 to 30 June 2025, the self-produced drama series "As Husband As Wife" (小夫妻) was licensed for the broadcasting rights on satellite TV.

In addition, the Group successfully licensed the rerun broadcasting rights of "The Wise are Invincible" (智者無敵), "The Justice are Invincible" (義者無敵), "The Righteous are Invincible" (正者無敵), "Invincible Belief" (信者無敵), "The Desert Sharpshooter" (大漠槍神), "Detective Dee" (神斷狄仁傑), "Yangko Dance" (大秧歌), and "Mother's Life" (娘道) to certain satellite channels, which were our outright-purchased drama series during the period from 1 January 2024 to 30 June 2025.

The Group has established great relationships with mainstream TV stations in the PRC, and has also received attention and recognition from authorities such as the Department of Radio and Television and China Film Association at the provincial level. We have a rich pipeline of drama series distribution and maintain business ties with more than 90 provincial and municipal mainstream TV channels and online platforms. The drama series distributed by us have been successfully broadcast on CCTV-8, satellite channel of Zhejiang Television Station, Anhui Television Station, Shenzhen Television Station, Tencent Video, iQIYI, Youku and other TV and new media platforms.



Environmental, Social and Governance Report

We have received many awards for our commitment to providing high quality drama series and related services.

In the future, we will continue to strengthen our drama series production and distribution capabilities with the focus on producing more high-quality drama series and distributing them to leading satellite TV channels. In the meantime, more resources will be invested to actively develop and produce more web series of different genre to meet the various preferences of audiences of different age groups. Committed and professional, we will continue to improve our overall competitiveness to consolidate and enhance our position in the PRC drama series market. As the Group's primary business is drama series distribution, we do not involve recalling products for safety and health reasons.

As a popular art form, drama series provide a good artistic vehicle for audiences to gain understand of outstanding culture and receive positive social values. Film and television workers should spread positivity by telling a good Chinese story; focus on cultural nourishment to enhance the content of their works; learn from well-proven experiences to broaden communication channels; and respect cultural differences to accommodate cultural diversity.

Litian Pictures takes the responsibility of promoting excellent culture and shoulders the burden of cultural confidence by strictly censoring the drama series involved in the Company's business. Based on the circular of the National Radio and Television Administration on the censorship procedures for drama series, the Group has formulated the Group's drama series Censorship Procedures system for the production team, clarifying the requirements for the submission and censorship of domestic drama series, co-productions and imported drama series, as well as the requirements for the submission and censorship of textual information and sample tapes of various types of drama series. In the system, we clarify the top-down oversight mechanisms. The Board shall act as the monitoring department, and the management shall be responsible for reviewing the submission and censorship materials, ensuring that the materials are true and complete. Then we submit them to National Radio and Television Administration for implementation after for reviewing and approval. If not approved, the National Radio and Television Administration will return the materials to the submission department for rectification. Then the materials will re-submit again until being approved. In the future, we will also, in accordance with the spirit of the circular of the National Radio and Television Administration, adjust and enhance our efforts in censoring the drama series, improve the submission and censorship system and build standard inspection procedures.

Environmental, Social and Governance Report

We are committed to improving the quality of our drama series at source, enriching their content and expanding their influence. For example, A Gallant Army, a drama series produced by our Group, was first broadcast on CCTV-8 during prime time and achieved remarkable ratings. During and after its airtime, the show has sparked heated discussions both online and offline, facilitating a deeper understanding of Huaihai campaign, the background of the drama series, among the public.

In the future, Litian Pictures will, in addition to producing and broadcasting drama series, cooperate with more renowned directors and A-list actors and actresses to introduce the sub-sectors of drama series to the mainstream public, actively participate in the exploration and construction of the cultural industry of drama series, and make the outstanding culture embedded in drama series accessible to more people.

Customer Service, Intellectual Property Rights Protection and Privacy Protection

The customer is fundamental to the survival and development of an enterprise. The Group's customers are mainly consumers, mainstream TV channels and online platforms, etc. Being customer-oriented, the Group deems effective customer feedback as a driving force to advance the continuous growth and development, so as to increase customer satisfaction and build a friendly customer relationship in a long run. During the year, the number of customer complaints against the Group is 0.

Intellectual property rights protection is indispensable for innovation and research and development. Effective property rights protection management will be helpful to protect the new technological achievements of enterprises and strengthen the core competition of enterprises. While fully respecting intellectual property rights of other parties, the Group protects its intellectual property rights from being infringed. The Group is strictly in compliance with laws and regulations, such as the Patent Law of the People's Republic of China (中華人民共和國專利法), Copyright Law of the People's Republic of China (中華人民共和國著作權法) and Trademark Law of the People's Republic of China (中華人民共和國商標法), and the Intellectual Property Rights Reporting Procedures and Incentive System Management Regulations, with an aim to stipulate and regulate the reporting procedures of the intellectual property rights of different departments and encourage department staff to partake in knowledge innovation and technology R&D.

The reporting procedures consist of four main parts, namely, conception application, review meeting, finalization, patent application or paper publication. Meanwhile, the Group has established the Intellectual Property Rights Reporting Incentive system pursuant to which, patent application and paper publication can be applied for awards in various stages including the final draft and the final reporting results.

Environmental, Social and Governance Report

During the period from 1 January 2024 to 30 June 2025, the Group did not record any incidents of non-compliance in relation to products and intellectual property rights that had a significant impact on the Company.

