



2024

KingNet Network
Sustainability & Environmental,
Social and Governance (ESG) Report

KingNet's New Journey to
Inspire the Future



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About the Report

This is the third Sustainability Report and the 10th ESG Report released by KingNet Network Co., Ltd. It aims to disclose to all stakeholders the principles, management methods, efforts and achievements of the Company in sustainable development topics during its operation.

Scope of Report

Scope of organisation: The Report covers KingNet Network Co., Ltd. (KingNet Network) and its subsidiaries. Unless otherwise specified, the scope hereof remains consistent with that in the consolidated financial statements of KingNet Network (stock code: SZ.002517) over the same period. The full and short names of the Company and subsidiaries involved in the Report are as follows:

Full Name	Short Name
KingNet Network Co., Ltd.	▶ KingNet Network, the Company or we
Shanghai Doushi Network Technology Co., Ltd.	▶ Shanghai Doushi
Shanghai KingNet Network Technology Co., Ltd.	▶ Shanghai KingNet
Shanghai KingNet Software Technology Co., Ltd.	▶ Shanghai KingNet Software
Zhejiang Shenghe Network Technology Co., Ltd.	▶ Zhejiang Shenghe
Shaoxing Shengwang Network Technology Co., Ltd.	▶ Shaoxing Shengwang

Time range: The reporting period is from 1 January to 31 December 2024. Unless otherwise stated, the data in the Report are those within this period.

Release cycle: This is an annual report. The previous report was the 2023 Report.

Basis of Preparation

The Report is prepared in accordance with the *Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation)* (hereinafter referred to as the "Guidelines") and the *Shenzhen Stock Exchange Guidelines No. 1 on Self-Regulation of Listed Companies—Standardised Operation of Companies Listed on the Main Board* (revised in December 2023), and with reference to the *GRI Sustainability Reporting Standards 2021* (hereinafter referred to as "GRI Standards") of the Global Sustainability Standards Board (GSSB).

Data Description

The data and cases in the Report are derived from official records of the actual operation of the Company. The financial data in the Report are all in RMB. In case of any discrepancy with the Company's annual financial report, the annual financial report shall prevail.

Principles of Preparation

Materiality

The Company has identified material topics related to its operation that all stakeholders are concerned about as the highlights of the Report. The presentation of material topics in the Report focuses on the characteristics of the industry in which the Company operates and the nature of its business activities. See the "Materiality Assessment of Sustainability Topics" in the Report for the process and results of the materiality assessment of topics.

Accuracy

The Report ensures that the information is as accurate as possible. The data standards, calculation basis, and assumption conditions have been explained in the quantitative information to guarantee that the calculation error range does not mislead the stakeholders. Quantitative information and notes are detailed in the "ESG Data Table and Notes" section of the Report.

Impartiality

The Report reflects objective and factual information and impartially discloses both positive and negative information related to the Company. The Company found no negative events that should have been disclosed but were not disclosed during the reporting period.

Clarity

The Report is published in simplified Chinese and English. The Report contains information such as tables, diagrams, and other information as a supplement to facilitate a better understanding by stakeholders. To facilitate faster access to information for stakeholders, the Report provides a table of contents and a benchmarking index of ESG standards.

Quantification

The Report discloses key quantitative performance indicators and, where possible, historical data.

Comparability

The statistics and disclosure of the same quantitative indicators in the Report are consistent from one reporting period to another. If there are any changes in the data collection, measurement, or calculation methods, the relevant data are retrospectively adjusted, with explanations of the adjustments and their reasons provided in the notes to the Report so that stakeholders can conduct meaningful analyses and assess the trend of the Company's ESG performance level.

Integrity

The scope of the disclosures shall be in line with that of the Company's consolidated financial statements.

Timeliness

The Report is an annual report and the Company endeavors to publish the Report as soon as possible after the end of the reporting year to provide stakeholders with timely information for decision-making.

Verifiability

The cases and data in the Report come from the original records or financial reports of the Company's actual operations. The Company has adopted the HiESG performance management system to administrate its quantitative sustainability performance over the years so that the source of the disclosed data and the calculation process can be traced and support external assurance inspections.

External Audit

SGS-CSTC Standard Technical Services Co., Ltd. (SGS) independently audited the data in the Report, relevant policies, and management systems. See "Appendix: Third-Party Independent Audit Report" for the details of the Audit Report.

Access to the Report

The Report is published in electronic form on the official websites of the Company, SZSE, and Cninfo.

Contact Us

To continuously enhance our efforts in sustainability and ESG (Environmental, Social, and Governance) information disclosure, we welcome your feedback and suggestions. Please scan the QR code to provide your comments on this report, or feel free to contact us through the following means:

Address: 15/F, Block A, Expo Yaohua Business Centre, 899 Yaohua Road, Pudong New Area, Shanghai

Email: csr@kingnet.com



Message from the Chairman



In 2024, China's game industry maintained steady growth in market size, alongside ongoing optimisation of the industry ecosystem. The sector continued to serve as a key enabler and catalyst for cutting-edge technological innovation, facilitating the transformation and application of technological advances. Meanwhile, the cultural dimension of games became increasingly prominent. As an important vehicle for preserving and promoting China's rich cultural heritage, games injected new vitality into the development of local cultural tourism and creative industries.

KingNet Network, a well-known listed online game company in China, upholds the sustainable development philosophy of "Play With Buff" and continuously promotes the implementation of the sustainable development plan for sustainable business. In 2024, we further strengthened our stakeholder engagement mechanisms by building diversified communication platforms, actively listening to stakeholder feedback, and responding to their concerns in a timely manner. These efforts ensure our sustainability strategy remains closely aligned with stakeholder expectations.

Advancing a green and low-carbon transformation to support a sustainable climate. In response to climate change, the Company set clear targets: To achieve carbon neutrality in operation by 2025 and to achieve full value chain carbon neutrality by 2035. We actively managed climate-related risks and opportunities, earning a "B" score at the management level in our first response to the CDP climate questionnaire. Green practices were embedded in our daily operations through initiatives such as paperless office and the recycling of office supplies. We also raised public awareness of biodiversity through projects like the eco-friendly game "Yorozuya" and a series of educational campaigns.

Continuing to broaden the scope of gaming, envisioning a joyful and sustainable future. While deepening our presence across diverse game genres, we embraced the digital and AI revolution, accelerating the development and deployment of AI large models of "Xingyi" and "Zhimeng" and the KingNet Chain platform. These digital intelligence innovations powered our core gaming business and fuelled new quality productive forces. We also explored "Game+" integration models—such as "Game + Culture" and "Game + Cultural Tourism"—to contribute to the shaping of a dynamic digital culture ecosystem. Meanwhile, we pressed ahead with global expansion, advancing our internationalisation strategy by delivering high-quality content and sharing Chinese stories with global audiences through gaming.

Creating shared value with stakeholders. Guided by a people-oriented philosophy, we developed a comprehensive talent development system and strengthened our employer brand appeal. Centred on user needs, we developed a high-quality service system that safeguarded user privacy and data security while promoting the healthy development of minors. Under the "KingNet's Love Public Welfare" banner, we launched public welfare projects such as "Girls' Escort of KingNet's Love" and the "Game Literacy Programme", spreading warmth and hope throughout society.

Continuously enhancing governance effectiveness to unlock new momentum for corporate development. Guided by the goal of Red Party-building Leading Orange KingNet, we established a unique brand of Party building for Internet game companies - an "Orange" Heart towards the Party (be loyal to the Party). We implemented a primary responsibility system for our Chief Responsibility Officer (CRO) team,

continuously optimised our corporate governance structure, and promoted standardised and compliant operations. We also reinforced internal control mechanisms, and effectively mitigated various risks to enhance compliant operations and management.

The sustainability performance received widespread recognition from both domestic and international capital markets. The Company was scored B in the CDP Climate Questionnaire, and earned top-tier ratings from several domestic agencies, including an AAA rating from the CSI ESG Index, AA from CNI ESG Rating, and A from Wind ESG Rating.

The industry influence also continued to grow in 2024. We were recognised as a "Representative Enterprise of New Quality Productive Forces" in China's game industry and received the "Game Empowerment Promoter Award". The Company also actively contributed to the formulation of six industry and group standards, including the *Guidelines on Information Disclosure of Corporate Social Responsibility and ESG of Internet Industry* and *Evaluation Guidelines for Corporate Social Responsibility and ESG Information Disclosure by Internet Enterprises*.

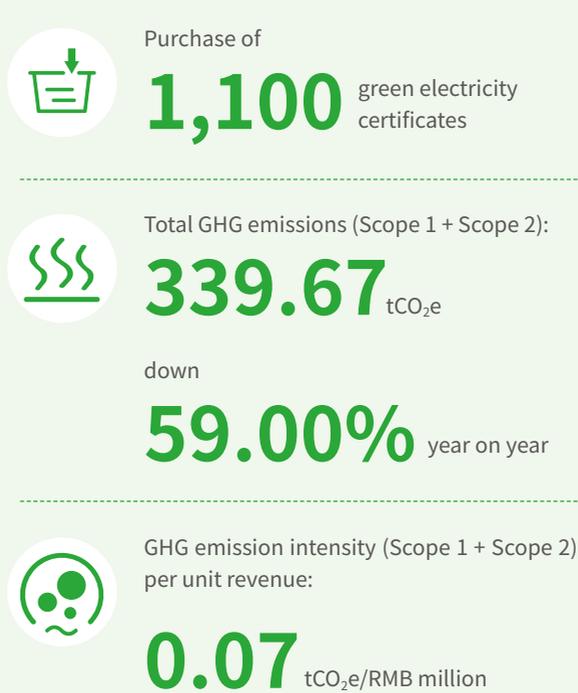
Looking ahead, we will continue to advance sustainable development by building on four K powers—K Cohesion, K Strength, K Protection, and K Gravitation. Through strengthened ESG capabilities and deepened sustainability practices, we aim to work with all stakeholders to co-create a positive and lasting cycle of responsible value.

Sustainability Highlights

Economic Performance



Environmental Performance



Social Performance



Recognitions and Industry Association Participation in 2024

In 2024, KingNet Network was repeatedly recognised by the industry and the capital market for its excellent performance in sustainable development management.

CDP Rating: B
Carbon Disclosure Project (CDP)



Morningstar Sustainability: Low Risk
Morningstar



Wind ESG Rating: A
Wind



SynTao Green Finance ESG Rating: A —
SynTao Green Finance



AA-CXGF ESG Rating: AA —
CCX Green Finance ESG Grade



CNI ESG Rating: AA
Shenzhen Securities Information Company Limited



CSI ESG Rating: AAA
China Securities Index Co., Ltd.




Industry Associations Joined by KingNet Network and Its Subsidiaries

Full Name of Association	Membership Level	Entity
Internet Society of China	Council Member	KingNet Network Co., Ltd.
China Cultural Industry Association	Council Member	KingNet Network Co., Ltd.
China Mobile Communications Association (CMCA)'s Metaverse Council	Observer Member	KingNet Network Co., Ltd.
China Audio-video and Digital Publishing Association	Deputy Director	KingNet Network Co., Ltd.
China Association for Public Companies	Council Member	KingNet Network Co., Ltd.
Trust and Integrity Enterprise Alliance	Member	Shanghai KingNet Software Technology Co., Ltd.
China Toy & Juvenile Products Association	Member	Hangzhou KingNet Network Technology Co., Ltd.
Yangtze River Delta Entrepreneurs Union	Member	Hangzhou KingNet Network Technology Co., Ltd.
	Member	Shanghai KingNet Software Technology Co., Ltd.
	Council Member	Shanghai KingNet Network Technology Co., Ltd.
Shanghai Software Industry Association	Group Member	Shanghai KingNet Software Technology Co., Ltd.
	Group Member	Shanghai Shengsong Network Technology Co., Ltd.
	Group Member	Shanghai Doushi Network Technology Co., Ltd.
Shanghai Cultural and Creative Industry Promotion Association	Council Member	KingNet Network Co., Ltd.
Shanghai Information Service Association	Council Member	Shanghai KingNet Software Technology Co., Ltd.
Minhang Association of Cultural and Creative Industries	Vice President	Shanghai Doushi Network Technology Co., Ltd.
Shanghai Cyber Culture Association	Member	Shanghai KingNet Network Technology Co., Ltd.
Internet Association of Shanghai	Member	Shanghai KingNet Network Technology Co., Ltd.
Shanghai Online Game Association	Vice President	Shanghai KingNet Software Technology Co., Ltd.
	Member	Shanghai Doushi Network Technology Co., Ltd.
Shanghai Network Audio-visual Association	Member	Shanghai KingNet Software Technology Co., Ltd.
Internet Association of Shanghai	Council Member	Shanghai KingNet Software Technology Co., Ltd.

Full Name of Association	Membership Level	Entity
Shanghai Information Network Security Administration Association	Member	Shanghai KingNet Software Technology Co., Ltd.
Shanghai Network Security Administration Association	Member	Shanghai KingNet Software Technology Co., Ltd.
Shanghai Association of Stock System Enterprises	Member	KingNet Network Co., Ltd.
Shanghai International Trade in Services Industry Association	Council Member	Shanghai KingNet Network Technology Co., Ltd.
Jiangxi Software Industry Association	Vice Council Chair Member	Shangrao Kaisheng Network Technology Co., Ltd.
Jiangxi Internet Association	Council Member	Shangrao Kaisheng Network Technology Co., Ltd.
Jiangsu Internet Association	Member	Suzhou Juhe Network Technology Co., Ltd.
	Vice President	KingNet Network Co., Ltd.
Zhejiang Games Association	Council Member	Zhejiang Shenghe Network Technology Co., Ltd.
Zhejiang Institute of Animation Industry	Executive Council Member	KingNet Network Co., Ltd.
Zhejiang Internet Association	Council Member	KingNet Network Co., Ltd.
Hangzhou Animation Comic & Game Association	Vice President	KingNet Network Co., Ltd.

Industry and Group Standards Participated in by KingNet Network

Issuer	Title	Category
Ministry of Industry and Information Technology of the People's Republic of China	<i>Guidelines on Information Disclosure of Corporate Social Responsibility and ESG of Internet Industry</i>	Industry standard
Internet Society of China	<i>Evaluation Guidelines for Corporate Social Responsibility and ESG Information Disclosure by Internet Enterprises</i>	Group standard
Internet Society of China	<i>Guidelines for Carbon Information Disclosure of Internet Enterprises</i>	Group standard
Internet Society of China	<i>Guidelines for Compiling Social Responsibility Reports on Internet Minor Protection</i>	Group standard
Internet Society of China	<i>Guidelines for Compiling Social Responsibility Reports on Personal Information Protection of the Internet Industry</i>	Group standard
Shanghai Software Industry Association	<i>Technical Requirements for Remote Control Software</i>	Group standard

About KingNet Network

Company Profile

KingNet Network Co., Ltd. (SZ.002517) is a well-known listed online game company in China. Its main businesses include the R&D, operation, and publishing of high-quality entertainment content such as mobile and web games, as well as the operation of web gaming platforms and mobile application distribution platforms. The Company has established a long-term strategic commitment in the fields of virtual reality and the metaverse, engaging in ongoing innovation and exploration. At the same time, it actively expands its global publishing capabilities to reach broader platforms and user bases.

The Company persists in focusing on the main business of developing games as its core strategy for corporate development. It follows the principle of creating quality games that meet market demand and operates three business systems including R&D, publishing, and investment + IP. This has enabled the formation of a diversified ecosystem driven by gaming at the Company's core. The Company holds fast to the philosophy of providing higher quality and better service and continuously provides users with quality content and services as well as a fulfilling gaming experience, which drives its high-quality development.



General Information on KingNet Network



Chinese name

恺英网络股份有限公司



English name

KINGNET NETWORK CO., LTD.



Headquarters site

Shanghai



Main business

R&D, operation, and publishing of mobile games and web games
Operation of web game platforms and mobile application distribution platforms (XY Game Platform and KingNet Cloud Games)



Principal subsidiaries

Shanghai KingNet Network Technology Co., Ltd. ("Shanghai KingNet")
Zhejiang Shenghe Network Technology Co., Ltd. ("Zhejiang Shenghe")



Revenue

RMB **5,118** million



Total assets

RMB **8,026** million



Total number of employees

2,184



Main products

Retro-themed games

- Original Legends
- War of Angels
- Dragon Nest Open World

Innovative premium games

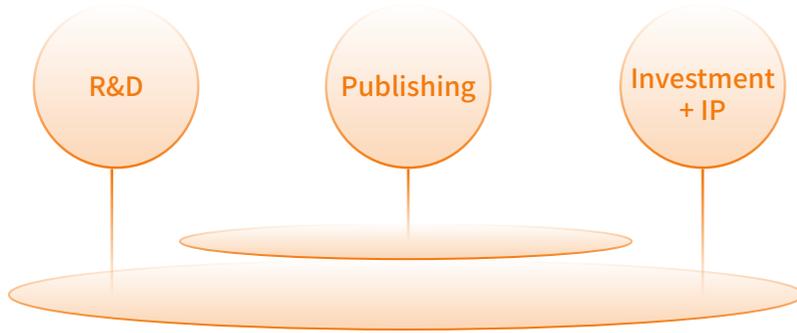
- Gundam Battle
- Project Ultraman
- Tales of Douluo: Legend of Evil Purge
- Lord of Nazarick

- Sword and Fairy: A New Beginning
- Digimon: Source Code
- The New Heaven Sword and Dragon Saber
- Monster GO!

- That Time I Got Reincarnated as a Slime: New World
- Mecha Party
- Gods' Calamity: Shadow Princess
- The Graver Robbers' Chronicles: The Beginning

Business Areas and Value Chain

Three Business Systems with "Games" at the Core



R&D Strength



Investment Layout



Natural Select (Shenzhen) AI Co., Ltd.

EVE



心光流美

Hangzhou Flow Entertainment Network Technology Co., Ltd.

*Dragon Pow
Figure Fantasy*



Shenzhen Ultimate Dreality Network Technology Co., Ltd.

Singularity Saga



Hangzhou Xingyue Interactive Cultural Creativity Co., Ltd.

*Nobunaga's Ambition: Path to Unification
Steam Fortress*



Lexiang Technology Co., Ltd. (DPVR)

VR hardware devices
AI glasses (in preparation for mass production)

Materiality Assessment of Sustainability Topics

Communication with Stakeholders

Communication with stakeholders is an important aspect of KingNet Network's sustainability and ESG management. In response to stakeholder expectations, the Company has established effective communication mechanisms centred on the topics of concern to each stakeholder group. We maintain regular two-way communication with stakeholders through diversified communication channels such as the official website, media, conferences, reports, and activities.

Key Stakeholder	 Shareholders and investors	 Government and regulators	 Users	 Employees	 Suppliers	 Industry organisations	 Communities
Topic of Concern	<ul style="list-style-type: none"> Corporate governance Compliant operation Risk management Anti-commercial bribery and anti-corruption 	<ul style="list-style-type: none"> Compliant operation Protection of minors in cyberspace Anti-unfair competition Social functions of games 	<ul style="list-style-type: none"> Product R&D and innovation Customer service and complaint handling Data security and customer privacy protection Protection of minors in cyberspace 	<ul style="list-style-type: none"> Employment and protection of employees' rights and interests Human capital development 	<ul style="list-style-type: none"> Supplier sustainability management 	<ul style="list-style-type: none"> Protection of minors in cyberspace Social functions of games Content quality management 	<ul style="list-style-type: none"> Community contribution and rural revitalisation Climate response Energy utilisation and GHG emission reduction Green office Ecosystem and biodiversity protection
Communication Methods/Channels	<ul style="list-style-type: none"> Information disclosure as a listed company General meeting of shareholders Investor exchange meetings Complaint and reporting mechanism 	<ul style="list-style-type: none"> Policy implementation Information disclosure Communication and research meetings Copyright applications Overseas development of games 	<ul style="list-style-type: none"> User questionnaires User privacy agreements Official management channel for player groups 24-hour customer service hotline Distribution of brochures on the prevention of minors from becoming addicted to online games 	<ul style="list-style-type: none"> Employees' congress Club activities Employee training programmes 	<ul style="list-style-type: none"> Supplier audit and assessment 	<ul style="list-style-type: none"> Industry association activities Participation in standard setting 	<ul style="list-style-type: none"> Employee volunteer services Community public welfare activities Energy conservation and emission reduction activities Biodiversity protection public welfare activities

Topic Materiality Assessment

In 2024, in accordance with the requirements for "materiality assessment of topics" under the Guidelines, the Company conducted a materiality assessment of its sustainability topics.

During the assessment process, the Company engaged experts and, based on the context of its activities and business relationships, carried out topic identification and selection through benchmarking against relevant standards, policy analysis, and peer comparison. The actual and potential impacts, risks, and opportunities associated with each topic were evaluated, and their materiality was analysed from two perspectives: financial materiality and impact materiality. Finally, the Company reviewed and approved the materiality assessment results, and has disclosed the methodology, process, and results of the assessment in this Report.

Considerations for KingNet Network's 2024 Topic Materiality Assessment

Aspect	Definition	Dimensions of Materiality Analysis
<p>Impact Materiality</p>	Whether the Company's performance on the relevant topic may have actual or potential significant impacts on the economy, society, and the environment.	<ul style="list-style-type: none"> Likelihood of impact Scale, scope, and irremediability of the impact
<p>Financial Materiality</p>	Whether the topic is expected to have a significant impact, in the short, medium, or long term, on the Company's business model, operations, development strategy, financial position, operating results, cash flow, financing methods, and cost.	<ul style="list-style-type: none"> Likelihood of financial implications Degree of financial implications

KingNet Network's 2024 Topic Materiality Assessment Process



List of Topics

In the process of identifying material topics for 2024, KingNet Network fully considered the following five factors, identified and selected 19 topics based on the Company's actual operations, and analyzed the impact, risks and opportunities of each topic.

ESG Standards

The Guidelines, GRI Standards, International Sustainability Standards Board (ISSB) *IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information ("IFRS S1")*, *International Financial Reporting Sustainability Disclosure Standard 2 - Climate-Related Disclosures ("IFRS S2")*, Sustainability Accounting Standards Board (SASB) *Sustainability Accounting Standards – Internet Media & Services*, etc.

International Initiatives

United Nations Sustainable Development Goals (SDGs), etc.

Macroeconomic and Industry Policy Trends

Macroeconomic policies such as the Outline of the 14th Five-Year Plan (2021-2025) for National Economic and Social Development and the Long-Range Objectives Through the Year 2035, and industry-specific policies such as the *Measures for the Administration of Online Games* and the *Outline of a National Campaign for Scientific Literacy (2021-2035)*

Sustainability Strategy and Planning of the Company

Sustainability Plan of KingNet Network Co., Ltd. (2023-2025) – K Action

Key Topics of Concern of the Industry

Key sustainability topics highlighted by the media and entertainment industry in which the Company operates

KingNet Network's 2024 Topic Pool

Environmental (4 topics)

Climate response, Energy utilisation and GHG emission reduction, Green office, Ecosystem and biodiversity protection

Social (10 topics)

Protection of minors in cyberspace, Data security and customer privacy protection, Content quality management, Social functions of games, Product R&D and innovation, Customer service and complaint handling, Employment and protection of employees' rights and interests, Human capital development, Supplier sustainability management, Community contribution and rural revitalisation

Governance (5 topics)

Corporate governance, Anti-commercial bribery and anti-corruption, Compliant operation, Risk management, Anti-unfair competition

Impact Materiality Assessment

In accordance with the *Guidelines*, the Company assessed the impact materiality of sustainability-related topics based on two key aspects: the likelihood of impact and the severity of impact. The likelihood of impact was further assessed across three dimensions: scale, scope, and irremediability.

To gain deeper insights into key stakeholders' concerns and perspectives regarding the Company's material topics for 2024, KingNet Network designed an impact materiality questionnaire based on the assessment methodology and invited stakeholders to participate in the survey. A total of 236 responses were received from stakeholders. Based on the results, the Company identified the concerns of different stakeholders. In combination with expert judgement, the Company ranked the impact materiality of the 19 topics and, using a defined materiality threshold, compiled a list of topics considered to have impact materiality.

KingNet Network's 2024 Topics with Impact Materiality

Topics with Impact Materiality

- | | |
|--|--|
| 1.Product R&D and innovation | 10.Supplier sustainability management |
| 2.Compliant operation | 11.Climate response |
| 3.Data security and customer privacy protection | 12.Customer service and complaint handling |
| 4.Employment and protection of employees' rights and interests | 13.Green office |
| 5.Content quality management | 14.Community contribution and rural revitalisation |
| 6.Energy utilisation and GHG emission reduction | 15.Anti-unfair competition |
| 7.Protection of minors in cyberspace | 16.Ecosystem and biodiversity protection |
| 8.Corporate governance | |
| 9.Social functions of games | |

Financial Materiality Assessment

In accordance with the *Guidelines*, the Company assessed the financial materiality of sustainability-related topics across three cycles¹: short-term (within 1 year [inclusive]), medium-term (1 to 5 years [inclusive]), and long-term (over 5 years).

During the analysis, the Company established thresholds for determining the degree of financial implications based on historical pre-tax profit. Through questionnaires, interviews, and other engagement methods, we communicated with nine members of the Board of Directors, Board of Supervisors and senior management, including the Chief Executive Officer, Chief Sustainability Officer, and the Head of the Finance Team. In combination with feedback from investor surveys, we assessed the likelihood of risks and opportunities associated with each topic in the short, medium, and long term, as well as their expected financial implications. Referring to expert opinions, the Company ranked the financial materiality of all 19 topics and, based on a defined threshold, compiled a list of topics considered to have financial materiality.

KingNet Network's 2024 Topics with Financial Materiality

Topics with Financial Materiality

- | | |
|---|--|
| 1.Corporate governance | 10.Community contribution and rural revitalisation |
| 2.Product R&D and innovation | 11.Data security and customer privacy protection |
| 3.Anti-commercial bribery and anti-corruption | 12.Climate response |
| 4.Compliant operation | |
| 5.Content quality management | |
| 6.Social functions of games | |
| 7.Risk management | |
| 8.Human capital development | |
| 9.Anti-unfair competition | |

¹The *Materiality Assessment Implementation Guidance* of the European Financial Reporting Advisory Group (EFRAG) states that "sustainability risks and opportunities are assessed based on the likelihood of their occurrence and the scale of the potential financial implications, which can occur in the short, medium and long term". Therefore, three time cycles, short, medium and long term, are used in the process of analysing financial materiality for separate assessment. The range of years in the time cycle is determined with reference to the Ministry of Finance's *Corporate Sustainability Disclosure Standards - Basic Standards*.

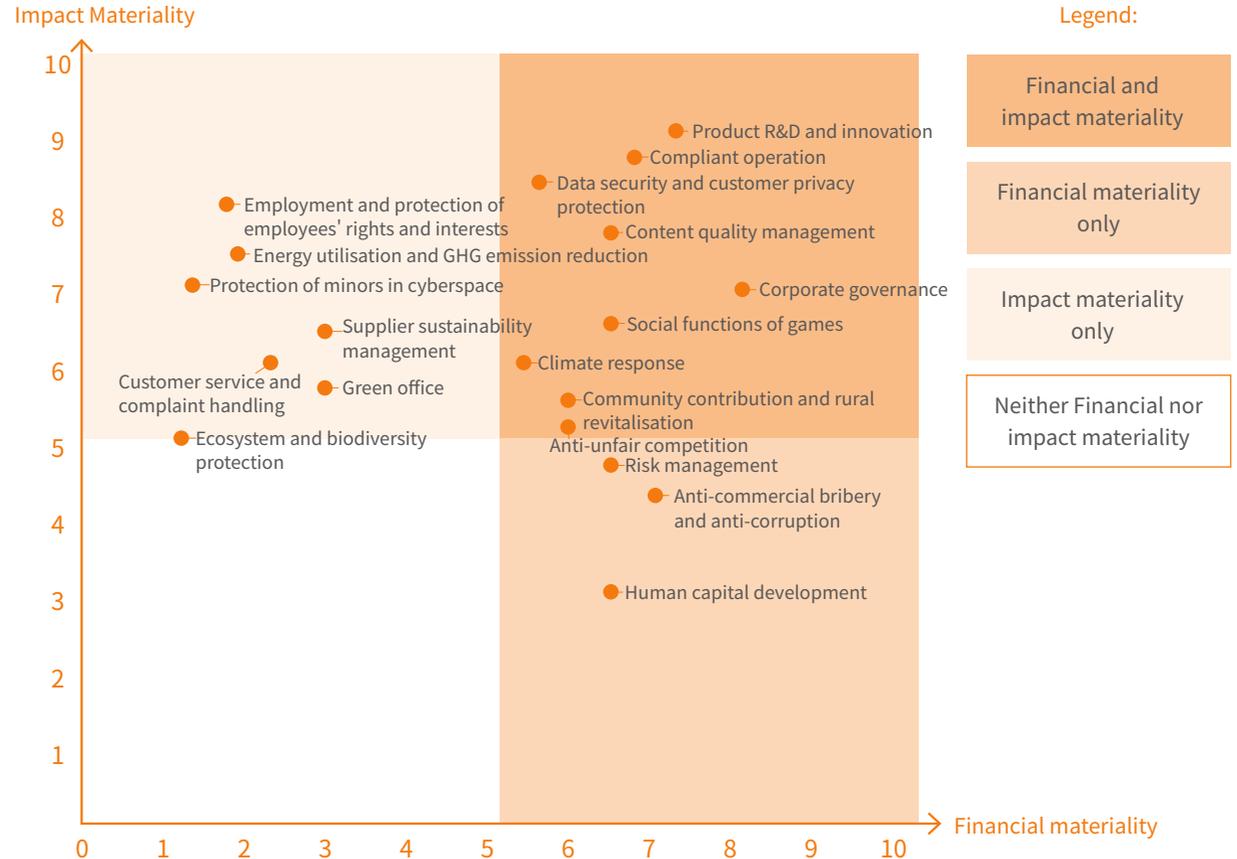
Results of the Materiality Assessment

Based on the above analysis, KingNet Network identified a total of 19 material topics for 2024, among which nine topics exhibit double materiality, three topics have financial materiality only, and seven topics have impact materiality only.

The Board of Directors and the Strategy and Sustainability Committee reviewed and confirmed the materiality matrix for the year. The Company has comprehensively summarised the impacts, risks, and opportunities associated with each material topic and disclosed the corresponding management actions and outcomes in the Report. For topics with financial materiality, the Company has provided focused disclosures under the four-element framework of "Governance", "Strategy", "Management of Impacts, Risks and Opportunities", and "Metrics and Targets".

At the practical level, the Company has established a sound sustainability management system. Risks and opportunities related to each material topic are incorporated into routine management priorities. During the preparation of the Report, the Company also conducted due diligence procedures to identify and address potential negative impacts or risks associated with sustainability, thereby advancing its sustainable development efforts.

KingNet Network's 2024 Materiality Matrix



KingNet Network's 2024 Analysis of Material Topics' Impacts, Risks, and Opportunities

Topic	Scope of Impact			Impact Overview	Corresponding SDGs	Overview of Risks and Opportunities ¹	Time Horizon of Impact	Corresponding Section
	Upstream Value Chain	Own Operations	Downstream Value Chain					
Climate reponse		✓		Extreme weather events such as typhoons may endanger employee health and safety. As the Company operates in a region prone to typhoons, establishing emergency response plans and actively implementing measures to address extreme weather helps mitigate the negative impact on employee health and safety.	 	Risk: Climate change may lead to natural disasters and policy changes, posing both physical and transition risks for the Company, potentially resulting in financial losses. Opportunity: Strong performance in climate reponse may create opportunities for the Company to offer climate-related products and services.	Short-, medium- and long-term	Climate Reponse
Energy utilisation and GHG emission reduction	✓			The Company's office operations and data centre activities involve electricity and energy consumption, which result in GHG emissions and environmental pollution. Efficient use of energy and the adoption of renewable energy sources help reduce negative environmental impacts.		Opportunity: Developing new energy solutions and improving energy efficiency can help the Company reduce energy costs, enhance its corporate image, and ultimately increase profitability and market competitiveness.	Medium- and long-term	Climate Reponse, Green Office
Green Office	✓			The Company's operations involve the consumption of natural resources and may result in environmental pollution. Office operations involve the use of natural resources and the generation of waste. Promoting green office practices and implementing effective resource and waste management can help mitigate adverse environmental impacts.		Opportunity: By promoting a green office philosophy, the Company can enhance its brand image, reduce energy and resource consumption, and lower operational costs.	Medium- and long-term	Green Office
Ecosystem and biodiversity protection	✓	✓		The Company actively engages in ecosystem and biodiversity protection efforts, which have a positive impact on local ecosystems and help raise awareness of biodiversity conservation among employees and the public.		Opportunity: By actively engaging in ecosystem and biodiversity protection efforts, the Company demonstrates a strong sense of environmental responsibility, which can enhance its brand image and attract investor attention.	Medium- and long-term	Ecosystem and Biodiversity Protection

¹For the expected financial implications of "risks and opportunities" on the Company, as well as the Company's corresponding response strategies, methods and plans, please refer to the "Strategy" section of each double-material/financially material topic.

Topic	Scope of Impact			Impact Overview	Corresponding SDGs	Overview of Risks and Opportunities ¹	Time Horizon of Impact	Corresponding Section
	Upstream Value Chain	Own Operations	Downstream Value Chain					
Protection of minors in cyberspace			✓	Excessive gaming among minors may negatively affect their physical and mental health as well as their academic development. The Company actively implements measures to prevent gaming addiction among minors and enhance their digital literacy, providing a healthy online environment and reducing the potential adverse effects of gaming on minors.		Risk: If the Company fails to implement effective protection measures for minors, resulting in widespread addiction to its online games among underage users, it may face negative public opinion and investor concern, potentially affecting its market valuation.	Medium- and long-term	Protection of Minors in Cyberspace
Data security and customer privacy protection		✓	✓	Improper data and privacy management may result in customer privacy breaches and cause negative consequences for users. As the Company handles large volumes of customer data during its operations, actively strengthening data and privacy protection helps safeguard individuals' privacy and fundamental rights and interests.		Risk: Incidents such as customer information breaches may damage the Company's reputation, result in regulatory penalties, and lead to a decline in capital market valuation. Such events may also erode customer trust, increase compliance costs, and negatively affect future revenue.	Medium- and long-term	Data Security and Customer Privacy Protection
Content quality management			✓	Inadequate control over game content quality may negatively impact the online environment and even the broader social context. By maintaining rigorous content quality standards, the Company helps foster a healthy and positive online ecosystem and prevents the dissemination of prohibited content as defined by national regulations.		Risk: Failure to properly manage game content, including the appearance of inappropriate or prohibited material, may result in violations of relevant laws and regulations, harm the Company's reputation, increase compliance costs, and adversely impact future business revenue.	Short-, medium- and long-term	Content Quality Management
Social functions of games			✓	As a cultural medium, games play an important role in promoting positive values and shaping a healthy social and cultural atmosphere. As a leading internet gaming company, the Company actively develops functional games that deliver knowledge and promote positive values to players, fulfilling the positive social role of games.		Opportunity: Incorporating traditional cultural elements into games and actively promoting traditional culture aligns with national policy, enhances game quality, and attracts a broader user base. In addition, promoting cultural exports through games supports entry into emerging markets and helps increase revenue.	Medium- and long-term	Social Functions of Games

Topic	Scope of Impact			Impact Overview	Corresponding SDGs	Overview of Risks and Opportunities ¹	Time Horizon of Impact	Corresponding Section
	Upstream Value Chain	Own Operations	Downstream Value Chain					
Product R&D and innovation		✓	✓	Game research and innovation contribute to the provision of high-quality cultural products for society. Through innovation in gameplay and storytelling, the Company develops new game products that offer users a unique and engaging experience, promoting progress and development within the industry.		<p>Risk: Investment in product research and innovation may increase operational costs without guaranteeing significant returns. Additionally, the innovation process may involve intellectual property issues, leading to higher compliance costs for the Company.</p> <p>Opportunity: By strengthening its research and development capabilities and actively promoting AIGC technologies, the Company can enhance overall operational efficiency and core competitiveness. This may attract greater investor interest, unlock new growth opportunities, and contribute to increased future revenue.</p>	Medium- and long-term	Product R&D and Innovation
Customer service and complaint handling			✓	Poor customer service quality or inadequate complaint resolution can damage the user experience and harm customer interests. By delivering high-quality game-related services and actively responding to customer concerns, the Company helps improve user experience and safeguard customers' fundamental rights and interests.		<p>Risk: Poor customer service quality or inadequate complaint resolution may lead to user attrition and negatively impact future revenue.</p> <p>Opportunity: Enhancing customer service quality and maintaining strong customer relationships can improve user retention and strengthen market competitiveness.</p>	Medium- and long-term	Customer Service and Complaint Handling
Employment and protection of employees' rights and interests		✓		Alleviating labour disputes and building harmonious labour relations contribute to social stability and development. By complying with relevant laws and regulations and protecting employees' fundamental rights and interests, the Company enhances employee well-being.	 	<p>Risk: Failure to protect employees' legal rights and benefits may expose the Company to risks such as labour arbitration or lawsuits, thereby damaging its reputation.</p>	Medium- and long-term	Employment and Protection of Employees' Rights and Interests

Topic	Scope of Impact			Impact Overview	Corresponding SDGs	Overview of Risks and Opportunities ¹	Time Horizon of Impact	Corresponding Section
	Upstream Value Chain	Own Operations	Downstream Value Chain					
Human capital development		✓		The Company has established a comprehensive employee training system, offering diverse training programmes and implementing performance-based incentive mechanisms. These efforts effectively improve employees' skills and capabilities, supporting personal growth and career development.		<p>Opportunity: Through effective incentives and training, employee engagement and productivity may improve. This enables the Company to fully leverage talent and creativity, potentially leading to the development of more high-quality game products and enhanced market competitiveness.</p> <p>Risk: Poor human capital management may result in skill gaps, talent loss, and reduced work efficiency. This could increase recruitment and training costs, weaken competitiveness and profitability, and negatively affect the Company's financial performance.</p>	Short-, medium- and long-term	Human Capital Development
Supplier sustainability management	✓			Neglecting the sustainable management of suppliers may result in negative environmental and social impacts by suppliers and disrupt the Company's business stability. As the Company relies on third-party server leasing for operations, implementing sustainable supplier management helps mitigate supply chain risks, ensures stable game operations, and delivers a better experience for users.		<p>Risk: Inadequate supplier management may compromise server stability, which could affect user experience and lead to user attrition.</p>	Medium- and long-term	Supplier Sustainability Management
Community contribution and rural revitalisation		✓	✓	Engaging in social welfare and rural revitalisation efforts contributes to social harmony and improved livelihoods. As a leading listed company, KingNet Network actively participates in public welfare projects and rural revitalisation work, which helps strengthen connections with communities and stakeholders, supports social development, and aligns economic value with social value.	 	<p>Opportunity: Strong performance in community contribution and rural revitalisation demonstrates the Company's social responsibility, enhances its brand image, and helps attract more partnership resources.</p>	Medium- and long-term	Community Contribution and Rural Revitalisation

Topic	Scope of Impact			Impact Overview	Corresponding SDGs	Overview of Risks and Opportunities ¹	Time Horizon of Impact	Corresponding Section
	Upstream Value Chain	Own Operations	Downstream Value Chain					
Corporate governance	✓	✓		Poor corporate governance may expose the Company to operational risks and harm shareholder interests. By continuously improving its governance structure, enhancing corporate governance effectiveness, and strengthening information disclosure, the Company helps mitigate governance-related risks and protect the interests of shareholders and other stakeholders.		Risk: Inadequate internal management and poor governance practices may lead to lower ESG ratings or even regulatory penalties, damaging the Company's reputation, raising investor concerns, affecting market valuation, and reducing future revenue.	Medium- and long-term	Corporate Governance
Anti-commercial bribery and anti-corruption		✓		Incidents of corruption and commercial bribery can damage the investment environment and undermine the interests of shareholders and other stakeholders. By improving its anti-bribery investigation procedures and maintaining open reporting channels, the Company protects shareholders' legitimate rights and fosters a culture of integrity, creating a sound business environment.		Risk: Incidents involving commercial bribery or corruption may result in violations of relevant laws and regulations, reputational damage, investor attrition, increased compliance costs, and negative impacts on future revenue.	Medium- and long-term	Anti-commercial Bribery and Anti-corruption
Compliant operation		✓		A robust compliance system plays a critical role in corporate governance, operational management, and risk control. By building a compliance framework, cultivating a strong corporate culture, and enhancing employee compliance awareness, the Company reduces negative impacts on stakeholders, safeguards corporate interests, and ensures long-term, stable development.		Risk: Compliance issues in the Company's operations may lead to regulatory penalties and reputational damage, creating investor concerns, increasing compliance costs, and negatively impacting future business revenue.	Medium- and long-term	Compliant Operation
Risk management		✓		If the Company's risk management system is inadequate and its ability to respond to risks is weak, it may suffer economic losses, ultimately harming shareholder interests.		Risk: If the Company's risk management system is not robust, it may lack the capacity to effectively respond to potential risks, leading to financial losses, reputational damage, and a decline in revenue.	Medium- and long-term	Risk Management
Anti-unfair competition		✓		Gaining advantages through unfair means in a competitive environment may damage the broader business ecosystem and eventually harm the Company itself. Efforts in standardising intellectual property management, preventing false advertising, and establishing a system help manage and prevent unfair competition, thereby reducing potential negative impacts.		Risk: Improper management of anti-unfair competition practices may expose the Company to legal action and fines, harm its reputation, result in the loss of customers and business partners, and increase compliance costs.	Medium- and long-term	Anti-unfair Competition

Key Changes in KingNet Network's Material Topics in 2024

Material Topics in 2024	Material Topics in 2023	Change	Reasons for Change
Climate response	Climate change mitigation and adaptation	Medium-high material topics → topics with double materiality	The materiality of topics has been adjusted based on the latest domestic regulatory requirements and the Company's actual business context.
Green office	Green office	Medium material topics → topics with impact materiality	
Protection of minors in cyberspace	Protection of minors in cyberspace	High material topics → topics with impact materiality	
Supplier sustainability management	Supplier sustainability management	Medium material topics → topics with double materiality	
Energy utilisation and GHG emission reduction	Energy management and GHG emission reduction	Wording adjustments	The wording of certain topics has been refined in line with updated regulatory requirements and optimised to reflect the Company's operational realities.
Data security and customer privacy protection	Privacy and data security		
Community contribution and rural revitalisation	Community contribution and public welfare and charity		
Anti-commercial bribery and anti-corruption	Business ethics and anti-corruption		
Ecosystem and biodiversity protection	—	New	New topics have been introduced in response to the latest regulatory requirements and tailored to the Company's specific circumstances.
Anti-unfair competition	Intellectual Property Protection	Refined wording and expanded topic boundaries	The wording has been adjusted and the connotation of the topics has been improved based on the latest regulatory requirements to enhance consistency with the Guidelines.

Sustainability Management System

Corporate Culture



Love creates value



Leader of the cultural industry



Joy everywhere

Values

High spirit: Enthusiasm, take challenges, outdo ourselves

Open & transparent: Open mind, honest, innovative

Value oriented: User oriented, result oriented, see the big picture

Professionalism: Stay upright, cooperative, professional and efficient

Sustainable Development Management Concept

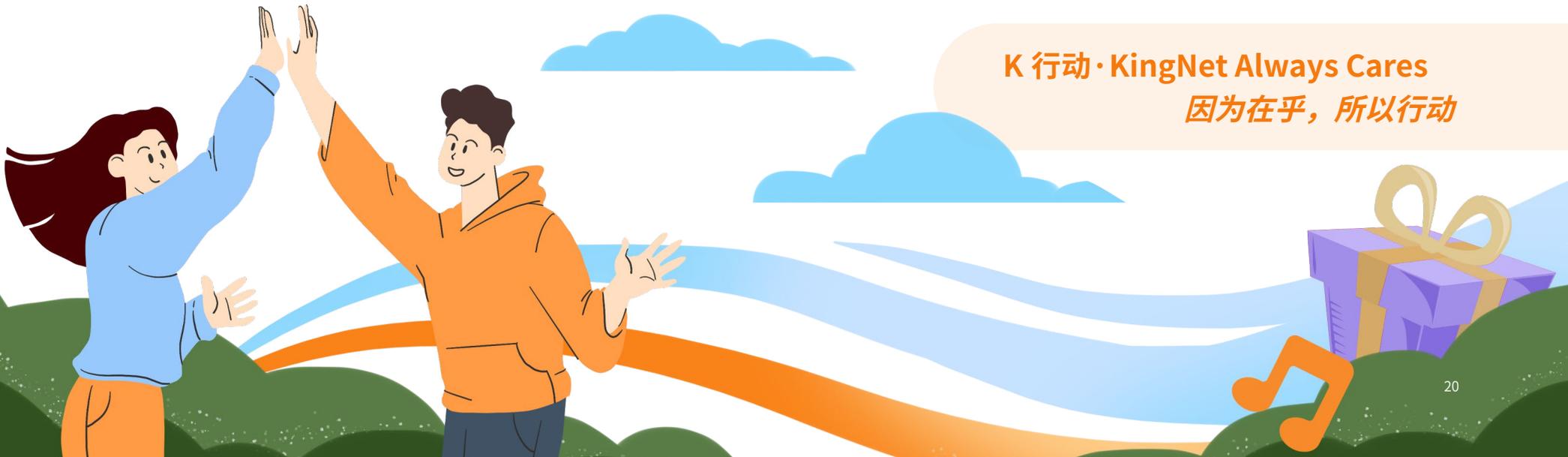
Adhering to the concept of "Play With Buff" and starting with sustainable business, KingNet Network helps protect the green planet, builds its positive force, promotes its sustainable development through comprehensive ESG management, and strives to create long-term and sustainable shared value for stakeholders including shareholders, customers, and employees.