The Group is committed to protecting the privacy of its customers in every aspect of our operation. In compliance with the laws, regulations and ordinances, such as the Personal Information Protection Law of the People's Republic of China (中華人民共和國個人信息保護法), Law of the People's Republic of China on the Protection of Consumer Rights and Interests (中華人民共和國消費者權益保護法), we avoid the risk of privacy leakage and build a safe and orderly operating environment by continuously improving the Group's internal relevant systems and taking multiple measures to effectively fulfil our due confidentiality responsibilities. A project manager in each department is responsible for protecting the privacy of its customers to ensure effective protection of customer information.

During the period from 1 January 2024 to 30 June 2025, the Group did not record any incidents of non-compliance in relation to privacy protection.

3.7 **Anti-Corruption**

The Group does not tolerate any forms of corruption, fraud and all other behaviors that severely damage the business integrity and reputation of the Group.

Bribery, fraud and corruption in any forms or in relation to any parties are all strictly prohibited in the Group. The Group has incorporated a section in the Employee Handbook regarding the procedures for employees to report any suspected fraudulent activities. Employees may report in writing to their department head regarding the suspected misconduct. Reports and complaints received will be handled in a prompt and fair manner. The Group intends to protect the whistle-blower from common concerns such as confidentiality and potential retaliation or discrimination. Therefore, the employee reporting in good faith under the whistle-blowing mechanism can be assured of protection against unfair dismissal or victimisation, even if the reports are subsequently proved to be unsubstantiated. The Group provides induction training to all new directors and employees.

3.8 **Community Investment**

The Group is actively committed to corporate social responsibilities. The Group encourages the employees to participate in beneficial activities to make contribution to society. The Group will continue to make contributions to the community, pay attention to the society as well as the difficulties and needs of the underprivileged parties at all times, and actively reward to the society, with an aim to facilitating social harmony.

In the future, the Group will also adhere to carry out diversified public welfare activities through multiple channels.

APPENDIX: HONG KONG STOCK EXCHANGE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDELINES CONTENT INDEX

Environmental, Social and Governance Reporting Guidelines		Report Content
A. Environmental		
A1: Emissions	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	2.1 Emissions Management
A1.1	The types of emissions and respective emissions data.	2.1 Emissions Management
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).	2.1 Emissions Management
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	2.1 Emissions Management
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	2.1 Emissions Management
A1.5	Description of emission target(s) set and steps taken to achieve them.	2.1 Emissions Management
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	2.1 Emissions Management

Environmental, Social and Governance Report

Environmental, Social and Governance Reporting Guidelines		Report Content
A2: Use of Resources	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials.	2.2 Energy and Resources Consumption
A2.1	Direct and/or indirect energy (e.g. electricity, gas or oil) consumption by type in total (kWh in Consumption '000s) and intensity (e.g. per unit of production volume, per facility).	2.2 Energy and Resources Consumption
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	2.2 Energy and Resources Consumption
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	2.2 Energy and Resources Consumption
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water Consumption efficiency target(s) set and steps taken to achieve them.	2.2 Energy and Resources Consumption
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not Applicable
A3: The Environment and Natural Resources	General Disclosure Policies on minimising the issuer's significant impacts on the environment and natural resources.	2.3 The Environment and Natural Resources
A3.1	Description of the significant impacts of business activities on the environment and natural resources and the actions taken to manage them.	2.3 The Environment and Natural Resources
A4: Climate Change	General Disclosure Policies on identification of and response to significant climate-related issues which have impacted, and those which may impact, the issuer.	2.4 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.	2.4 Climate Change

Environmental, Social and Governance Report

Environmental, Social and Governance Reporting Guidelines		Report Content
B. Social		
Employment and Labour Practices		
B1: Employment	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	3.1 Employment
B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	3.1 Employment
B1.2	Employee turnover rate by gender, age group and geographical region.	3.1 Employment
B2: Health and Safety	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	3.2 Occupational 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 Occupational Health and Safety
B2.2	Lost days due to work injury.	3.2 Occupational Health and Safety
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	3.2 Occupational Health and Safety

Environmental, Social and Governance Report

Environmental, Social and Governance Reporting Guidelines		Report Content
B3: Development and Training	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	3.3 Development and Training
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	3.3 Development and Training
B3.2	The average training hours completed per employee by gender and employee category.	3.3 Development and Training
B4: Labour Standards	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	3.4 Labour Standards
B4.1	Description of measures to review employment practices to avoid child and forced labour.	3.4 Labour Standards
B4.2	Description of steps taken to eliminate such practices when discovered.	3.4 Labour Standards
Operating Practices		
B5: Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.	3.5 Supply Chain Management
B5.1	Number of suppliers by geographical region.	3.5 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.	3.5 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.	3.5 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.	3.5 Supply Chain Management

Environmental, Social and Governance Report

Environmental, Social and Governance Reporting Guidelines		Report Content
B6: Product Responsibility	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	3.6 Product Responsibility
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	3.6 Product Responsibility
B6.2	Number of products and service related complaints received and how they are dealt with.	3.6 Product Responsibility
B6.3	Description of practices relating to observing and protecting intellectual property rights.	3.6 Product Responsibility
B6.4	Description of quality assurance process and recall procedures.	3.6 Product Responsibility
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	3.6 Product Responsibility
B7: Anti-corruption	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing bribery, extortion, fraud and money laundering.	3.7 Anti-corruption
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.	3.7 Anti-corruption
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	3.7 Anti-corruption
B7.3	Description of anti-corruption training provided to directors and staff.	3.7 Anti-corruption

Environmental, Social and Governance Report

Environmental, Social and Governance Reporting Guidelines		Report Content
Community		
B8: Community Investment	General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its business activities take into consideration the communities' interests.	3.8 Community Investment
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	3.8 Community Investment
B8.2	Resources contributed (e.g. money or time) to the focus area.	3.8 Community Investment