Play With Buff

乐聚可持续游戏力

K 行动 · KingNet Always Cares

因为在乎，所以行动



Sustainability Governance Structure

KingNet Network has formulated the *Sustainability (ESG) Management Measures* and established a three-tier top-down sustainability governance structure comprising the Supervision Level, Management Level, and Execution Level. The Board of Directors, together with its Strategy and Sustainability Committee, exercises overall oversight of the Company's sustainability and ESG matters and bears ultimate responsibility. At the same time, a Sustainability Work Leading Group, led by senior executives, has been authorised to advance the Company's sustainability and ESG management efforts.

The Company has established a Chief Responsibility Officer Team, consisting of the Chief Strategy Officer, Chief Executive Officer, Chief Operating Officer, Chief Innovation Officer, Chief Technology Officer, Chief Product Officer, and Chief Social Responsibility Officer, to provide the organizational guarantee for the conduct and enhancement of ESG work and boost its high-quality development. The Chief Social Responsibility Officer is responsible for the overall coordination and advancement of the Company's sustainability and ESG work.

Sustainability Governance Structure of KingNet Network



ESG Matters Deliberated by the Board of Directors of KingNet Network in 2024



In 2024, the Company held one meeting of the Strategy and Sustainability Committee to deliberate the *2023 Work Report of the Strategy and Sustainability Committee of the Board of Directors*, and to follow up on the progress of its sustainable development plan goals.

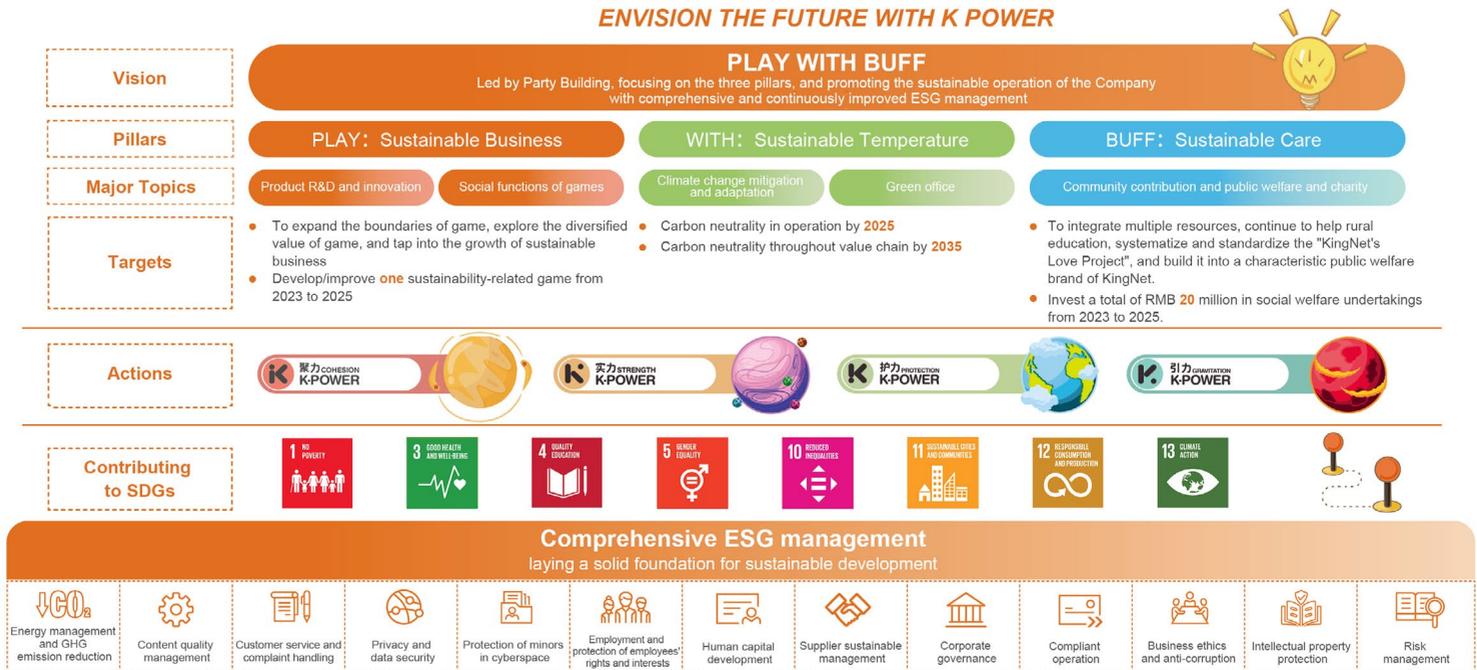
In 2024, the Company's Board of Directors fully performed its review, decision-making, and supervision duties for ESG matters and deliberated and approved ESG matters in aspects of corporate governance, information disclosure, and compliant operation.

Sustainable Development Strategic Plan and Progress

In 2023, KingNet Network officially released the 2023-2025 sustainable development plan, namely KingNet Always Cares Action (K Action), which focuses on the three strategic pillars of **Play: Sustainable Business, With: Sustainable Temperature, and Buff: Sustainable Care**. Furthermore, the Company implements its sustainable development concept around UN Sustainable Development Goals, with a focus on good health and well-being, quality education, gender equality, climate action, community development, etc.

At the same time, the Company developed an implementation plan for its K Action, including the K-Power of K Cohesion, K Strength, K Protection and K Gravitation, to further promote the implementation of its sustainable development plan.

Over the past two years, the Company has taken a comprehensive and continuously improving approach to ESG management as a foundation, implementing its sustainability philosophy through actions centred on product, environment, and people. Building upon K Action and guided by the core socialist values, the Company adheres to the sustainability vision of "Play With Buff", leveraging technological innovation as an internal driver to cultivate new quality productive forces and unlock new growth momentum. Through the mobilisation of its four core forces, the Company aims to foster a positive and self-reinforcing cycle of responsible value creation.



K Action Progress

Completed

In progress

Pillar	Target from 2023 to 2025	Performance in 2024	Progress
Play: Sustainable business	1 sustainability-related game developed or improved annually.	1 game	
With: Sustainable temperature	Achieve carbon neutrality in operation by 2025	Total GHG emissions (Scope 1 + Scope 2): 59.00% lower than 2023	
		Participate in green electricity consumption by procuring a total of 1,100 green electricity certificates	
Buff: Sustainable Care	A total investment of RMB20 million in social welfare undertakings from 2023 to 2025	The community public welfare investment in 2024 amounted to RMB 7,380.5 thousand, with a cumulative investment of RMB 13,896.5 thousand over the past two years	
		Promoting Board diversity	Percentage of female directors 12.5%
Comprehensive ESG management	100% coverage of directors in annual anti-corruption training	100%	
	100% coverage of directors in annual ESG training	100%	
	100% coverage of employees in annual compliance training	100%	
	0 glitches in the anti-addiction system	0	
	100% coverage of employees in training	100%	
	12 hours of training time per employee	13.05 hours	



01

Green Coexistence: Safeguarding a Sustainable Climate

Topics Responded:

Climate Response	Energy Utilisation and GHG Emission Reduction	Green Office	Ecosystem and Biodiversity Protection
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SDGs Addressed:

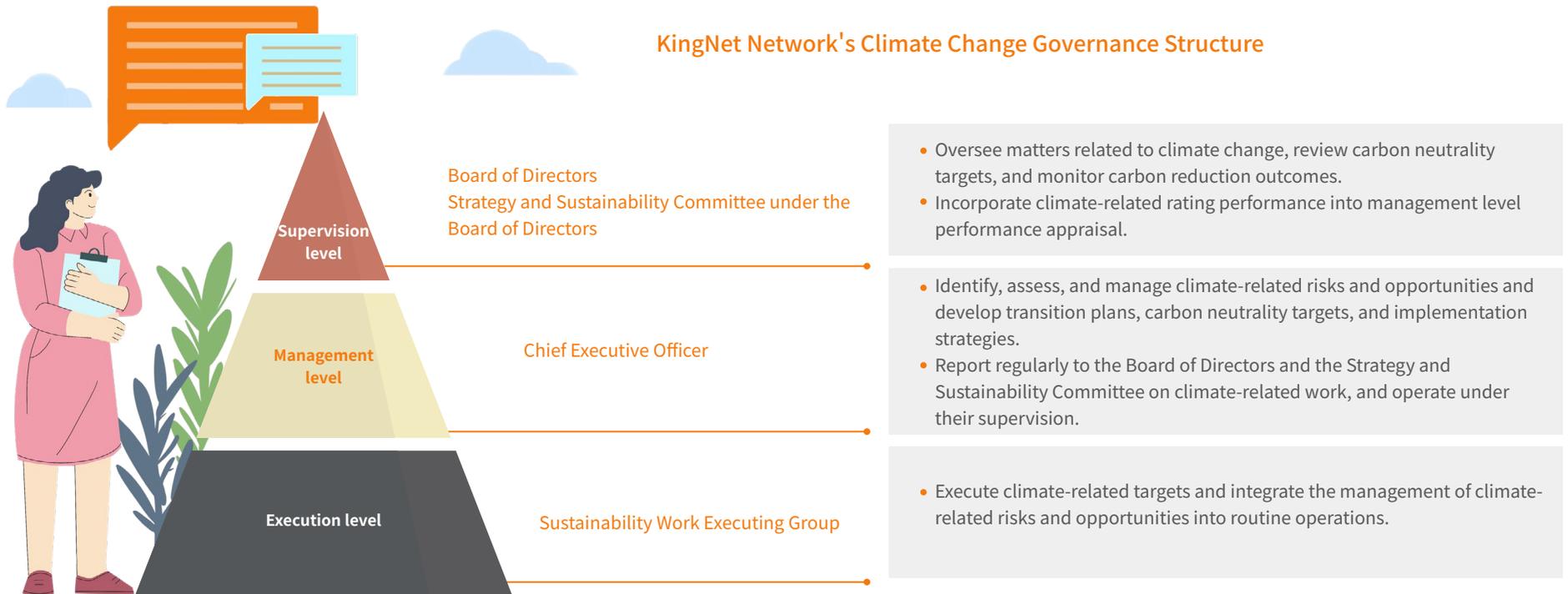


Climate Response

KingNet Network is fully aware of the materiality of climate response. In line with the recommended framework of IFRS S2 *Climate-related Disclosures* issued by the International Sustainability Standards Board (ISSB), the Company has established a climate change management system to identify, assess, and manage climate-related risks and opportunities. KingNet is committed to reducing greenhouse gas emissions and has pledged to achieve carbon neutrality in operations by 2025 and carbon neutrality across the full value chain by 2035, contributing to the national carbon neutrality goal.

Governance

The Company places strong emphasis on building a robust governance system for climate-related matters and has established a three-tier, top-down governance structure comprising the Supervision level, Management level, and Execution level.



Strategy

The Company regards climate change as a key topic in its sustainability management framework. It identifies, analyses, and assesses climate-related risks and opportunities, and actively formulates strategies to seize opportunities and mitigate risks.

Climate-related Risks, Opportunities, and Response Strategies of KingNet Network

Main Types of Risks / Opportunities	Description	Time Horizon of Impact	Potential Financial Implications	Response Strategy	
Risks	Acute physical risk	Extreme weather events such as typhoons and other climate-related disasters may disrupt the normal operations of leased data centres, and pose risks to server security, which may even affect the Company's business.	Medium- and long-term	Increase in operating costs	<ul style="list-style-type: none"> When selecting server providers, the Company chooses providers from a wide range of regions and prioritises large, highly secure providers to ensure maximum server stability and effectively mitigate the potential negative impacts of extreme weather and other force majeure events.
	Chronic physical risk	Long-term shifts in the natural environment, such as sea level rise and persistent high temperatures, could have an impact on the Company's normal operations.	Medium- and long-term	Increase in operating costs	<ul style="list-style-type: none"> Pay close attention to the possible adverse impacts on the Company's business during the implementation of the carbon peaking and carbon neutrality policies and take timely countermeasures.
	Policy and regulation risk	The state is vigorously carrying out the deployment of carbon peaking and carbon neutrality strategy, and raises higher expectations for companies to accelerate low-carbon green transformation and strengthen environmental information disclosure.	Medium- and long-term	Increase in compliance costs	<ul style="list-style-type: none"> To comply with relevant policies and regulatory requirements, the Company should increase the proportion of clean energy used, carry out carbon accounting and related disclosures, and strive to achieve carbon neutrality in operation by 2025.
	Reputation risk	The public is increasingly concerned about green operations and environmental protection, and if the Company fails to achieve carbon neutrality on schedule and meet stakeholders' expectations, it may pose a reputation risk to the Company's operations.	Medium- and long-term	Decrease in revenue	<ul style="list-style-type: none"> Actively promote the concept of green office practices. Regularly disclose carbon emissions data through CDP. Actively promote the portfolio planning of the metaverse sector, support the application of new technologies and materials, and lead the transformation of lifestyles to a smarter and greener model with digital economy products and digital content.
Opportunities	Product and service opportunity	As sustainability concepts gain greater public traction, users may increasingly prefer low-carbon, environmentally friendly products and games.	Medium- and long-term	Increase in revenue	<ul style="list-style-type: none"> Develop games or other digital content themed around low-carbon and environmental protection, continuously exploring the positive potential of gaming.
	Reputational opportunity	The use of renewable energy and strong performance in energy transition efforts may enhance the Company's brand image, increase investor recognition, drive business growth, and boost revenue.	Medium- and long-term	Increase in revenue	<ul style="list-style-type: none"> Actively explore green electricity certificate trading, participate in green power consumption, and accelerate the Company's progress towards operational carbon neutrality.

Management of Impacts, Risks and Opportunities

The Company actively responds to the risks and opportunities brought by climate change by establishing and improving a risk and opportunity management process of "Identification – Assessment – Monitoring – Management". The Company regularly identifies climate-related risks and opportunities, assesses the likelihood and potential impact of those risks and opportunities, and implements appropriate measures to address them proactively. In addition, the Company reduces greenhouse gas emissions by purchasing green electricity certificates and promoting green office practices.

KingNet Network's Management Process for Climate Change Risks and Opportunities

Identification

Identify potential climate-related risks and opportunities in operational activities by referring to the risk analysis framework under IFRS S2.

Assessment

Based on the Company's actual situation, assess the Company's external impact and the types of climate change risks and opportunities that have a significant impact on the Company's operations from the two dimensions of likelihood and degree of impact, and analyse their financial implications on the Company and time horizon of the impact.

Monitoring

Regularly track greenhouse gas emissions data and emissions reduction performance. Establish carbon neutrality targets and disclose both absolute and intensity-based GHG emissions data annually in the sustainability report to assess and monitor the effectiveness of the Company's climate change management performance.

Management

The Sustainability Work Leading Group develops response strategies for identified climate-related risks and opportunities, and promotes energy conservation and emissions reduction initiatives to minimise energy consumption and carbon emissions in office operations.

KingNet Network's 2024 Climate Response Measures and Achievements

Topic	Measures	Results
Climate reponse-related risks and opportunities	<ul style="list-style-type: none"> Proactively identify climate-related risks and opportunities in accordance with <i>IFRS S2 Climate-related Disclosures</i>, and formulate response strategies. Conducted in-depth analysis and assessment of climate-related risks and opportunities, responded to the CDP Climate Questionnaire for the first time, and disclosed climate-related information. 	<ul style="list-style-type: none"> Achieved a "B" rating (Management level) from CDP, reaching a leading position within the domestic industry.
Energy utilisation and GHG emissions reduction	<ul style="list-style-type: none"> Actively participated in green electricity certificate transactions to accelerate the achievement of carbon neutrality in the Company's operations. Adopted environmentally friendly paper and cartons for New Year gift boxes. Promoted the concept of green office to reduce energy consumption during daily operations. Advanced the replacement of traditional petrol vehicles with new energy vehicles to reduce future consumption of non-renewable energy. Advocated green procurement by incorporating environmental protection requirements into supplier contracts, and promoted energy conservation and emissions reduction across the entire value chain. Supported the national carbon peaking and carbon neutrality strategy by sponsoring the planting of apple trees in Aksu, Xinjiang to offset carbon emissions. 	<ul style="list-style-type: none"> Procured 1,100 green electricity certificates, offsetting a total of 1,100 MWh of electricity. Reduced carbon emissions by a total of 10.22 tonnes through green office initiatives. Offset 32 tonnes of carbon emissions through the sponsorship of apple tree planting.



Metrics and Targets

The Company has set the goal of achieving "carbon neutrality in operation by 2025 and full value chain carbon neutrality by 2035". We will continue to carry out energy conservation and emissions reduction initiatives and monitor carbon reduction performance.

GHG Emissions Performance of KingNet Network for 2024

Total GHG emissions (Scope 1 + Scope 2) down

59.00 % year on year

GHG emission intensity (Scope 1 + Scope 2) per unit revenue

0.07 tCO₂e/RMB million

Green Office

KingNet Network complies with the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on Energy Conservation*, and other relevant laws and regulations to ensure proper environmental management throughout our operations. As an online game company, our operations do not cause any significant adverse environmental impact. Energy consumption during office operations primarily involves electricity and petrol, while daily water usage is mainly sourced from municipal supplies. Office activities also generate waste such as used paper and electronic products.

We have integrated the concept of the green office into all aspects of our operations, issuing a green office initiative to promote energy conservation. Various measures have been implemented in areas such as paperless office, rational use of electricity, and green mobility. In 2024, the Company recorded no violations related to environmental protection.

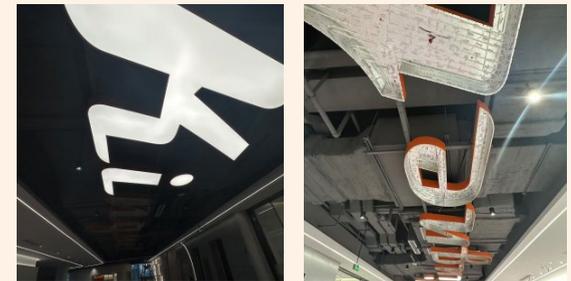
Green Office Measures of KingNet Network in 2024

Implementation of a paperless office

- Utilise the web-based office system to reduce the issuance of paper-based information by transmitting information via the web, while ensuring security. In 2024, paper consumption decreased by **4.5%** compared with 2023.

Rational use of electricity

- Ensure power is switched off when not in use during operations, with security personnel assigned to conduct daily inspections.
- Procure and install energy-saving lighting to reduce electricity consumption.



Energy-saving Lighting

Use of green paper products

- New Year gift boxes are made using environmentally friendly paper and cartons, reducing carbon emissions by a total of **5.92** tonnes.
- Mid-Autumn Festival gift boxes are made using environmentally friendly ABS and cartons, reducing carbon emissions by a total of **4.3** tonnes.



Mid-Autumn Festival Gift Box



New Year Gift Box

Recycling of office supplies

- Recycle single-sided used paper when printing and copying.
- Advocate the use of recycled paper, refillable pens, toner cartridges and rechargeable batteries, and other recyclable items.
- Continue PET recycling initiatives in office areas.
- Actively use second-hand office furniture in the office, practicing the concept of environmental protection.
- Issue tableware sets to employees and prohibit the use of disposable chopsticks.



Packaging of the Induction Gift for New Employees



Issuance of Tableware Sets



Special Recycling Bag for PET Plastic Bottles

Waste disposal

- Set up different types of garbage bins on each floor to achieve separate collection of four types of garbage: dry garbage, wet garbage, hazardous garbage and recyclable garbage.
- Hand over non-hazardous waste such as cardboard boxes, waste paper, waste dry batteries and hazardous waste such as waste electronic products to property management company for compliance treatment.



Waste sorting and collection

Green mobility

- Advocate driving fewer private cars, taking more public transportation or driving new energy vehicle.
- Promote the replacement of the Company's own petrol vehicles with new energy vehicles.
- Actively practice the "1-3-5" mobility mode: Insist on low-carbon mobility modes of walking within 1 km, cycling within 3 km and taking public transportation within 5 km.

Ecosystem and Biodiversity Protection

As an online game company, KingNet Network's operations do not have any significant adverse impact on ecosystems and biodiversity. Nevertheless, we recognise that ecosystems and biodiversity are not only the foundation of human survival, but also an essential safeguard for sustainable economic and social development. Accordingly, the Company attaches great importance to the protection of ecosystems and biodiversity, and actively participates in related conservation activities.

In 2024, the Company focused on the topic of ecosystem and biodiversity protection by promoting diverse stakeholder engagement. This was achieved through initiatives such as enhancing public awareness, conducting educational outreach, organising participation in public welfare activities, and developing environmentally themed games. Through these efforts, we fulfilled our social responsibility in biodiversity protection and high-quality development.



Enhancing Public Awareness of Biodiversity Protection

To actively respond to biodiversity protection initiatives, the Company designed and produced 12 themed public welfare posters aligned with key environmental observances, including International Wetlands Day, World Forest Day, Earth Day, and International Day for Biological Diversity. These efforts aimed to promote the concept of biodiversity protection, raise public awareness of ecological issues, and encourage collective action to protect our shared planet.



Biodiversity Public Welfare Posters of KingNet Network



International Wetlands Day Themed Activity

On 2 February 2024, the Company's Volunteer Association held a themed activity titled "International Wetlands Day – An Introduction to Urban Birdwatching" at our Shanghai office, aiming to raise ecological awareness among employees.

An invited expert delivered an engaging presentation to participants, introducing the relationship between urban wetlands and human life, the characteristics and habits of various bird species inhabiting urban areas, the fundamentals and techniques of birdwatching, as well as the significance of urban wetland and bird conservation.



On-site Highlights of Themed Activities



International Day for Biodiversity Themed Activity

On 22 May 2024, the Company collaborated with the Shanghai Botanical Garden and the SEE Foundation to hold a themed activity titled "United with Nature for a Diverse Future". Nearly 200 employees from Shanghai, Hangzhou, and Guangzhou took part in the activity.

The activity featured a biodiversity-themed science popularisation exhibition that showcased and introduced 20 endangered plant species in detail. In addition, experts were invited to deliver an online educational session titled *The Wonderful World of Plants*, along with a hands-on workshop. The activity aimed to enhance employees' awareness of biodiversity protection and foster a sense of responsibility for protecting the natural environment — from understanding to action.



On-site Highlights of Themed Activities



Strategic Support for the 2024 National Birdwatching Festival – Shanghai Session

In November 2024, the 2024 National Birdwatching Festival (Shanghai Station), supported by the Company, was successfully held at the Shanghai Botanical Garden.

The initiative aimed to promote the growth of the birdwatching community in China and to cultivate a scientific birdwatching culture. Through a variety of engaging and educational bird-related activities and professional yet interesting birdwatching events, the programme encouraged more people to learn about birds, participate in birdwatching, and submit bird observation records. These efforts helped raise public awareness of bird conservation, contributed to the development of the China Bird Report Centre, and supported the advancement of bird conservation in China.



On-site Highlights of the Birdwatching Event



Development of Environmental-themed Game Yorozuya

In August 2024, the Company collaborated with the public welfare society of the Shanghai Film Academy to jointly develop the functional mini-game Yorozuya. The game focuses on the environmental topic of biodiversity protection, featuring tasks such as cleaning up marine litter and protecting migratory birds. It aims to educate players on the materiality of biodiversity and raise awareness of the threats facing global biodiversity.



Game Interface



Shanghai Nature Education – Biodiversity Public Education Programme at Shanghai Botanical Garden

In 2024, the Company partnered with the Shanghai Botanical Garden to launch the Shanghai Nature Education – Biodiversity Public Education Programme. As part of this initiative, biodiversity conservation courses were developed to enhance public awareness and understanding of biodiversity protection. The programme includes a series of courses on rare and endangered plants, biodiversity protection, and interactive family-oriented sessions. It aims to raise public awareness of biodiversity and promote community engagement in urban biodiversity protection.



Peat Crisis Composting Workshop



02

Diverse Quality Offerings for an Enjoyable and Sustainable Future



Topics Responded:

Product R&D and Innovation	Social Functions of Games	Content Quality Management
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SDGs Addressed:



Product R&D and Innovation

KingNet Network has successfully developed a range of high-quality, popular games, particularly in the Legend series. In recent years, in response to evolving market trends, the Company has continued to enrich its product portfolio and game content while steadily increasing investment in new quality productive forces such as AIGC technology applications and large model development. These efforts have yielded tangible results, enhancing both our market competitiveness and industry influence.

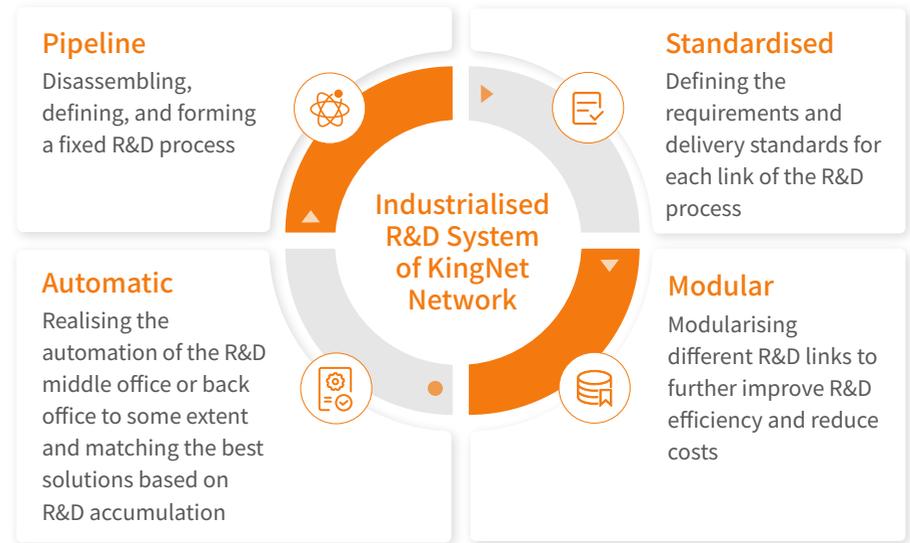
Main Self-developed Game Products and IPs of KingNet Network



Governance

During the research and development process, the Company strictly complies with the *Data Security Law of the People's Republic of China*, the *Copyright Law of the People's Republic of China*, the *Guidelines on Strengthening Data Asset Management*, the *Interim Measures for the Administration of Generative Artificial Intelligence Services*, and other relevant laws and regulations. We respect social ethics and moral standards, and are committed to promoting the technology for good.

The Company has established a position of Chief Research and Development Officer and formed a Game R&D Division, IP R&D Department, and a Technology Platform System. These units are respectively responsible for the development of game products, IP content, AI large Models and emerging technology Platforms. Together, they form a well-structured industrialised R&D system that enhances communication and collaboration across all stages of game development, thereby improving the overall efficiency of our R&D and operations.



Strategy

The Company conducts assessments and analyses of the impacts, risks, and opportunities associated with product R&D and innovation. This process enables the identification of potential risks and the formulation of effective response strategies, while also uncovering new opportunities arising from market and technological transformation. These efforts support the Company in advancing steadily amid fierce market competition.

Risks and Opportunities in Product R&D and Innovation Identified by KingNet Network and Response Strategies

Type of Risk/Opportunity	Timeframe of Impact	Potential Financial Implications	Response Strategy
Risks	Infringement risk	<ul style="list-style-type: none"> Increased compliance costs 	<ul style="list-style-type: none"> Comply with intellectual property laws and regulations to protect the legitimate rights and interests of original creators.
	Emerging money laundering risk		<ul style="list-style-type: none"> Establish anti-money laundering and counter-terrorism financing mechanisms to prevent the platform from being used for illicit activities.
Opportunities	Market opportunity	<ul style="list-style-type: none"> Increased revenue 	<ul style="list-style-type: none"> Increase R&D funding and intensify R&D investment. Diversify product categories and expand the range of self-developed games to maintain a well-balanced short-, medium-, and long-term product development pipeline.
	Technological opportunity	<ul style="list-style-type: none"> Increased revenue Reduced operating costs 	<ul style="list-style-type: none"> Leverage AI for automation and intelligent processes to improve game development efficiency.

The Company has cultivated expertise in niche segments with a strong focus on technological innovation. Guided by user demand, we place game development and content creation at the core of our business. Adhering to a strategy of diversification and premium product development, we implement a multi-format integration approach under the "IP+" model. By leveraging emerging technologies such as AI and blockchain, we continue to empower our core gaming business and enhance our core competitiveness.

In terms of product development, the Company maintains a comprehensive presence across multiple platforms, including mobile games, PC games, mini programmes, and VR. We continue to follow a premium product strategy, refining and upgrading product quality, optimising world-building, art design, and gameplay mechanics to deliver users an immersive visual and interactive gaming experience. On the IP development front, while advancing self-developed IPs, we are also expanding IP application scenarios. We are making continued progress across diversified formats such as "IP + AI", "IP + VR", "IP + Cultural Creativity", and "IP + Cultural Tourism", thereby enriching our IP monetisation models¹.

In addition, the Company places great importance on the role of cutting-edge technology in leading and driving the game industry. We are steadily advancing the development and operation of technology platforms such as "Xingyi" Large Model, "Zhimeng" Large Model and KingNet Chain. These platforms empower our existing game business, while actively expanding future revenue streams and supporting our long-term sustainable development.

¹For more information on IP-related content, please refer to the "Social Value of Game" section.

Management of Impacts, Risks and Opportunities

Product R&D

The Company has established a short-, medium-, and long-term development strategy, with a diversified R&D approach. While consolidating our strengths in existing categories, we are also expanding into new game segments and exploring growth potential in niche markets such as emotional companionship and ACG (anime, comics, and games). In addition, we continue to optimise and update popular games already launched, aiming to extend their lifecycle.

Short-, Medium-, and Long-term Product R&D Layout of KingNet Network

Product Type	R&D Focus	Key Initiatives	Flagship Products
Short-term products	<ul style="list-style-type: none"> Rapid iteration and product optimisation Preliminary exploration and experimental application of trending technologies 	<ul style="list-style-type: none"> Launch low-cost, rapid-iteration custom projects 	<ul style="list-style-type: none"> Shan Hai Fu Meng Lu Codename: TK
Medium-term products	<ul style="list-style-type: none"> Product line expansion to cover niche segments Diversified development 	<ul style="list-style-type: none"> Advance self-development of top-tier licensed IP products Collaborate with external partners on customised development 	<ul style="list-style-type: none"> Legends of the Condor Heroes, Divine Condor, Errant Knight, and The Heaven Sword and Dragon Sabre Mr. Black
Long-term products	<ul style="list-style-type: none"> Research and expansion of cutting-edge technologies Ecosystem development and strategic deployment 	<ul style="list-style-type: none"> Develop original IPs for cross-platform deployment Develop an unreal engine 	<ul style="list-style-type: none"> Codename: Adventure The Graver Robbers' Chronicles: The Beginning Lord of Nazarick



In 2024, the Company's R&D investment amounted to

RMB **598** million

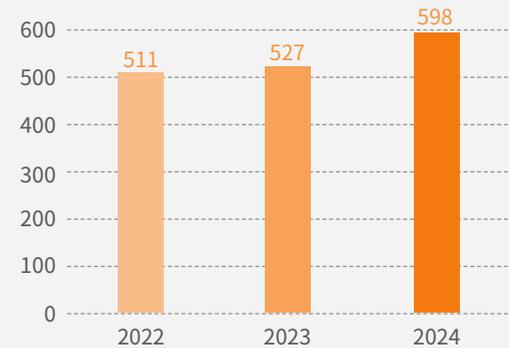


accounting for

11.69% of the Company's revenue

R&D Investment of KingNet Network from 2022 to 2024

RMB million





VR Game Development: *Mecha Party* Featured at the International Cultural Industries Expo

Mecha Party is a self-developed mech battle VR game by KingNet Network, representing the Company's effort to explore innovative gameplay and enrich its product portfolio. The game has been launched in overseas markets on PlayStation, Steam, and Meta Quest platforms. Its unique cockpit-style gameplay effectively addresses motion sickness commonly experienced in 3D VR games. Players can wear VR devices to become mech warriors and engage in 2v2 real-time battles with friends or other players.

In November 2024, *Mecha Party* was showcased at the 5th Yangtze River Delta International Cultural Industries Expo. A VR interactive experience zone was set up at the exhibition booth, attracting many visitors eager to try the game and experience the allure of future technologies.



KingNet Network's Booth B-04 at the 5th Yangtze River Delta International Cultural Industries Expo

Digital Intelligence Transformation

New technologies are ushering in a new era of game. AIGC technology is reshaping the game industry by influencing all aspects of game development, experience optimisation, and operational updates. Embracing the wave of digitalisation and AI, the Company is actively advancing the construction and application of various technology platform systems to facilitate a digital and intelligent transformation of our business.

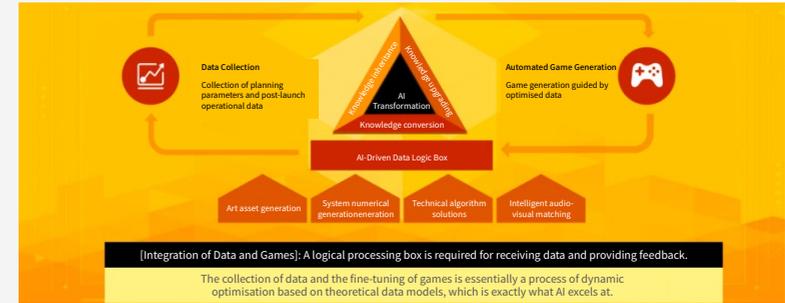
Our approach to exploring AIGC technology is grounded in pragmatism. By training and applying AI in targeted niche segments, we ensure its alignment with the Company's specific needs. In 2024, our proprietary "Xingyi" large model achieved a breakthrough by establishing China's first AI industrialised pipeline, comprehensively empowering automation across game development processes.

The "Xingyi" large model encompasses two core capabilities: "Xing" (form) for image generation, and "Yi" (interpretation) for understanding and processing textual content. It has evolved from an internal R&D support tool into a complete toolchain covering interface generation, map generation, animation generation, code generation, and numerical value generation, deeply empowering every stage of game development based on AI.



KingNet AI - Intelligent Digital Architecture

The "Xingyi" model operates based on a multidimensional large model matrix that enables flexible and parallel processing of diverse models, including those for art asset generation, system numerical generation, technical algorithm solutions, and intelligent audio-visual matching. This matrix supports the coordinated execution of large-scale tasks. By applying a unique AI-driven data logic, it streamlines development workflows, reduces trial-and-error costs, and significantly improves the efficiency of resource utilisation in game development.



Achievement Highlights of KingNet Network's "Xingyi" Large Model in 2024

End-to-end automation

By deeply integrating large model technology into all stages of game development, the "Xingyi" model covers a wide range of areas including game animation, map design, and technical development. AI has become the core driving force of development, reshaping the way games are created and offering a new path to improve efficiency across the game industry.

Improved development efficiency

With the application of the "Xingyi" model, the time required to generate animated characters has been reduced from several weeks to just a few seconds, while the time for game map production has dropped from weeks to an average of three minutes per map.

Collaborative operations

The "Xingyi" model helps reduce repetitive tasks and communication costs during development, ensuring consistency and stability in game content creation, and unleashing the creative potential of developers.

Building on the experience accumulated from the "Xingyi" large model in pipeline processes and training methods, the Company developed the "Zhimeng" large model based on deep learning technologies. "Zhimeng" focuses on strengthening fundamental capabilities and improving data quality, and has achieved industry-leading performance across technical benchmarks such as MMLU, CMMLU, mtBench, and AlignBench. In November 2024, the "Zhimeng" model successfully passed the Shanghai Generative Artificial Intelligence Service Review and was officially approved and registered.

In addition, the Company has partnered with Fudan University, the Ministry of Culture and Tourism's Technical Innovation Centre for Digital Application of Calligraphy and Painting, the AI-TOP100 platform, X-META, and other academic institutions and organisations to continuously explore the application of AI technologies in IP development, unleashing greater creativity and possibilities.

KingNet Network Empowering IP Innovation through AI Technology

Seasonal Voice

Seasonal Voice partnered with the AI-TOP100 platform to launch an AI Short Drama Competition. Creators were invited to produce short dramas using AI technologies, with AI models generating music styles based on the plot, atmosphere, and other creative requirements.

Legend of Bluemoon

Themed "Dragonsong of the Stars: Legend of Bluemoon", the Legend of Bluemoon Warrior-Mage-Taoist IP Character AI Creative Contest was jointly organised by the AI-TOP100 platform and KingNet Chain, with co-organisation by X-META. Participants were encouraged to use AI technology to design unique professions and equipment that integrate with the "dragonkin" character concept.



The "Maliang" Large Model Empowering Digital Generation of Calligraphy and Painting

The Maliang large model facilitates the digital generation of traditional Chinese calligraphy and painting by integrating AI technology with traditional culture. It creates artworks in styles consistent with Chinese artistic traditions, transforming textual content into highly authentic visual art, and driving the development of the cultural and creative industries.

In April 2024, the derivative IP *Seasonal Voice of Song Dynasty* partnered with Hangzhou scenic sites and Fudan University to host the "Seasonal Huanglong: Shangsi Literacy Soiree" poetry and AI event, themed around Chinese traditional festivals and solar terms. Poets were invited to present their compositions in the form of calligraphy and classical paintings using the Maliang model. This event not only offered a cultural feast for poetry enthusiasts but also injected new vitality into the inheritance and development of national culture through the innovative fusion of tradition and technology.



The "Maliang" Large Model Featured at the "Seasonal Huanglong: Shangsi Literacy Soiree" Poetry and AI Event

KingNet Chain is the Company's digital asset platform, developed by integrating emerging technologies such as blockchain, the metaverse, and artificial intelligence. Guided by the four core principles of Gleaning, Multivariant, Extraordinary, and Equal, the platform brings together diverse creators and game IP holders. It is committed to building a digital art marketing system, establishing digital brand images, and creating a rich and diverse metaverse content ecosystem to inject fresh vitality into the development of the digital economy. In 2024, KingNet Chain achieved outstanding results in optimising blockchain technology, innovating gamified integration of IP and digital assets, and enabling cross-chain deployment of digital assets overseas.

Achievement Highlights of KingNet Network's KingNet Chain Platform in 2024



KingNet Chain collaborated with the Shanghai Tree-Graph Blockchain Research Institute to successfully optimise the platform's underlying blockchain architecture, achieving multi-chain and cross-chain functionality. By introducing a more efficient consensus mechanism and smart contract templates, the platform enabled the application of cross-chain technology and achieved interoperability with mainstream blockchain networks.



KingNet Chain partnered with IP brands to deeply integrate IP content, digital assets, and gaming. This initiative not only created a novel interactive entertainment platform for users but also provided innovative approaches and models for the application of digital assets and the promotion of IP brands.



By leveraging multi-chain and cross-chain technologies, KingNet Chain opened new pathways for the international dissemination of traditional cultural IPs and the global circulation of digital assets. This allowed global users to engage with and appreciate the unique charm of Chinese culture in digital form. The cross-border deployment of digital assets has supported the overseas expansion of traditional culture and offered international users new ways to participate in and invest in Chinese culture, thereby further advancing the deep integration of culture and technology.

Metrics and Targets

Taking into account the diversity of its business model, the Company has established a range of differentiated metrics and targets across various R&D and technology modules. In 2024, we continued to increase our efforts in research and development, constantly exploring our innovation potential. This resulted in a steady increase in R&D investment, continuous enhancement of team capabilities, and significant breakthroughs across multiple technological fields. Our successful development has injected fresh vitality into the game industry. At the same time, we placed strong emphasis on intellectual property protection to safeguard our innovation outcomes from infringement.



Number of active patents during the reporting period

22



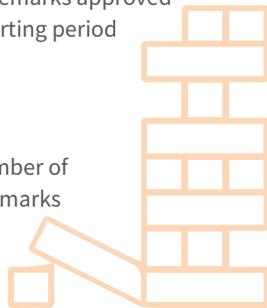
Number of trademarks approved during the reporting period

31



Cumulative number of approved trademarks

669



Metrics and Targets on Product R&D and Innovation of KingNet Network in 2024

Metric		Target	Progress in 2024
IP Development	Number of IPs developed	<i>Yu Xi World, Seasonal Voice: Jingchu</i>	Completed
Technology Platform Development	KingNet Chain	Transaction processing capacity (TPS)	Process over 1,000 transactions per second Completed
		System response time	Maintain an average response time within 200 milliseconds Completed
		System availability	Achieve 99.99% system availability Completed

Certifications and Awards of Product R&D and Innovation Earned by KingNet Network

Certifications and Awards Earned by KingNet Chain	☆ Blockchain Information Service Filing Number (KingNet Chain: H.W.X.B. No. 31011523631635910013)
	☆ Blockchain Information Service Filing Number (KingNet Alliance Chain: H.W.X.B. No. 31011523631635910021)
	☆ Computer Software Copyright Registration Certificate (KingNet Chain Platform: R.ZH.D.Z. No. 11157908)
	☆ "Innovation Value Enterprise" at the 2024 Global Digital Trade Innovation Competition
	☆ Bronze Award in the Blockchain and Digital Finance Track
Certifications and Awards Earned by KingNet Network	🏆 Subsidiary Shanghai Doushi recognised as Shanghai SRDI Enterprise
	🏆 2024 Golden Plaque Award – "AI Breakthrough Pioneer of the Year"
	🏆 Subsidiary Shanghai KingNet recognised as 2024 Shanghai Software Enterprise with Core Competitiveness (Innovative Type)

Social Functions of Games

KingNet Network deeply integrates the concept of sustainable development into its core business operations. The Company continues to make efforts to promote traditional culture and share Chinese stories with the world, creating diverse value for society through gaming.

Governance

Building on a sustainable governance framework, the Company has designated its IP R&D Department to oversee the planning, development, and operation of IP content. This structure supports the evolution of our IP commercialisation system towards greater innovation and diversity, continuously exploring new avenues for sustainable business growth and striving to develop high-quality IPs with long-term value.

Strategy

To better highlight the cultural attributes and positive social value of games and to promote the healthy development of the game industry, the Company conducts assessments and analyses of the impacts and opportunities related to the social functions of games based on its business layout and characteristics.



Opportunities in Social Functions of Games Identified by KingNet Network and Response Strategies

Type of Opportunity	Timeframe of Impact	Potential Financial Implications	Response Strategy
Market opportunity	Short-, medium- and long-term	Increase in revenue	<ul style="list-style-type: none"> Promote traditional culture by bringing intangible cultural heritage to life through games. Expand into overseas markets and share Chinese stories with the world through gaming. Integrate traditional cultural elements into digital artworks to enrich the expression of cultural heritage.
Reputational opportunity			
Policy opportunity			

The Company is committed to multi-dimensional and in-depth IP operations to continuously expand the connotation and extension of games. By developing full-industry-chain content based on traditional Chinese culture, the Company helps elevate the cultural value of the game industry and revitalise traditional heritage. KingNet Network continues to pursue an integrated development path that combines IP with cultural creativity and cultural tourism, driving deep integration between IP and diversified scenarios while exploring new possibilities for IP promotion.

Expanding into overseas markets is one of the Company's core strategic priorities. Aligned with the national strategy of promoting cultural strength, KingNet Network remains dedicated to cultural industries and actively implements a global distribution layout. At present, the Company has preliminarily established an overseas publishing strategy, starting with regions such as Taiwan, Hong Kong, South Korea, and Southeast Asia, and gradually expanding into European and American markets. In parallel, we are committed to exploring the global communication value of games, using a universal narrative to tell compelling Chinese stories and promote Chinese IPs worldwide.

Management of Impacts, Risks and Opportunities

The Company is committed to promoting traditional Chinese culture by empowering intangible cultural heritage through IP and digital technology. At the same time, we are actively expanding into international markets, using games as a medium to share China's stories with the world.

Promoting Traditional Culture

With promoting excellent traditional Chinese culture and protecting intangible cultural heritage as the theme, the Company's self-developed IP, *Crafts and Qubits*, is committed to the innovative communication of Chinese traditional handicraft culture, active exploration of the social and cultural value of animation and game products in addition to entertainment, and promotion of the leap of the cultural value of animations and games. In 2024, *Crafts and Qubits* continued to expand across multiple content formats, including comics, novels, animations, games, and cultural and creative products. Related and derivative content reached over 100 million views across online platforms.

2024 Creative Achievements of Crafts and Qubits

Comic

Crafts and Qubits comic series reached 73 episodes, with 120 minutes of motion comics published across social media platforms.



Novel

Crafts and Qubits novel was published in both print and digital formats, and made available on platforms such as Xinhua Bookstore, JD.com, and WeChat Reading.



Animation

Season 1 of the *Crafts and Qubits* animation (24 episodes, 168 minutes) was released online, with total views exceeding 5 million.



Game

The *Crafts and Qubits* mobile game received its publishing licence in May 2024 and successfully launched for testing in October.



Derivatives

Over 20 SKUs of self-developed cultural and creative products were launched.



Courses

10 sets of *Crafts and Qubits* ICH handicraft art courses were developed, combining animation, theatrical performance, and user-friendly craft kits to vividly present the essence of intangible cultural heritage.



In 2024, *Crafts* and *Qubits* leveraged brand collaborations and co-creations to promote cross-sector content integration, bringing vitality to the IP across a wide range of scenarios. The IP was also actively integrated into public welfare initiatives, using its content to support the outreach of intangible cultural heritage. Collaborations included partnerships with the China Comic and Animation Museum, Zhejiang Intangible Cultural Heritage Foundation, Zhejiang Intangible Cultural Museum, and Hangzhou Normal University. In total, 17 offline events were held to promote intangible cultural heritage through concrete actions.

Key Measures for IP-Driven Promotion of Intangible Cultural Heritage of *Crafts* and *Qubits* in 2024



Co-branded apparel line

- In March, *Crafts* and *Qubits* and METAVATAR jointly launched 10 co-branded streetwear T-shirts.
- In June, *Crafts* and *Qubits* partnered with balabala to release nine apparel products. Together, they co-created the spin-off animation *Crafts and Qubits Tailor Shop*, based on balabala's "Chang'an Melody" Hanfu series.



Collaboration with cultural museums

- In June, the *Crafts* and *Qubits* Book and Animation Launch Event was held at the China Comic and Animation Museum, where the team also donated the "All Things Have Spirit" black paper fan (co-branded with Wang Xing Ji) and the *Crafts* and *Qubits* novel.
- In August, six public classes titled "KingNet *Crafts* and *Qubits* –Intangible Cultural Heritage in Paper" were held at the China Comic and Animation Museum, with nearly 200 children participating and gaining a deep appreciation for intangible cultural heritage.
- In October, *Crafts* and *Qubits* X China Comic and Animation Museum jointly launched the *Bringing Cultural Relics to Life* board game.



Development of cultural and creative products

- In February, *Crafts* and *Qubits* entered offline retail stores nationwide via Qianyuxun, contributing to the scenic economy and co-developing the "Hangzhou Series" cultural and creative gift boxes.
- In May, *Crafts* and *Qubits* and Shanghai Public Transportation Card launched five themed mobile transport cards to support green mobility.
- In September, a collaboration with Ddung Doll saw the release of two co-branded dolls.
- In October, in partnership with Miyu Culture, *Crafts* and *Qubits* released a series of creative products, including a paper puppet theatre, New Year print red envelopes, acrylic couplets, and interactive transparent cards.



Participation in offline exhibitions

- In April, participated in the Ninth CGF Animation and Gaming Festival in Wuhan.
- In May, participated in the China International Cartoon & Animation Festival.
- In July, attended both the China International Comics and Games Expo (CCG EXPO) in Shanghai and a creator forum at the Zhejiang Intangible Cultural Museum.
- In October, participated in the Hangzhou Cultural and Creative Industry Expo.

The Seasonal Voice IP, developed by KingNet Network, is rooted in China's traditional festival and solar term culture. It combines elements of traditional Chinese culture with modern design concepts to create digital content that conveys the charm of tradition through high-quality visual art and interactive experiences, both online and offline. In 2024, Seasonal Voice continued to advance the innovative communication of seasonal culture through collaborations with intangible cultural heritage projects, brand partnerships, derivative product development, and magazine serialisation.

With its profound cultural foundation, creative expression, and modern reinterpretation of tradition, Seasonal Voice gained widespread recognition and popularity among young audiences. By the end of 2024, the IP had amassed 529,700 followers across all online platforms, with cumulative views of related content reaching 29.41 million.

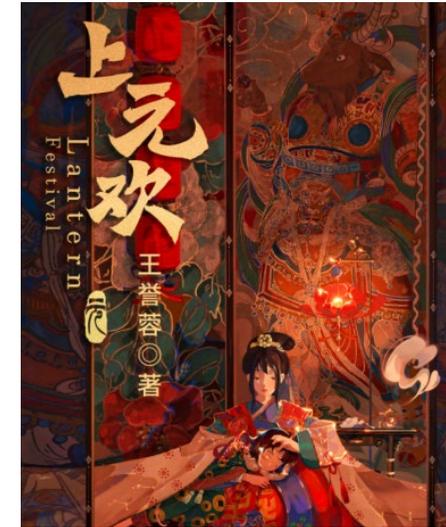


Seasonal Voice Spin-off *Lantern Festival Joy* Marks a New Milestone in Screen Adaptation

Lantern Festival Joy is a light novel featuring anthropomorphised Chinese traditional festivals under the self-developed IP *Seasonal Voice*. The novel is currently available on Migu Reading, where it once topped the women's fiction chart and was selected as a key project by the Hangzhou Social Sciences Planning Office.



In May 2024, the screen adaptation rights for *Seasonal Voice: Lantern Festival Joy* were officially signed. In September, the micro-drama series *Lantern Festival Joy*, specially supported by KingNet Network, began filming in Hengdian. Additionally, the series collaborated with the fashion brand Mi Ahuang to launch a co-branded clothing line under the name of *Lantern Festival Joy*, enriching the character design with detailed silk craftsmanship and authentically recreating the elegance of Song-style attire.



Launch Ceremony for the *Lantern Festival Joy* Novel and Micro-drama Series

Key Initiatives of *Seasonal Voice* in 2024 for the Inheritance and Promotion of Traditional Culture

Children's education

- Delivered a themed workshop titled Songyun Finance Camp at Bo'ao Primary School, affiliated with Zhejiang Normal University in Xiaoshan District.



Cultural forums

- Hosted the 2024 Seasonal Huanglong: Shangsi Literacy Soiree & 19th March 3 Huanglong Poetry Festival in Hangzhou, China.
- Participated in the 2024 Spring Festival Cultural Forum.



Brand collaboration

- Partnered with Jingdezhen porcelain brand "Cier" to co-create a series of porcelain products and festive wall plaques themed around "Seasonal Voice: 24 Solar Terms" illustrations.



- Opened a themed café showcasing and selling seasonal porcelain and Seasonal Voice IP merchandise to attract foot traffic and promote traditional culture through immersive visual and experiential storytelling.



- Collaborated with Beijing Normal University and the China Intangible Cultural Heritage Museum to promote seasonal intangible cultural heritage, including consignment sales of related products.
- Product categories included: Shanghai public transportation cards, festival-themed Hanfu, Mamian skirts, Hutou hats, plush Ruyi bags, board games, campus card skins, themed wallpapers, and more.

Product development

Comic serialisation

- Successfully completed the 2023–2024 comic serialisation in collaboration with *Classic of Mountains and Seas*, jointly promoting the dissemination of traditional Chinese culture.

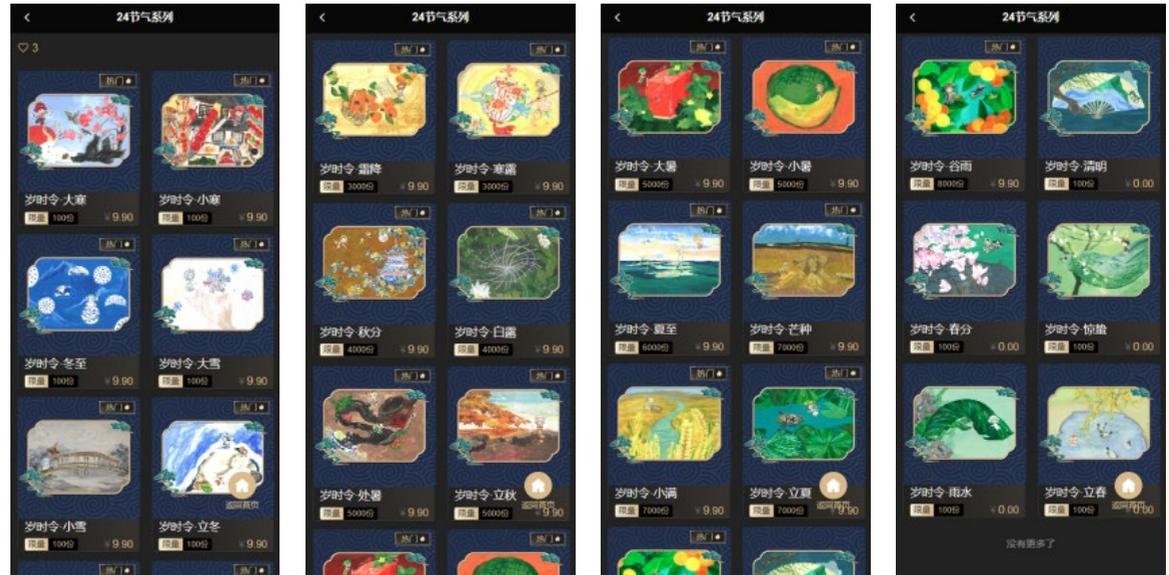


As the digital asset platform under KingNet Network, KingNet Chain actively responds to the national call to promote the inheritance and innovation of outstanding traditional Chinese culture. By leveraging digital and blockchain technologies, the platform integrates traditional cultural elements with modern digital artworks and public welfare initiatives. In 2024, KingNet Chain launched a series of digital artworks themed around traditional culture and public welfare, exploring an innovative path that combines "technology + culture + public good".



KingNet Chain Releases "24 Solar Terms" Public Welfare Digital Art Series

The "24 Solar Terms" public welfare digital art series was jointly produced by Seasonal Voice and the Shanghai Jing'an UniLove Public Welfare Development Service Centre. This collection integrates traditional seasonal culture with charitable causes, conveying the heartfelt message of young artists with special needs, "We long to be seen and recognised". The initiative supports the ongoing rehabilitation and artistic education of adolescents with physical and mental disabilities, helping them integrate into society and achieve independence in the future. The series comprises 24 unique digital assets, with a total of 70,400 editions issued.



"24 Solar Terms" Public Welfare Digital Art Series

Overseas Development of Games

Upholding the principle of "cultural confidence", the Company continues to deepen its presence in Hong Kong, Macao, Taiwan, South Korea, and Southeast Asia, while striving to expand into markets such as Japan and Europe. By promoting more game products with distinct Chinese characteristics on the global stage, the Company aims to contribute greater wisdom and strength to the global dissemination of Chinese culture. In 2024, the Company recorded overseas revenue of RMB 375 million, representing a year-on-year increase of 221.48%.



Achievements of KingNet Network in Overseas Publishing in 2024

The New Heaven Sword and Dragon Saber

Vietnam

Drifting in the Jianghu 리벤저:다크니스

South Korea

Monster GO!

Singapore, Malaysia, the Philippines

Lord of Nazarick(OVERLORD)

Hong Kong, Macao and Taiwan regions of China

Sword and Fairy: A New Beginning

Hong Kong, Macao and Taiwan regions of China; Singapore, Malaysia, Vietnam

The Company leverages IP value to support the international dissemination of Chinese culture and continues to promote the overseas publication and distribution of self-developed IP content. In 2024, the *Seasonal Voice* was fully translated into English, and invited for overseas publication by World Joint Publishing House. The sub-series novel *Lantern Festival Joy* under *Seasonal Voice* was also adapted for screen and fully translated into English as a short novel for international release.



KingNet Network's IP *Yu Xi World* Participates in Cultural Exchange in Europe

In September 2024, KingNet Network's IP *Yu Xi World* and its derivative publications were selected as featured works for the "Cultural Exchange of Chinese Online Authors in Europe" programme, organised by the China-Europe Cultural Exchange Centre of the Ministry of Culture and Tourism.

Yu Xi World blends traditional Chinese culture with philosophy and science to create a fictional, imaginative world. The project team drew inspiration from classical texts such as *The Classic of Mountains and Seas*, *In Search of the Supernatural*, and *The Classic of Divine Marvels*, as well as from Chinese folklore, to build a world that is both innovative and richly authentic. The IP received high praise from local experts during the event.



Yu Xi World Engages in Cultural Exchange in Europe



Metrics and Targets

In 2024, the Company continued to promote a more open and diverse cultural ecosystem by presenting traditional culture in ways that reflect contemporary trends and resonate with younger audiences. We also advanced the overseas distribution of our game products, further expanding our presence in global markets and bringing more exceptional titles to international players.

Metrics and Targets on Social Functions of Games of KingNet Network

Metric		Target	Progress in 2024
Product and IP Development	Number of sustainability-related games	Average of 1 game developed per year	Completed
	Number of <i>Crafts and Qubits</i> offline public welfare activities	At least 10 offline events	Completed
	Number of <i>Seasonal Voice</i> offline public welfare activities	At least 40 offline events	Completed
Digital Art Creation	KingNet Chain	Number of traditional culture-themed digital artworks issued	At least 5 series
		Number of public welfare-themed digital artworks issued	At least 2 series
	Total number of digital artworks issued	More than 50,000 items issued	Completed



Recognition Earned by KingNet Network in 2024 for Demonstrating the Social Value of Games

In 2024, several of the Company's self-developed IPs aimed at promoting traditional culture received external recognition:

Crafts and Qubits

Crafts and Qubits mobile game was shortlisted for the 2024 Golden Lion Award for Outstanding Mini Game; the *Bringing Cultural Relics to Life* board game, co-developed with the Crafts and Qubits X China Comic and Animation Museum, won Third Prize at the Third Hangzhou Cultural and Creative Design Competition.

Seasonal Voice

Recognised as one of the outcomes of the major project "Research on the Construction of New Era Civilisation Practice Centres" funded by the National Social Science Fund of China; winner of the 2024 Golden Lion Award for Outstanding Game Derivative Product; Best Cultural IP at the Second "Qilin Cup" by the Beijing Animation & Game Industry Association; Second Prize for Excellent Science and Technology Publications (36th Edition) from science publishers in East China; Top 10 Comics and Illustrations at the First Lingnan Water Town International Cartoon & Animation Week; The *Seasonal Voice · Jingchu* Digital Cultural Industry Alliance won the 2024 'City Symbol' Best Creative IP Award.

Lantern Festival Joy

Selected for the Cultural Boutique Support Project in Hangzhou High-tech Zone (Binjiang), Zhejiang Province; Gold Prize in the National Essay Competition "Beautiful China, Wonderful Binjiang".

Yu Xi World

Selected for the Cultural Boutique Support Project in Hangzhou High-tech Zone (Binjiang), Zhejiang Province.



In 2024, the Company's achievements in global game publishing were widely recognised:

- KingNet Network received the 2023 and 2024 China Game Sailing Award for Outstanding Overseas Expansion.
- *Seasonal Voice* was selected as an Outstanding Original Cultural Work under the 2023 Kirin Cup Animation IP Overseas Promotion Project.
- KingNet Network's subsidiary, Shanghai Zhizhan Network Technology Co., Ltd., received the "2023-2024 National Key Cultural Export Enterprise" Award.

Content Quality Management

KingNet Network's content quality management spans two core modules: self-developed content and externally sourced content. The Company has accumulated extensive practical experience in self-developed content, with its associated testing and review mechanisms repeatedly validated by the market. As a result, a relatively mature content quality control system has been established. Looking ahead, the Company will continue to strengthen the management of content quality for investment and externally introduced products, further refine relevant processes and mechanisms, and adopt diversified strategies to enhance content quality while advancing its premium development strategy.

Governance

The Company complies with the *Copyright Law of the People's Republic of China*, the *Measures for the Administration of Online Games*, the *Regulation on the Administration of Publication*, and the *Administrative Provisions on Online Publishing Services*, and other applicable laws and regulations. It has established internal policies such as the *Regulations on the Management of IP Introduction and Adapted Game Projects* to strictly control the quality of externally introduced content. The Publishing Department is responsible for overseeing and reviewing the content of all game products under the Company's umbrella to ensure that the product content is in line with laws and regulations and free from harmful or inappropriate messaging.

Strategy

The Company adheres to a premium product development strategy, aiming to deliver high-quality games to players. While externally sourced content can enhance the Company's core business, it also introduces certain risks and places higher demands on content quality management capabilities. To address this, the Company conducts systematic assessments and in-depth analyses of risks related to content quality management. This enables the identification of potential risk points and targeted optimisation of management processes, ensuring content compliance and a consistently high standard of presentation.

Risks in Content Quality Management Identified by KingNet Network and Response Strategies

Type of Risk	Timeframe of Impact	Potential Financial Implication	Response Strategy
Content compliance risk	Short-, medium- and long-term	<ul style="list-style-type: none"> Increase in compliance costs Decrease in revenue 	<ul style="list-style-type: none"> Evaluate product content quality across five key dimensions Implement a three-tier content review responsibility system Maintain a comprehensive acceptance testing process Adopt a cautious approach to IP acquisition Provide training on content quality review

Management of Impacts, Risks and Opportunities

The Company has strengthened its content oversight and delivery by evaluating product content across five dimensions: concept orientation, original design, production quality, cultural connotation, and development level. Through a multi-pronged approach, the Company continually enhances content quality.

Consideration Dimensions of Product Contents of KingNet Network



The Company firmly implements the three-tier content review responsibility system for game licence applications, aiming to ensure that products can successfully obtain publishing approval and that game content aligns with evolving regulatory requirements.



During the game development, the Company has established a comprehensive product testing and acceptance process. The QA Department is responsible for quality control throughout all phases of development. Closed Beta Testing (CBT) and Open Beta Testing (OBT) are used to continuously optimise and adjust game mechanics, content, and design, ensuring a high-quality experience for players.

When introducing external IPs, the Company prioritises IPs that are widely recognised by the public, supported by the state, and aligned with traditional Chinese culture—such as the *Legends of the Condor Heroes*, *Divine Condor*, *Errant Knight* and *The Heaven Sword and Dragon Sabre* and the *Gu Long Martial Arts Series*. At the same time, IP content is adapted to align with core socialist values and promote the right value orientation.

In addition, the Company organises monthly training sessions for content quality reviewers to familiarise them with the latest review requirements. Employees are also encouraged to participate in training organised by regulatory bodies and industry associations, thereby enhancing their awareness and capabilities in content quality management.

Metrics and Targets

The Company strictly implements internal and external regulations on game content quality management. In 2024, we achieved the goal of zero violations for newly launched games, and continued to lead the industry in the IP content approval rate.

Metrics and Targets on Content Quality Management of KingNet Network in 2024

Metric	Target	Progress in 2024
Number of game content violations	0	Completed



Dual Approach: Delivering High-Quality Services Both Internally and Externally

Topics Responded:

Customer Service and Complaint Handling

Data Security and Customer Privacy Protection

Protection of Minors in Cyberspace

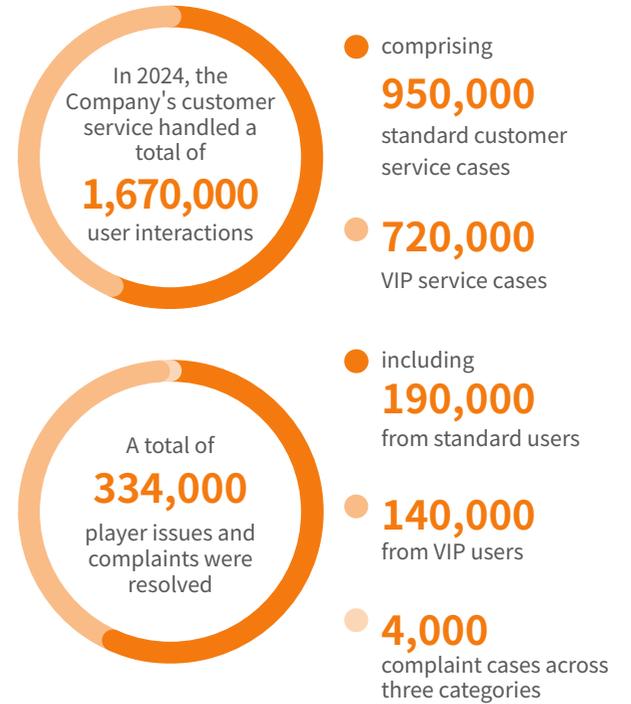
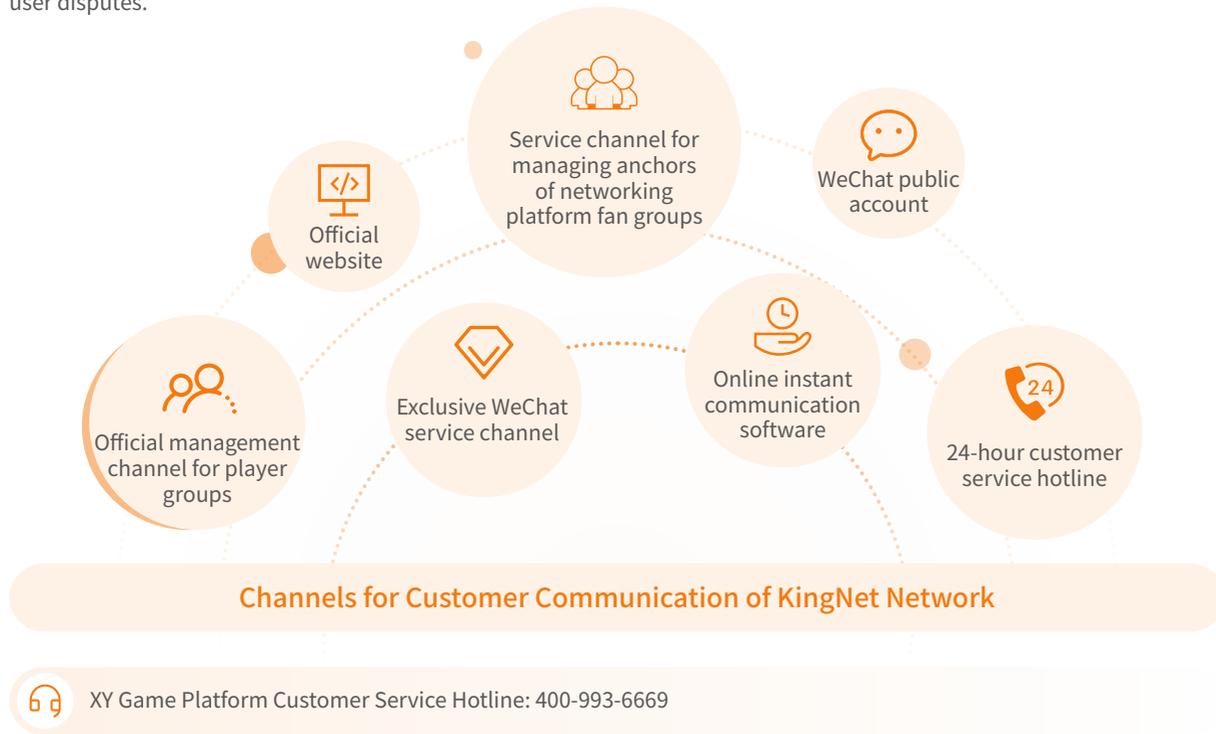
Supplier Sustainability Management

SDGs Addressed:



Customer Service and Complaint Handling

KingNet Network always adheres to the concept of "providing higher quality and better service", with user value as the core, continuously creating a customer-centred high-quality experience. By formulating the *Management Measures for Complaints from Game Users* and building diversified customer communication channels, the Company has developed a three-level customer complaint handling procedure of "customer service - team leader - complaint specialist", properly resolves user complaints, and maximises the satisfaction of legitimate and reasonable user demands, reducing the risks of user disputes.



Note: XY Game Platform is a premium game operation platform under Shanghai KingNet Network Technology Co., Ltd.

To provide users with a better experience, the Company's Customer Service Platform consistently adheres to and continually refines its service management system. The Company has established strict quality control (QC) standards to promptly identify, address, and correct issues in the service process. Currently, the QC sampling rate is set at 30% of the total daily service volume.

Priorities of Customer Service Quality Control (QC):



- Accuracy of responses related to business knowledge

- Compliance of communication language with service standards

- Service attitude and efficiency and effectiveness of problem-solving techniques

- Monitoring for any non-compliant operations in the customer service backend system



In 2024, building on its existing customer service platform, the Company continued to optimize the integrated service system that combines user support, user data analysis, user engagement planning, and game content output functions.

User Follow-up Performance Data of KingNet Network in 2024



Conducted over
115,000
user follow-up calls



Conducted user follow-ups on a fixed schedule of twice per week, with each follow-up involving an online sample of
1,200 users (60% of whom are VIP users)



with more than
36,000
valid feedback and suggestions received



Resulting in
2,400
users being followed up per week



The user satisfaction rate from follow-ups exceeded
95%



approximately
9,600
users being followed up per month



Data Security and Customer Privacy Protection

Ensuring data security and protecting customer privacy are critical to earning user trust and maintaining the Company's reputation. KingNet Network reinforces its information security defence by improving the internal management mechanism, optimising the technical defence system, and conducting comprehensive employee awareness training.

Governance

In accordance with the *Cybersecurity Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, and the *Personal Information Protection Law of the People's Republic of China*, the Company has established a series of internal policies, including the *Basic System for Data Collection Management*, the *Data Storage Management System*, the *Data Collection Management System*, and the *Management System for Information Security Incidents and Emergency Response*. These measures continuously strengthen the institutional foundation for standardised data governance.

The Company has also established a clear and comprehensive data security and customer privacy protection governance framework, ensuring the efficient execution of all related management tasks.



Strategy

To better understand the evolving information security profile, promptly adjust security strategies, and allocate resources effectively, the Company identifies, assesses, and analyses risks related to data security and customer privacy protection. These efforts ensure the continued effectiveness and adaptability of its information security management system.

Risks in Data Security and Customer Privacy Protection Identified by KingNet Network and Response Strategies

Type of Risk	Timeframe of Impact	Potential financial impact	Response Strategy
Data leakage risk	Short-, medium- and long-term	Increase in compliance costs	<ul style="list-style-type: none"> Strengthen data security protection across all stages of product development and game operations. Formulate and implement a <i>Privacy Agreements</i> to regulate the use of user information.
Reputational risk			

Management of Impacts, Risks and Opportunities

During the game development process, the Company follows the principles of secure development, assesses privacy design, and enhances data security throughout the product development process.



Secure development practices

The development team adheres to best practices in secure development, conducts regular code reviews, and utilises the latest security tools for vulnerability detection. It continuously learns about the latest security standards and threats in the industry, while timely updating and improving security measures.



Privacy design assessment

The Company assesses privacy design in the early stages of product design, identifies potential privacy risks in the data processing process, and implements corresponding measures to mitigate these risks.

During operations, the Company ensures data security through technical measures such as identity verification, encrypted transmission and storage, access control, secure configuration, and audit mechanisms. In parallel, regular employee information security awareness training and standardised data management protocols for partners are implemented to enhance the overall level of information security management.

Data Security Protection Measures of KingNet Network

Conduct regular information system audits

- The Company conducts more than four external information security audits annually, including classified protection assessments, communications security assessments, data security risk assessments, and annual audits required for listed companies. These audits primarily assess whether the full data lifecycle and cybersecurity practices meet the expected standards for initial certification.
- The Company carries out at least one internal information security audit each year. These internal audits focus on evaluating employee awareness of data security and social engineering risks to ensure they meet the Company's expectations.

Obtain information security system certifications

- The Company has obtained multiple information security certifications, including classified protection assessments, communications security assessments, and data security risk assessments. These certifications cover all Company data.

Establish emergency response plans for information security incidents

- The Company has established relevant emergency response plans and continuously updates them based on evolving external circumstances. These plans define detailed operational steps for each stage of an incident, including event detection and reporting, incident response, evidence preservation, incident review, auditing, and reward and punishment actions, ensuring potential losses are minimised in the event of a security breach.

Provide data security awareness training for employees

- All new employees must undergo data security awareness training, which covers personal information protection, social engineering, and relevant laws and regulations. The Company also conducts spot checks on current employees to ensure that their awareness levels meet internal standards.

Implement data protection policies for suppliers and partners

- The Company has formulated a data security management system for partners. We conduct strict qualification reviews of our partners, assess their data security protection capabilities in terms of technology, personnel and equipment, and also examine the implementation of their protection obligations in terms of laws, regulations and industry standards.

In accordance with relevant laws and regulations, the Company has formulated a transparent and publicly available *Privacy Agreements* that clearly outlines users' rights and the rules governing data collection, usage, storage, and sharing. We also implement multiple protective measures to prevent the leakage, loss, or unauthorised access of users' personal information.

User Privacy Protection Measures of KingNet Network



Data collection

- > The Company uses clear and understandable language to inform users about the data controller, purposes of collection, types of personal information collected, processing methods, and retention periods, ensuring users' right to be informed.
- > The Company grants users autonomy over their data, allowing them to modify, correct, or delete their personal information through preset methods, and seek assistance via website, email, or phone if needed.
- > The Company adheres to the principle of data minimisation by collecting only the personal data necessary to support game service operations.
- > Except for collecting game-related survey information through third-party research agencies to improve products and provide personalised services, the Company does not share personal data with third parties without user consent.



Data transmission and storage

- > The Company encrypts personal information during storage and employs https encryption to prevent user data from being stolen during transmission and storage.



Data use and retention

- > The Company implements access control policies, with only authorised personnel having access to sensitive data, and regularly reviews and updates employee access permissions to maintain the principle of minimum authorisation.
- > Employing the de-identification technique, the Company removes individual identity information during data analysis and processing to ensure that data cannot be restored to specific individuals during use.
- > The Company retains personal data only for the required period and commits not to rent, sell, or share personal information with third parties for purposes beyond fulfilling transactions or services.

In November 2024, the Company joined the Minhang District Cybersecurity and Safety Alliance, co-initiated by the Minhang District Public Security Sub-bureau alongside various internet enterprises and cybersecurity institutions. KingNet Network will work together with industry partners to actively promote online civility, strengthen cybersecurity defences, foster a clean and orderly cyberspace, and contribute to the healthy development of the digital ecosystem.



Consolidating the Defence Line of Personal Information Protection and Safeguarding Player Privacy

During the 2024 "Personal Information Protection Day" campaign, KingNet Network was awarded the "Outstanding Organisation" Certificate by the Cyberspace Administration of the Shanghai Minhang District Committee in recognition of its exceptional organisational capabilities and promotional efforts.

"Outstanding Organisation" Certificate by the Cyberspace Administration of the Shanghai Minhang District Committee



KingNet Network Subsidiary Receives Multiple Honours in the "Bedrock Action"

On the afternoon of 10 December, the Shanghai Communications Administration, in collaboration with the Shanghai Municipal Cyberspace Administration, the Shanghai Municipal Commission of Economy and Informatization, the Shanghai Municipal Public Security Bureau, the Shanghai Municipal Education Commission, and the People's Government of Putuo District, held the "Cyber Shield 2024" Shanghai Cybersecurity Red-Blue Exercise and "Bedrock Action" Summary Conference for the industrial and information technology sector.

Shanghai KingNet Software Technology Co., Ltd., KingNet Network's subsidiary, was awarded "Outstanding Blue Team" and "Outstanding Progress Award" for its outstanding performance in the event. Gong Hongjun, the subsidiary's employee, was recognised as an "Outstanding Individual". Additionally, a "Bedrock Action Dragon/Tiger List" was prepared based on cumulative scores from each session of the Bedrock Action since 2021, and KingNet Network ranked 14th on the "Bedrock Action Dragon List" (Blue Team Enterprises).

Shanghai KingNet
"Outstanding Blue Team"



Shanghai KingNet
"Outstanding Progress Award"



An Employee of Shanghai KingNet Recognised as an
"Outstanding Individual"



Metrics and Targets

In 2024, the Company did not experience any data security or leakage incidents, achieving the goal of "zero data security incidents" and effectively protecting data security and user privacy.

Metrics and Targets on Data Security and Customer Privacy Protection of KingNet Network



Number of data security incidents

Target

0

Progress in 2024

0



Coverage rate of employee training and awareness on data security and privacy protection

Target

100%

Progress in 2024

100%



Protection of Minors in Cyberspace

KingNet Network strictly complies with the *Law of the People's Republic of China on Protection of Minors*, the *Notice of the National Press and Publication Administration on Preventing Minors from Becoming Addicted to Online Games*, and the *Notice on Further Enhancing the Administration to Effectively Prevent Minors from Becoming Addicted to Online Games*, and other laws and requirements on the online protection of minors. The Company has continually reinforced its protection system for minors, enhancing and refining its anti-addiction system. It has actively participated in the development of relevant standards and industry collaborations, creating a clean network environment for minors.

Our game products primarily serve adult users. Since September 2021, we have disabled registration for minors. Except for a very small number of existing minor users, there have been no new minor users in our self-operated game products. We actively fulfil our social responsibility as a game company, engage in initiatives related to the protection of minors in cyberspace, and safeguard their healthy development.

KingNet Network's Actions for the Protection of Minors in Cyberspace



Strengthen real-name verification management

The Company has fully integrated with the real-name verification system for online game anti-addiction management, and does not provide online game services to users who are not verified or to minors in any form.



Age prompt

The Company displays an age prompt for game products in prominent positions such as game icons, official websites, and main game interfaces.



Enhance content review

The Company has established a dedicated content review team to regularly inspect all game products under the Company, ensuring that no harmful content affecting the physical or mental well-being of minors is present.



Establish a dedicated reporting channel

The Company sets up "Online Harmful Information Reporting Area" and "Shanghai Internet Illegal Information Reporting Centre" on the XY Game Platform and the home page of its official website.

In July 2024, KingNet Network established a Working Committee for Caring about the Next Generation, with the Company's Party Secretary and General Manager serving as the director of the committee. The Party Committee, the Working Committee for Caring about the Next Generation and the Volunteer Association adhere to reform and innovation, follow the laws of youth growth, continuously innovate working methods, and enrich working vehicles to jointly create a favourable social environment for the healthy growth of minors.



Consolidating the Defence Line of Personal Information Protection and Safeguarding Player Privacy

KingNet Network has deepened its collaboration with Grandall Law Firm (Shanghai) in advancing volunteer services. The Company has appointed Grandall Law Firm (Shanghai) as its "Public Welfare Legal Adviser" and, in coordination with schools under the Rural Cloud-based Educational Support Programme of KingNet's Love Public Welfare, leveraged the expertise of Grandall's professional legal team to establish a "Juvenile Legal Protection Station". This initiative provides legal aid, psychological counselling, and legal education services to adolescents in remote areas, aiming to enhance minors' awareness of the rule of law and their capacity for self-protection.



Inauguration of KingNet Network Juvenile Legal Protection Station

Supplier Sustainability Management

The types of suppliers for KingNet Network mainly include service, engineering construction, comprehensive materials. The Company complies with relevant laws and regulations such as the *Bidding Law of the People's Republic of China* and the *Civil Code of the People's Republic of China*, and has formulated internal policies including the *Procurement Management System*, the *Procurement Process Management Rules*, and the *Supplier Management Rules*. These policies ensure a systematic and closed-loop management process covering the entire supplier lifecycle from onboarding and process management to performance assessment and exit.

Supplier Lifecycle Management of KingNet Network



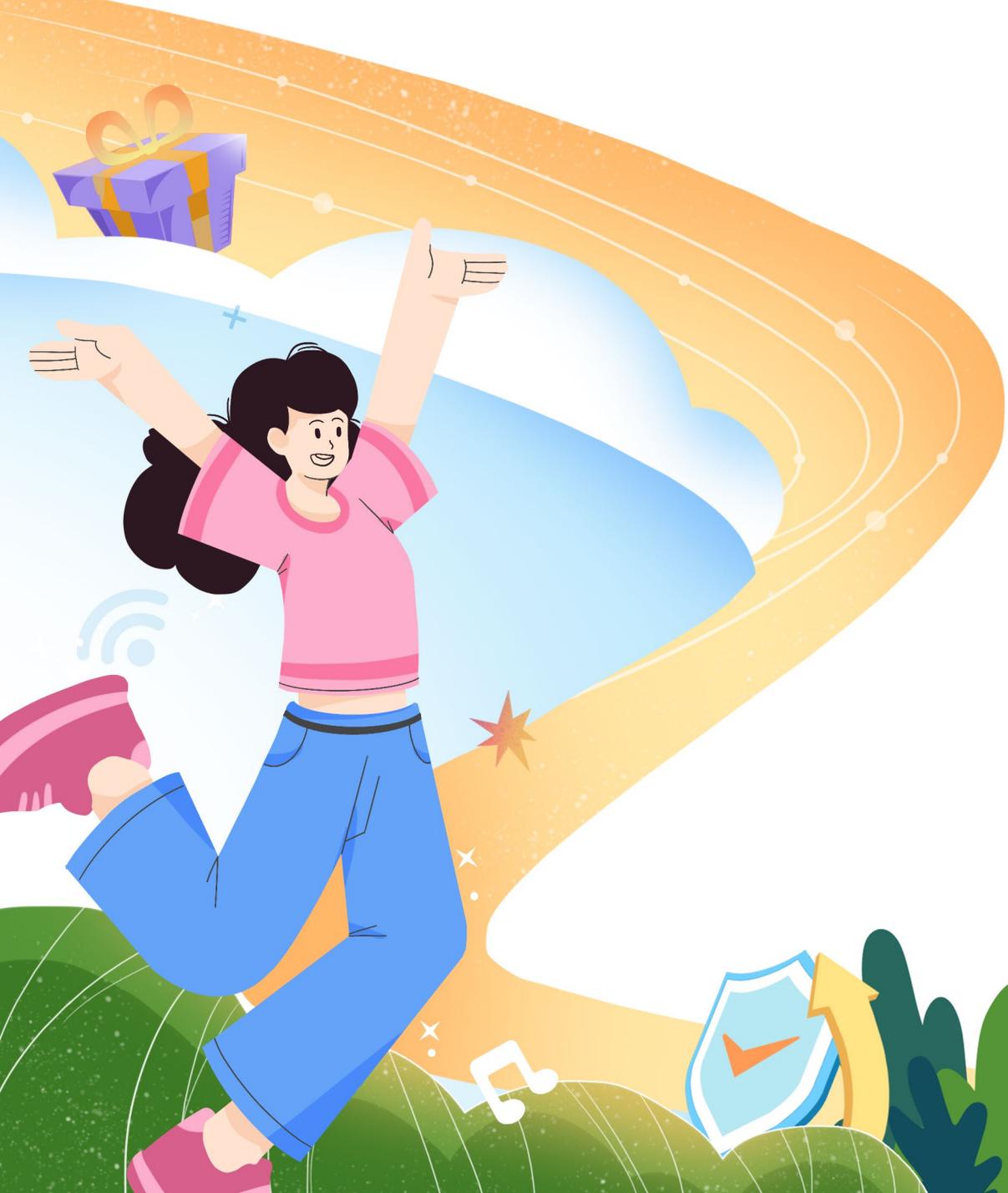
The Company collaborates with suppliers to build a clean and transparent supply chain. We have issued the *Letter of Integrity Commitment* to All Partner Suppliers and signed the *Integrity and Honesty Commitment* with suppliers, clarifying to suppliers and business partners its attitude of zero tolerance towards corruption. We conduct supplier training sessions on an ad hoc basis to strengthen their understanding of our procurement policies and promote compliant procurement practices. The Company also provides suppliers with the contact email of the procurement supervision department, allowing them to report any corruption-related clues identified during cooperation, thereby jointly fostering a sound and ethical business environment.

In 2024, all **70** new suppliers signed the Integrity and Honesty Commitment, which has been signed by all suppliers introduced since the establishment of the supplier management system.

Supply chain security is of vital importance to the Company's stable operations. By coordinating across multiple dimensions, such as procurement planning, process management, and performance management, the Company has successfully established an efficient and resilient supply chain risk management system. In 2024, all major projects were delivered on time, meeting both quality and quantity requirements.

In addition, the Company attaches importance to the security management of suppliers' data. We have formulated systems, encompassed the *Project Outsourcing Management Regulations* and signed confidentiality agreements with suppliers, so as to cooperate with suppliers to construct a safe and reliable data management ecosystem.

In 2024, all **70** new suppliers signed the *Confidentiality Undertaking* with the Company, which has been signed by all suppliers introduced since the establishment of the supplier management system.



04

Purposeful Action Driven by Passion to Create Value

Topics Responded:

Employment and Protection of Employees' Rights and Interests	Human Capital Development	Community Contribution and Rural Revitalisation
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SDGs Addressed:



Employment and Protection of Employees' Rights and Interests

KingNet Network has established diverse talent recruitment channels, fully respects workplace diversity among employees, safeguards employee rights, interests and benefits, and strives to create a warm, healthy, and comfortable working environment for all staff.

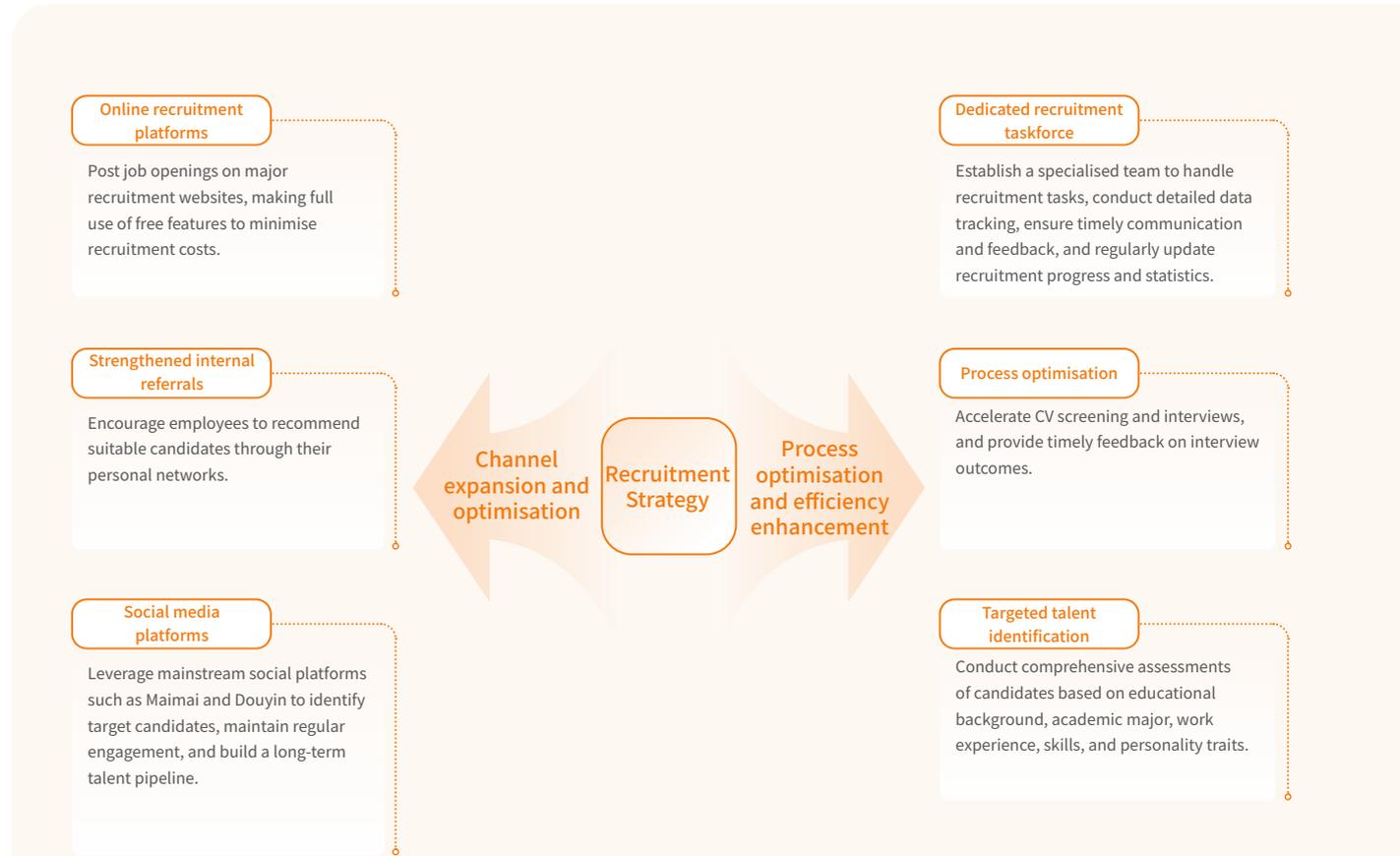
Employee Recruitment and Employment

The main types of employees hired by the Company include full-time employees under labour contracts and part-time employees.

Abiding by applicable laws and regulations such as the *Labor Law of the People's Republic of China* and the *Labor Contract Law of the People's Republic of China*, the Company achieved compliant employment. In 2024, the Company didn't experience labour violations.

The Company is committed to fair recruitment, providing equal employment opportunities to all job applicants. In 2024, we recruited a total of 877 individuals through online recruitment, internal referrals, and campus recruitment, and created flexible employment opportunities by hiring part-time employees.

As of the end of the reporting period, the Company had a total of **2,184** employees





To bridge the gap between planned recruitment headcount and actual talent demand, the Company introduced a quarterly reporting mechanism in 2024, in addition to the existing annual headcount planning process. Based on the reporting results and business development needs, the Human Resources Department conducted recruitment forecasting and formulated recruitment plans to enhance efficiency and effectiveness.

The Company upholds the principles of fairness, impartiality, and transparency, and is committed to fostering an equal and inclusive working environment. To improve the quality of campus recruitment and attract outstanding young talent, the Company has established broad cooperation channels with universities. KingNet Network has reached cooperation agreements with Shanghai University, East China Normal University, Donghua University, and Shanghai Normal University, engaging in in-depth collaboration in areas such as talent recommendation, internships and employment, background checks, and user research. In 2024, the Company held two on-campus dual-selection job fairs for graduates and interns at partner universities, achieving a conversion rate of 8%.

Industry–Academia Collaboration Initiatives of KingNet Network

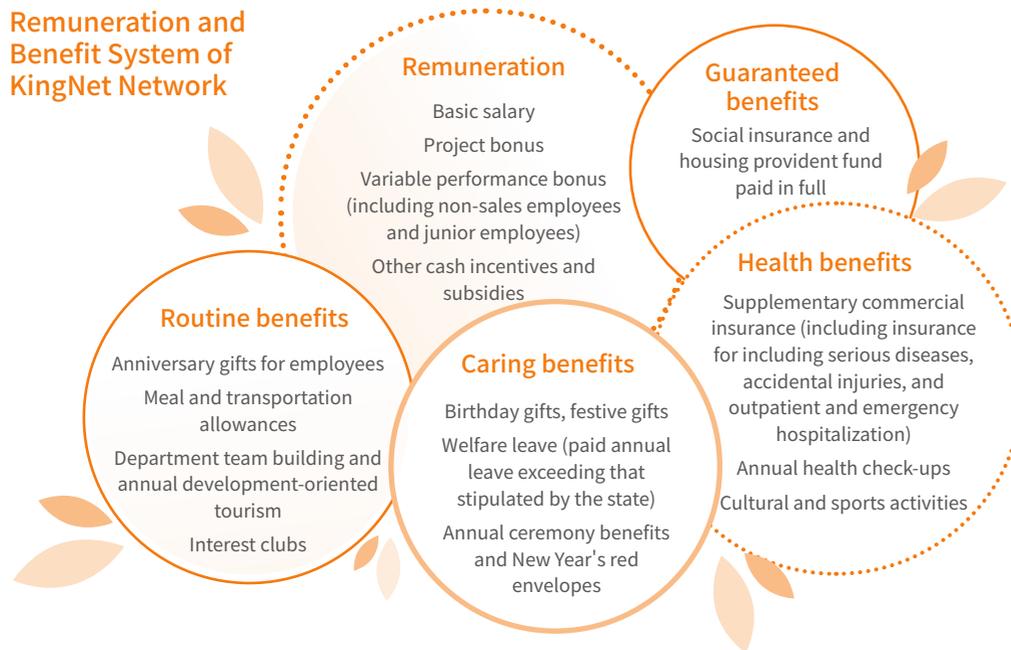
 <p>Joint internship base</p> <p>Partner universities regularly recommend outstanding student resources to the Company, and the Company in turn offers internship opportunities to university students.</p>	 <p>User research collaboration</p> <p>Students from partner universities are invited to participate in user research and testing projects for new game releases, enabling the collection of precise user insight data.</p>	 <p>Community promotion</p> <p>Campus ambassadors from various universities are mobilised to promote recruitment posters and new game research activities within active student communities, enhancing the Company's employer brand influence.</p>	 <p>Background checks</p> <p>Connections are established with university faculty members to verify the academic performance and teamwork of student interns, ensuring the authenticity of the information provided.</p>	 <p>Live streaming base</p> <p>The Company has deepened its collaboration with Shanghai Film Academy by conducting live streaming activities on campus, providing students with more opportunities for practical social experience.</p>
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Protection of Employee Rights and Interests

The Company has formulated regulations such as the *Remuneration Management Measures* and the *Outsourced Personnel Management Measures*. In 2024, the *Attendance Management Policy* was updated to include provisions on employees' physical and mental well-being, with a focus on work-life balance. The *Employee Behaviour Management Measures* was also revised to reinforce the Company's commitment to fostering an inclusive and friendly working environment. The updated policies emphasise respect for diversity and inclusion in performance assessment and promotion, and explicitly reject workplace discrimination.

The Company protects the legitimate rights and interests of employees, pays their wages on time, and duly and fully contributes to employees' social insurance and housing provident fund. In addition to providing statutory welfare benefits, it also offers a diverse range of flexible benefits, including meal allowances, transportation allowances, annual health check-ups, supplementary commercial insurance, and festive gifts for regular employees (labour contract employees).

Remuneration and Benefit System of KingNet Network



The Company places great emphasis on employees' physical and mental wellbeing and promotes the concept of healthy working. We strive to create a comfortable workplace environment. Based on our assessments, there are no significant occupational health risks among our employees. In 2024, the Company adopted various measures to safeguard employee health and wellbeing.

Healthy Workplace Management Measures of KingNet Network



- Established a workplace inspection mechanism to promptly identify potential risks associated with office equipment.
- Purchased supplementary commercial insurance covering critical illness, accidental injury, and outpatient and inpatient medical treatment.
- Organised regular health check-ups (including pre-employment and annual physical examinations), achieving 100% employee coverage.
- Held monthly "On-site Doctor Visits" to provide employees with consultations on general health issues, family health concerns, and interpretation of medical reports.
- Organised mental health seminars to help employees understand, manage, and overcome anxiety, thereby safeguarding mental wellbeing and enhancing quality of life and work.
- Provided employees with a range of recreational facilities and regularly organised diverse cultural and sports activities.

The Company is committed to fostering harmonious labour relations and actively engages in democratic communication with employees. Before revising major policies that concern employees' vital interests, such as personnel management regulations, the Company seeks feedback from all employees. In designing the benefits system, we also prioritise employee input by involving them in preliminary voting for holiday benefits and conducting satisfaction surveys after benefit implementation. These efforts effectively enhance employees' sense of participation and belonging.

Human Capital Development

KingNet Network adheres to a people-oriented development philosophy, placing employees at the core of its business strategy. We continuously improve our talent development and training systems, enhance the attractiveness of our employer brand, and strive to create a competitive environment for talent growth.

Governance

The Company attaches great importance to talent development. The CEO is responsible for overseeing human resources and daily administrative affairs. A dedicated Training and Culture Department has been established to coordinate and manage all training activities across the Company. These efforts aim to continuously improve the standardisation of human resources management, provide employees with stable and reasonable career development prospects, and attract and retain top talent.

Human Capital Development Policy System of KingNet Network



Strategy

Talent is the core resource in the game and internet industries. To maintain a long-term competitive advantage, the Company identifies, assesses, and analyses the risks and opportunities associated with human capital development.

Risks/Opportunities in Human Capital Development Identified by KingNet Network and Response Strategies

Type of Risk/Opportunity		Timeframe of Impact	Potential financial impact	Response Strategy
Risk	Loss of core talent	Short-, medium-, and long-term	<ul style="list-style-type: none"> Decrease in revenue Increase in operating costs 	<ul style="list-style-type: none"> Formulate a talent development strategy Establish a talent pool for future staffing needs Implement an employee stock ownership plan
Opportunity	Enhanced innovation capability	Short-, medium-, and long-term	<ul style="list-style-type: none"> Increase in revenue Decrease in operating costs 	<ul style="list-style-type: none"> Conduct strategic recruitment

To address the risk of losing core talent, the Company ensures the stability of human resources through strategic recruitment, the establishment of a talent pool, and the implementation of an employee stock ownership plan.

Management of Impacts, Risks and Opportunities

Employee Training

To meet the learning needs of all employees at different stages of their career development, the Company has established an internal online learning platform called "Sky City", and developed a multi-level training system.

Multi-level Employee Training System of KingNet Network

Training and Culture Department – Overview of Training and Culture Initiatives	
Management level promotion	M Plan
On-job training	Lecturer management
	Knowledge Inheritance Officer and external training
Newcomer training	Training for newcomers from social recruitment
Online training	Sky City Learning Platform
	Launch of new courses, migration to Version 2.0, data organisation, project generation
Basic work	Training operation
	Training assistance, course development, learning analysis, etc.
Cultural division	Anniversary ceremony activities
	KingNeter Annual Journal
	Club operation
	Events, competitions, funding support, problem settlement, etc.

In 2024, the Company adjusted and optimised its training system. The enhanced system is designed to cover a broader employee base, offer greater personalisation and intelligence, and better empower employee development and growth.

Key Measures for Optimising KingNet Network's Training System in 2024



¹"Headquarters" means KingNet Network and its subsidiaries Shanghai KingNet, Shanghai KingNet Software and Shanghai Doushi.

The Company is committed to building a learning-oriented organisation and provides a diverse range of training programmes for employees, covering various dimensions such as leadership and business training. These programmes are designed to meet employees' differentiated learning needs. The implementation of training not only supports employees in achieving personal growth but also serves as a solid foundation for the Company's sustainable development by cultivating a robust talent pipeline.

Key Training Programmes and Outcomes of KingNet Network in 2024

Project Name	Nature of Programme	Details	Outcomes
M Plan	Leadership training	The programme combines lectures and practical exercises to help participants comprehensively enhance their managerial mindset, stimulate self-awareness, clarify their understanding of roles, and experience diverse management approaches and insights to elevate their leadership perspective. In particular, <i>Becoming an Interviewer</i> emphasises that managers must maintain fairness and impartiality during interviews.	The programme ran for a total duration of three months and was conducted for frontline managers in Shanghai and Guangzhou. A total of 42 employees participated, with 12 training courses delivered over 19.5 hours, and a total of 233 attendances recorded.
Knowledge inheritance officer	Targeted business training	To deepen professional knowledge across various positions and enhance technical expertise, the Training Department assembled an internal instructor team comprising in-house experts. These instructors share knowledge and skills with employees to address common workplace challenges and improve professional capabilities.	A total of six sessions were delivered over the year, with nine hours of training in total and 93 cumulative attendances.
Technical application of AIGC and large models	Training in collaboration with external institutions	The training is delivered through a combination of courses and hands-on exercises, enabling participants to learn by doing and practise while learning. Course topics include <i>Large Model Programming and Development Environments and Tools for Large Models</i> , offering rich and comprehensive content that supports participants in gaining an in-depth understanding of AI technologies.	The programme included 15 online courses, with 30 employees participating. The average learning time per person was 23.5 hours.

In addition, to keep employees informed in real time about the Company's training activities and to encourage greater participation, the Company designed a "Training Calendar" that is updated monthly. The calendar is promoted through both online and offline channels, truly realising the goal of "making learning accessible and knowledge shareable."



KingNet Network's Campus Recruitment Training Programme "M Plan" Recognised as a "Branded Learning Programme"

Launched in 2022, "M Plan" is a leadership development initiative focused on cultivating management capabilities across all levels. It supports frontline managers at KingNet in making a meaningful transition from individual contributors to effective leaders by fostering a correct understanding of managerial roles, accelerating their shift into management positions, and helping them meet role expectations more quickly, while also alleviating pressure on middle managers.

During the initial phase, the project team conducted in-depth research to identify the core challenges managers face in team leadership. Based on these findings, the team designed tailored learning experiences to encourage knowledge sharing and peer exchange among participants, enabling them to build awareness of their managerial responsibilities and acquire practical tools and methods.



Award Photo of "M Plan"



Learning Map of "M Plan"

Employee Assessment

The Company conducted quarterly performance assessments for regular staff based on job responsibilities and key work tasks. The results of performance assessments were applied to performance communication and improvement, performance bonus calculation, performance assistance, salary adjustment, promotion, and equity incentives.

Performance Assessment Process of KingNet Network



The Company manages performance based on the principles of openness, fairness, impartiality, objectivity, and healthy competition. A performance feedback and communication mechanism has been established, and employees can access their appraisal results via the OA system. For employees whose performance results are unsatisfactory, their immediate supervisors are required to conduct performance interviews, identify areas for improvement, and provide guidance on how to improve. In 2024, the Human Resources Department developed and promoted the use of the *Performance Interview Communication Guidelines* among frontline managers to enhance the effectiveness of performance discussions. These interviews also serve to refine work targets for the next review cycle and strengthen team effectiveness management.

Meanwhile, the Company has established a performance assessment appeal mechanism with a clear appeal process. If any employee has any objection to the assessment results, he/she may submit a written appeal via email within the specified time frame. The relevant department will investigate and handle the appeal within one week of receiving it. The feedback on appeal handling opinions will be provided to the employee and his/her direct supervisor.

Performance Appeal Process of KingNet Network



The Company clearly stipulates that personnel responsible for handling appeals must maintain confidentiality regarding the details of the appeal and the individuals involved in the investigation. Employees who violate confidentiality requirements will be subject to disciplinary action. Any form of retaliation or discriminatory behaviour against employees who file an appeal is strictly prohibited.

Employee Promotion

Valuing the personal development of its employees, the Company adheres to the principle of "openly and transparently gradual promotion", and provides employees with fair and equitable promotion opportunities and diverse career development paths. We have established a dual-track development mechanism encompassing both management and professional pathways, offering employees a clear and structured career progression framework.

The Company has established a sound career development system and formulated promotion programme plans based on management level decisions. Through mechanisms such as merit-based nominations, review and inspection, and promotion decisions, it provides employees with fair and equitable promotion opportunities and vast career development prospects.

Promotion Mechanism of KingNet Network



Talent Attraction and Retention

To attract and retain core talent while enabling employees to share in the Company's growth, the Company launched a stock option incentive scheme in 2022, granting a total of 19.71 million shares to 21 individuals, including professional managers and key personnel. In December 2024, the second vesting period of the scheme ended. The conditions for exercising options in the second exercise period have been met, with a total of 9,857,208 stock options eligible for exercise, representing 0.46% of the Company's current total share capital.

The Company continues to promote talent pipeline development and enhance organisational resilience through strategic recruitment and the establishment of a talent pool. Looking ahead, we will further refine our talent management practices to better align with the strategic development needs of the Company.

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Multiple KingNet Network Employees Recognised as "2024 Skilled Talents in Shanghai's Software Enterprises"

In July 2024, the Shanghai Software Industry Association held its 8th General Assembly (Fourth Session) and the 8th Council Meeting (12th Session). During the event, the "List of Skilled Talents in Software Enterprises" was released, with three KingNet employees selected for recognition. The event was attended by key officials including Qiu Wei, Director of the Software and Information Services Division of the Shanghai Municipal Commission of Economy and Informatization, and Li Wenbo, Director of the Science and Technology Commission of Putuo District, Shanghai, along with representatives from over 300 enterprises. The evaluation was based on the T/SSIA 0001-2019 *Specification for the Evaluation of Skilled Talents in Software Enterprises* and conducted through a comprehensive assessment by an expert panel. The results were also published in *Wenhui Daily*.

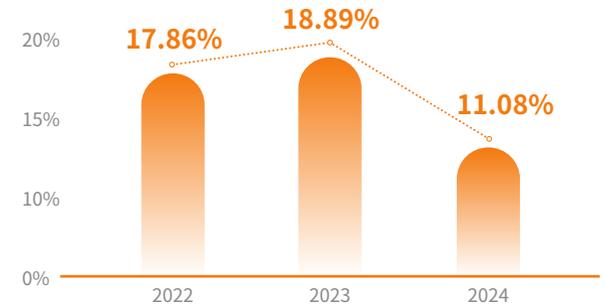


KingNet Network Employees Recognised as "2024 Skilled Talents in Shanghai's Software Enterprises"

Metrics and Targets

With the goal of "strengthening cohesion among KingNet employees", the Company has established human capital development metrics and targets aimed at comprehensively enhancing employee competencies and building a vibrant, creative, and competitive team. In 2024, the Company's employee turnover rate showed a downward trend compared to previous years, reflecting significant progress in talent management and employer brand development.

Employee Turnover Rate at KingNet Network



Metrics and Targets on Human Capital Development of KingNet Network in 2024



Community Contribution and Rural Revitalisation

KingNet Network promotes warmth and positive impact by engaging in public welfare and volunteer service activities, contributing to comprehensive rural revitalisation. These initiatives help uncover the Company's future-oriented positive potential and create sustainable value for all stakeholders, aligning economic value with social value.

Governance

The Company complies with relevant laws and regulations, including the *Charity Law of the People's Republic of China* and the *Regulations of Shanghai Municipality on Volunteer Services*. Under the unified leadership of the General Manager, the Company has appointed a Chief Social Responsibility Officer and established a Social Responsibility Team within the Board Office to coordinate, advance, and implement social responsibility-related initiatives.

The Company has formulated the *Volunteer Management System of KingNet Network* to continue promoting the standardisation, branding, and professionalisation of volunteer services. In 2024, building on its base in Shanghai, the KingNet Network Volunteer Association established volunteer service teams in Hangzhou and Guangzhou. The formation of these three teams marks a further enhancement and improvement of the Company's volunteer service system, providing solid organisational support and operational capacity to better serve society and assist those in need.



Strategy

To explore innovative models of public welfare and enhance the influence of the "KingNet's Love Public Welfare" brand, the Company analysed the impacts and opportunities related to community contribution and rural revitalization.

Opportunities in Community Contribution and Rural Revitalisation Identified by KingNet Network and Response Strategies

Type of Opportunity	Timeframe of Impact	Potential financial impact	Response Strategy
Enhancing brand value	Medium- and long-term	Decrease in operating costs	<ul style="list-style-type: none"> Innovative development model of Games + Public Welfare Organise diversified public welfare and charitable activities Establish an emergency response and disaster relief mechanism
Strengthening organizational cohesion	Medium- and long-term		
Accessing collaborative resources	Short-term		

Guided by the sustainable development philosophy of "Play With Buff", the Company contributes to social progress through the "K Action". We continue to support underprivileged children, with a particular focus on educational assistance for rural left-behind children and urban children with special needs. Through standardised and systematic operations, the Company consistently expands its positive social impact.

Management of Impacts, Risks and Opportunities

As a well-known online game company in China, the Company leverages its core business strengths to explore an innovative development path combining "Games + Public Welfare". At the same time, we actively collaborate with stakeholders to build a symbiotic model that integrates corporate growth with responsible business practices.

Commitment to Public Welfare and Philanthropy¹

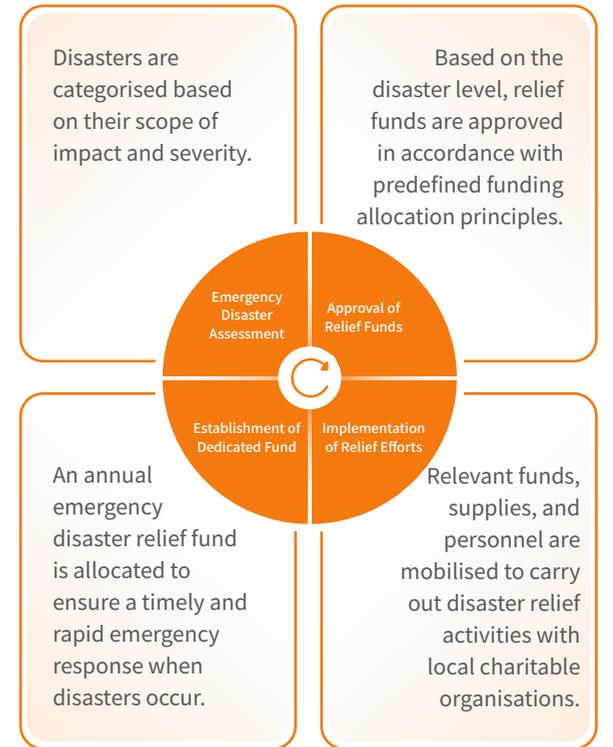
The Company continues to carry out public welfare and charitable initiatives to provide care and support to disadvantaged groups, promote the inheritance and development of intangible cultural heritage, and contribute to environmental protection. Through these efforts, KingNet Network makes meaningful contributions to sustainable social development.

Overview of Public Welfare Projects of KingNet Network in 2024 (Selected)

2024	Care for Special Groups	Inheritance of Intangible Cultural Heritage
	<p>World Autism Awareness Day Public Welfare Activity</p> <p>On World Autism Awareness Day, the Company dispatched a volunteer service team to participate in the "Charity Companion Run" event, supporting more than 20 "children from the stars" in completing the race.</p>	<p>"Haisi New Space" Theatre Incubation Programme</p> <p>The "Haisi New Space" Theatre Incubation Programme aims to discover, nurture, and incubate new talents and original works in innovative forms of Chinese opera and interdisciplinary productions. In 2024, the programme supported the successful staging of six new productions centred around traditional opera elements.</p>
	<p>Bright Future Health Initiative</p> <p>The "Bright Future Health Initiative" is dedicated to providing medical surgeries and rehabilitation treatment for eligible children under the age of 18 in the Aksu region of Xinjiang and the First Division of the Xinjiang Production and Construction Corps who suffer from visual, auditory, or speech impairments, or congenital heart disease. In 2024, the Company donated RMB 500,000 to the dedicated Bright Future Health Initiative Fund.</p>	<p>"KingNet's Love • Crafts and Paper Art – Intangible Cultural Heritage in Paper" Series of Public Welfare Courses</p> <p>The public welfare course series, themed around "paper", integrated various intangible cultural heritage crafts such as traditional papermaking, tile rubbing, movable type printing, round fan making, kite making, and paper-cut window decorations. Through hands-on creation and immersive experiences, the courses enabled young participants to gain a deep understanding of the profound influence of "paper" on Chinese civilisation.</p>

In addition, the Company has established an efficient and well-structured disaster relief response mechanism to ensure timely action in the event of a disaster, providing affected communities with prompt and effective assistance and support.

Disaster Relief Response Mechanism of KingNet Network



¹In response to the requirements of the *Guidelines*, public welfare and charitable activities carried out in rural areas or for residents in rural areas are clearly disclosed separately in the section "Empowering Rural Revitalisation".

Empowering Rural Revitalisation

The Company actively responds to the national call to "promote comprehensive rural revitalisation" by supporting talent development in rural areas. Through initiatives such as educational support, facility donations, development sponsorships, and living assistance, the Company works to provide rural children with a higher-quality educational environment. Leveraging our expertise and industry strengths, we empower rural educators and contribute to enhancing the standard of quality education in rural communities, injecting vitality into the sustainable and healthy development of these regions.

Key Rural Revitalisation Empowerment Projects of KingNet Network in 2024

2024

Caring for the Growth of Rural Children

"Game Literacy Programme" Public Welfare Project

The Company donated RMB **100,000** to the "Game Literacy Programme" public welfare project by Boke Philanthropy. The donation supported the provision of game literacy toolkits to **seven** schools under the Company's paired assistance initiative. In addition, **two** on-site co-creation game workshops were held locally, along with online support for **eleven** game co-creation sessions.

"Shanghai Journey" Summer Study Camp

In partnership with the Beijing Share the Care Public Welfare Promotion Centre, the Company organised a cultural and educational study tour for **28** Tibetan teachers and students from **seven** Cloud-based Education Support Project schools. The tour took place in Shanghai and Hangzhou, with **15** corporate volunteers from the Company guiding participants as they explored the vibrancy of the cities.

KingNet's Love: Rural Girls Protection Charity Project

Together with Grandall Law Firm (Shanghai), the Company developed and launched picture book *Girls' Escort of KingNet's Love - Healthy Education Mini-Classroom*, donating a total of **12,554** books to school-aged girls in **75** schools across **five** counties in Yushu Prefecture, Qinghai Province, to support the healthy development of Tibetan girls in the region.

Training and Empowerment for Rural Teachers

"Coloured Plateau" Rural Teacher Training Programme

In collaboration with the China Academy of Art, the Company organised **eight** art education training sessions for **40** art teachers and headteachers from **12** rural schools in Qinghai, Yunnan, and Sichuan—regions under the Company's paired assistance initiative. These sessions aimed to enhance rural teachers' capacity for delivering high-quality art education.

"Sports Dreams" Empowerment Programme for Rural Teachers

In partnership with the Adream Foundation, the Company supported rural physical education teachers through a combination of offline training and online course resource sharing. In 2024, **five** online teacher-sharing sessions were held for **18** rural teachers, with a total of **300** minutes of online training. In Yushu, **five** schools implemented an average of **44** physical education lessons per year, amounting to a total of **220** lessons, benefiting more than **6,000** children.





A Closed-loop Journey from the Internet to the Classroom—"Coloured Plateau" Creates Moments of Dreams for Children

In 2022, KingNet Network and the Education Foundation of the China Academy of Art jointly launched the "Coloured Plateau" Rural Art Education Public Welfare Project. The initiative has since delivered online art classes in Qinghai, Sichuan, and Yunnan, while also providing professional development training for local rural art teachers.

In September 2024, KingNet Network held a Children's Charity Art Exhibition themed "My Fairy Tale Tree" as part of Charity Day activities. The event was organised in collaboration with KingNet Chain and featured the release of a digital charity art piece titled My Fairy Tale Tree. The programme was also linked with the Company's game *Rainbow Orange* for an offline charity exhibition.

As of the end of 2024, the programme has supported 12 rural schools, delivering 205 online art lessons totalling 9,800 minutes to 548 rural children, and providing art education training to over 40 teachers.



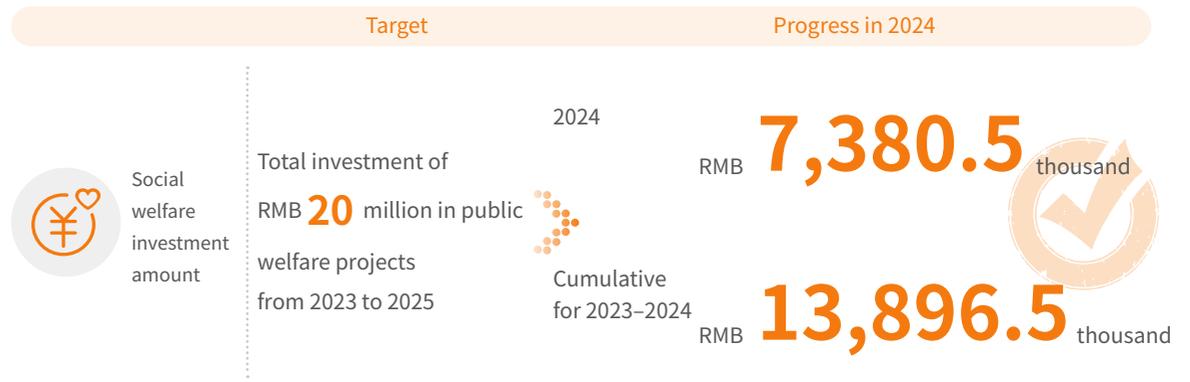
- ① "Coloured Plateau" Rural Art Education Public Welfare Project in Yushu, Qinghai
- ② Empowering Rural Teachers in Aesthetic Education through Training
- ③ Digital Assets in "My Fairy Tale Tree Series"

Metrics and Targets

The Company has formulated the *KingNet Network Sustainable Development Plan (2023–2025)*, setting an overarching goal of "Sustainable Protection". Under this goal, we continue to invest in social welfare areas such as children and youth education, rural revitalisation, emergency and disaster response, and digital accessibility.

In 2024, the Company carried out 20 public welfare projects, with a total investment of RMB 7,380.5 thousand, delivered 1,579 hours of volunteer service, and benefited nearly 3,000 individuals through volunteer engagement.

Metrics and Targets on Community Contribution and Rural Revitalisation of KingNet Network in 2024



Since 2020, KingNet's Love Public Welfare has benefited **15** provinces (autonomous regions and municipalities), **26** cities (autonomous prefectures and regions), and **36** counties (districts, county-level cities, autonomous counties, and banners). It has provided a total of **478,000** items (sets) of aid materials, with donated goods valued at RMB **15.1** million, benefiting a cumulative total of **35,000** individuals, including over 90% from ethnic minority groups. More than **50** public welfare activities have been organised, **six** emergency disaster responses have been initiated, and the programme has received multiple forms of social recognition, significantly expanding the Company's positive influence.



05

Effective Governance Driving High-Quality Development

Topics Responded:

Corporate Governance	Compliant Operation	Risk Management	Anti-commercial Bribery and Anti-corruption	Anti-unfair Competition
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SDGs Addressed:



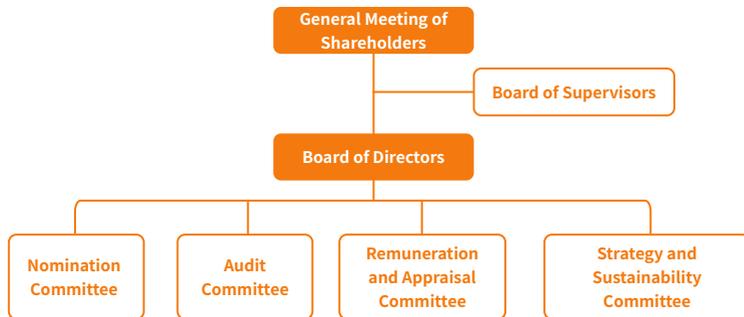
Corporate Governance

Governance

The Company strictly complies with the *Company Law*, the *Securities Law*, the *Code of Governance for Listed Companies*, the *Rules Governing the Listing of Shares on Shenzhen Stock Exchange*, the *Measures for the Administration of Information Disclosure by Listed Companies*, and other laws, regulations, normative documents, and business guidelines. Upholding the leadership of the Party, the Company has established a corporate governance structure comprising the General Meeting of Shareholders, the Board of Directors and its special committees, the Board of Supervisors, and senior management level. We have established a Chief Responsibility Officer team, and implemented a primary responsibility system. These efforts continuously enhance the Company's governance structure and internal control system, promoting standardised and compliant operations.

In 2024, in line with the latest regulatory requirements and business practices, the Company revised internal governance documents such as the *Management Measures for Shareholding and Changes in Shareholding by Directors, Supervisors and Senior Management Members*, and introduced the *Rules of Procedure for Special Meetings of Independent Directors*, further improving the corporate governance system.

Corporate Governance Structure of KingNet Network



Strategy

Corporate governance not only affects financial performance, but also plays a crucial role in shaping brand reputation, fostering innovation, and earning user trust. The Company places strong emphasis on regulatory compliance and investor relations management, and continuously identifies, assesses, and manages the impacts, risks, and opportunities associated with corporate governance. We have developed the Action Plan for Quality and Return Enhancement to refine and strengthen our governance framework, ensuring it remains transparent, standardised, and efficient. At the same time, we are reinforcing corporate culture, building core competitiveness, elevating our position within the industry, and laying a solid foundation for long-term sustainable development.

Impacts, Risks and Opportunities in Corporate Governance Identified by KingNet Network and Response Strategies

Key Impacts, Risks, and Opportunities	Timeframe of Impact	Potential financial impact	Response Strategy
<p>Impact: Impairment of investor rights</p> <p>Risks: Reputational risk, compliance risk</p> <p>Operation of the system of "General Meeting of Shareholders, Board of Directors and Board of Supervisors"</p> <p>Information disclosure and protection of shareholder rights and interests</p>	Medium- and long-term	<ul style="list-style-type: none"> Increase in compliance costs Decrease in operating revenue Increase in financing costs 	<ul style="list-style-type: none"> Always adhere to the principles of standardisation and transparency to ensure lawful and compliant decision-making processes. Strengthen the mechanism for protecting the rights and interests of minority shareholders. Enhance supervision of senior management conduct. Uphold the principles of truthfulness, accuracy, integrity, timeliness, and fairness to build an efficient, investor-oriented information disclosure system. Establish a stable and effective communication mechanism with shareholders.

Management of Impacts, Risks and Opportunities

Leadership by Party Building

KingNet Network incorporates leadership of Party building into its *Articles of Association*. The Company's directors, deputy chairman, and general manager serve as the secretaries of the CPC committees, fully leveraging the leadership role of the CPC committees to strengthen the unity of Party leadership and corporate governance. The Company's Party Committee has four party branches with 114 members.

In 2024, the Company continued to innovate in its Party-building methods and platforms, successfully launching a Party-building brand tailored to the online game industry - an "Orange" Heart towards the Party (be loyal to the Party). A comprehensive brand system was developed, integrating corporate culture and values, and included the design of a dedicated brand logo, visual identity, highlights, case studies, achievements, and animations. We also launched a series of themed merchandise and digital assets under the brand.

Guided by the goal of "Red Party-building Leading Orange KingNet", the Company actively promoted the "dual coverage" of Party building, embedding Party building into corporate culture and operations. Through coordinated learning initiatives and joint Party-building activities, we have consolidated and extended the outcomes of themed education and advanced the role of Party building in driving new quality productive forces.



"1 July" Commendation Conference and Party-building Brand Launch Event



Joint Party Building with Party Organisations in the Same Industry



Honours and Commendations Received for the Company's Party Building in 2024

Operation of the System of "General Meeting of Shareholders, Board of Directors and Board of Supervisors"

The Company operates in strict accordance with the Company Law and its Articles of Association, maintaining a sound corporate governance structure with independent and comprehensive business and operational capabilities. In 2024, the Company convened the General Meeting of Shareholders, meetings of the Board of Directors, the Board of Supervisors, as well as special committees as required. The procedures for convening meetings, deliberation, voting methods, and resolutions were all conducted lawfully and effectively.

Operation of KingNet Network's Board of Directors in 2024



Effective performance of the Board of Directors

- Directors of the Company are elected or replaced by the General Meeting of Shareholders, with each term lasting three years and eligibility for re-election upon expiry. In 2024, there were no changes to the directors, supervisors, or senior management members. The Board of Directors comprised eight members, none of whom held board positions in more than three listed companies (including KingNet Network).
- All directors perform their duties in accordance with the *Rules of Procedure for the Board of Directors* and other related systems, attending meetings of the Board of Directors and the General Meeting of Shareholders diligently, actively participating in relevant training, staying informed of applicable laws and regulations, and fulfilling their responsibilities with honesty and integrity.
- In 2024, the Company actively organised directors, supervisors, and senior management members to participate in compliance training organised by regulatory authorities to strengthen their professional competencies. Training topics covered ESG policies and trends, listed company value management, corporate governance practices, and reforms of the independent director system.

- In 2024, the Company convened:

General Meeting of Shareholders

1

with

7

proposals reviewed

Board of Directors meetings

4

with

27

proposals reviewed

Board of Supervisors meetings

4

with

19

proposals reviewed

meetings of special committees

8

with

23

proposals reviewed



Independence of the Board of Directors

- The Company continues to enhance the assessment mechanism for independent directors and fully leverages their supervisory role in operations, decision-making, and major matters.
- In line with national reforms on the board system, the proportion of independent directors on the Board was increased from one-third to one-half, and their representation on the Audit Committee was raised from two-thirds to full (3/3), further enhancing their role in daily governance and promoting the Board's independence, fairness, transparency, and objectivity, while improving internal control efficiency.
- In 2024, the Company formulated the *Rules of Procedure for Special Meetings of Independent Directors* to strengthen Board independence. One special meeting of independent directors was convened, reviewing one proposal.



Diversity of the Board of Directors

- When nominating candidates for directorship, the Company considers Board diversity across multiple dimensions, including but not limited to gender, age, skills, and professional background.



Performance assessment and incentive & restraint mechanism for directors, supervisors, and senior management members

- A fair and transparent performance assessment and incentive and restraint mechanism has been established and continuously improved for directors, supervisors, and senior management members. The appointment of senior management members is open and transparent, in compliance with legal and regulatory requirements.
- The Company has implemented the *Remuneration Management System for Directors and Supervisors*. The General Meeting of Shareholders determines the annual remuneration framework, while the Board's Remuneration and Appraisal Committee, under the authorisation of the General Meeting of Shareholders, is responsible for performance appraisals of directors.
- *The Management Measures for Shareholding and Changes in Shareholding by Directors, Supervisors and Senior Management Members* was revised to strengthen oversight of their shareholdings and changes.
- In 2024, the Company's senior management level made a formal commitment not to reduce their directly held shares in the Company in any form over the five years from 3 July 2024 to 2 July 2029.



Information on Members of KingNet Network's Board of Directors

Directors	Positions Held	Age	from Management level	Independent from Other Stakeholders	Financial Expert	Industry Expert	Risk Management Expert
Jin Feng	Chairman of the Board Member of the Nomination Committee Chair of the Strategy and Sustainability Committee	37	✓				
Shen Jun	Vice Chairman General Manager Member of the Remuneration and Appraisal Committee	47		✓		✓	
Zhao Fan	Director, Deputy General Manager	47		✓		✓	
Qian Junfa	Director, Deputy General Manager	45		✓		✓	
Zhu Yayuan	Independent Director Chair of the Nomination Committee Member of the Remuneration and Appraisal Committee Member of the Strategy and Sustainability Committee	60	✓	✓			
Fu Weigang	Independent Director Member of the Audit Committee Member of the Nomination Committee Member of the Remuneration and Appraisal Committee	48	✓	✓	✓		
Huang Fa	Independent Director Chair of the Audit Committee Member of the Strategy and Sustainability Committee	43	✓	✓	✓		
Jiang Hongzhen	Independent Director Member of the Audit Committee	46	✓	✓			✓

Information Disclosure and Protection of Shareholder Rights and Interests

The Company is committed to protecting the legitimate rights and interests of the Company, its shareholders, and other stakeholders by focusing on improving the transparency of information disclosure, deepening investor relations, and enhancing the effectiveness of capital operations.

The Company maintains active communication with investors through multiple channels, including the corporate website, online announcements, an official investor relations WeChat public account platform, earnings briefings, both online and offline investor meetings, and the platform (irm.cninfo.com.cn) of the Shenzhen Stock Exchange. The Company also fully leverages digital tools to improve communication efficiency, and conducts internal audits and oversight of the disclosure process to reduce errors and inappropriate practices, thereby enhancing the quality and reliability of information disclosure. In 2024, the Company published a total of 80 announcements on the Shenzhen Stock Exchange. Our information disclosure received an "A" rating from the Shenzhen Stock Exchange, while our investor relations management earned an "A" rating—the highest level—in the Fujian region among listed companies.

Adhering to an investor-first philosophy, the Company formulates a *Three-Year Shareholder Return Plan* every three years and implements it rigorously. We actively protect investor rights and enhance returns through measures such as prioritising shareholder returns, repurchasing shares to boost minority shareholder confidence, and public commitments from controlling shareholders and senior executives not to reduce their shareholdings for five years. Our profit distribution policy complies with the Company's Articles of Association and approval procedures, fully safeguarding the legal rights and interests of minority investors.



The Company organises investor communication activities on a regular or ad hoc basis, engaging with approximately

2,000 investors in total in 2024.



"Journey to Success, Inspire the Future" – 2024 Mid-Year Game Business Exchange Conference



"Core Gamers, Committed to Value" – 2024 Annual Investor Exchange Conference

Honours and Recognitions for KingNet Network's Information Disclosure and Investor Relations in 2024:



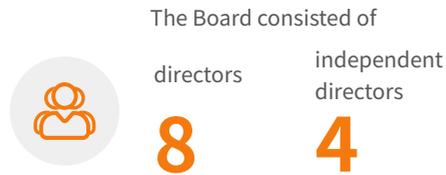
Metrics and Targets

The Company has established corporate governance-related targets and corresponding monitoring indicators to continuously track implementation progress. In 2024, the actual state of corporate governance did not show any material deviation from the laws, administrative regulations, or provisions on corporate governance issued by the China Securities Regulatory Commission. For more details on corporate governance topic management, please refer to the "Corporate Governance" section of the *2024 Annual Report of KingNet Network Co., Ltd.*

Strengthen support mechanisms for directors in fulfilling their duties



Improve the assessment mechanism for independent directors and enhance the independence of the Board



Promote diversity within the Board and senior management level



Refine and improve the Company's shareholder dividend return mechanism



¹The number of directors, supervisors and senior management members of the Company is 15, including two female members.



Compliant Operation

Governance

Guided by the management philosophy of "Creating Value from Compliance", the Company has established a comprehensive internal management system following laws, regulations and relevant rules such as the *Company Law of the People's Republic of China* and the *Basic Standard for Enterprise Internal Control*. The system covers various aspects including finance, human resources, asset management, and capital activities. In 2024, the Company added and revised a total of 27 internal compliance management systems, including the *Management System for Impairment Provision for Long-term Equity Investments*, the *Employee Behaviour Management Measures*, and the *Contract Management System*. These systems cover the management of financial asset impairment provisioning and write-off processing, employee behaviour management, and company contracts. The Company improved its compliance management processes, actively implemented compliance management actions, and ensured the legality and compliance of its operations.

The Company has established a Legal Affairs Department, headed by the Chief Legal Officer and operates under the supervision of the Board of Directors. The department is responsible for building and refining the Company's compliance management system, providing legal safeguards and legal support for the Company's development.

Strategy

During operations, the Company may face various compliance risks, such as violations related to game content or recruitment, which may lead to regulatory penalties, legal disputes, economic losses, or reputational damage. To mitigate these risks, the Company has developed a sound compliance management system to accurately identify and effectively manage compliance risks, thereby continuously enhancing compliant operations.

Key Compliance Risks Identified by KingNet Network and Response Strategies

Type of Risk	Timeframe of Impact	Potential financial impact	Response Strategy
 Compliance risks such as violations related to game content and recruitment 	Medium- and long-term	<ul style="list-style-type: none"> Increase in compliance costs Decrease in revenue 	<ul style="list-style-type: none"> Conduct regular compliance training and awareness activities. Continuously improve the internal control system and strengthen internal audits. Integrate compliance management into the daily management of all ESG topics.

Management of Impacts, Risks and Opportunities

The Company is committed to building a comprehensive internal control and audit system, reviewing and strengthening management processes and institutional frameworks, and actively maintaining an effective internal control system. By enhancing audit and supervision procedures, and implementing a series of internal control measures, the Company aims to reduce the occurrence of errors and non-compliant behaviours.

Compliant Operation and Management Measures of KingNet Network in 2024

Enhance the effectiveness of internal control, compliance management, and internal auditing

- Ensure the soundness of the internal control system and compliance with applicable regulations.
- Strengthen the independence of the internal audit department, which reports directly to the Board of Directors, and enhance company-wide compliance awareness and skills through training.

Improve the truthfulness, accuracy, and integrity of financial and accounting information

- Establish a robust internal control system, including regular financial audits, internal inspections, and compliance reviews.
- Emphasise professional training for accounting personnel to ensure team members are proficient in accounting standards, financial reporting, and professional ethics.
- Introduce an independent external audit mechanism by regularly engaging professional firms to conduct audits.



Compliance Training for Directors, Supervisors, Senior Management Members and Key Middle Management Personnel

2024, the Company organised a compliance training session for directors, supervisors, senior management members, and key middle management personnel. The session was attended by 35 participants and lasted three hours. Training topics included *Compliant Duty Performance of Directors, Supervisors and Senior Management Members*, *Interpretation and Analysis of the New Company Law*, and *New Approaches to Investor Relations Management in the Registration-Based Era*.



Compliance Training Site

Metrics and Targets

The Company has established compliance management targets and put in place oversight mechanisms to ensure effective implementation of compliance practices.

Employee compliance training coverage rate



Number of violation incidents



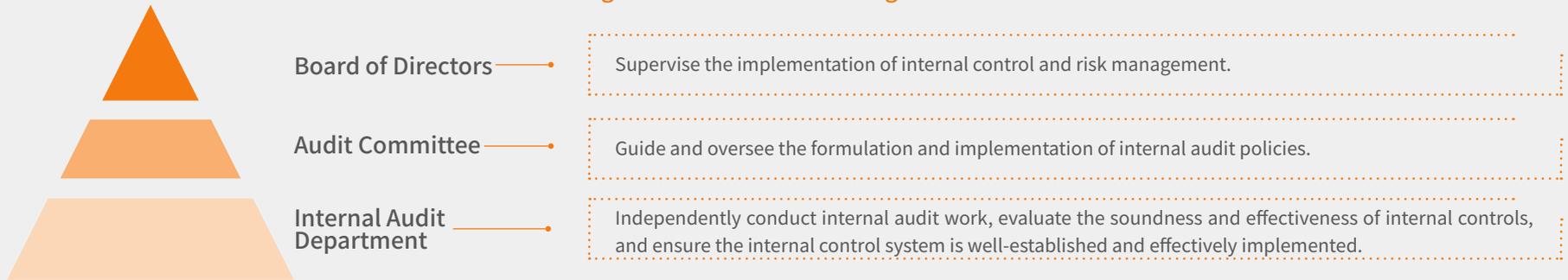
Risk Management

Governance

The Company strictly complies with the *Company Law of the People's Republic of China*, the *Basic Standard for Enterprise Internal Control*, the *Evaluation Guideline for Enterprise Internal Control*, and other relevant laws, regulations, and requirements. We have established a sound risk management system, strictly enforce internal control systems applicable to listed companies, accelerate the implementation of internal control standards, and continuously enhance our operational management capabilities and risk prevention capacity.

The Company has built a comprehensive risk management framework consisting of three lines of defence: the Board of Directors and the Audit Committee, the Internal Audit Department and the business departments. The Internal Audit Department, led by the Chief Audit Officer, operates under the supervision and guidance of the Board of Directors and its Audit Committee. It conducts regular internal audits to assess and improve the effectiveness of internal controls and the risk management mechanism.

Risk Management Framework of KingNet Network



Strategy

The Company faces several key risks in its daily operations, including risks related to game content, intensified market competition, loss of core talent, and changes in industry policies. To address these challenges, the Company has established a comprehensive risk management system and actively formulates response strategies for identified risks, enabling effective risk mitigation and control.

Key Sustainability Risks Identified by KingNet Network and Response Strategies

Risks	Risk Descriptions	Timeframe of Impact	Potential financial impact	Response Strategy
Game content risk	If the Company fails to manage game content appropriately, it may violate relevant laws and regulations or face reputational damage due to negative content.	Medium- and long-term	<ul style="list-style-type: none"> Increase in compliance costs Decrease in revenue 	<ul style="list-style-type: none"> Establish a comprehensive supervision and review mechanism for game products, issue regular compliance reports, and mitigate game content risks.
Intensified market competition risk	If the Company's game products fail to adapt to changing market demands or strengthen core competitiveness and expand market share, it will face intense market competition.		<ul style="list-style-type: none"> Enhance publishing standards and operational capabilities, deliver differentiated product services, continuously optimise user gaming experience, and maintain competitive advantages. Continuously launch hit titles and new games to strengthen core competitiveness, expand market share, and ensure efficient growth in global mobile game publishing and operations. 	
Risk of losing core talent	Talent is a core resource in the gaming and internet industries. Maintaining human resource stability is critical to the Company's sustainable development.		<ul style="list-style-type: none"> in revenue 	<ul style="list-style-type: none"> Implement employee stock ownership and stock option incentive plans to establish and improve the benefit-sharing mechanism between employees and owners, attracting and retaining outstanding management personnel and key talents. (For details, refer to the "Human Capital Development" section.)
Policy change risk in the game industry	Changes in industry policies, such as game licensing approvals, may affect the advancement of domestic game operations and the Company's overall product pipeline.		<ul style="list-style-type: none"> Closely monitor changes in national policies and promptly adjust game operation strategies. At the same time, adhere to the principles of high-quality game development, long-term operational planning, and overseas market expansion to reduce the impact of industry policies on the Company's game business. Introduce IPs suitable for global distribution to avoid affecting the launch of the game due to licensing policy factors. 	
IP acquisition risk	In the process of acquiring IP, the Company may encounter risks related to cost, content, and geopolitical factors.		<ul style="list-style-type: none"> Increase in operating expenses Decrease in revenue 	<ul style="list-style-type: none"> In the IP acquisition process, the Company comprehensively assesses the cost of the project and selects IPs with controllable costs and proven commercial content. Confirm that all acquired IPs are promoted for R&D and production within six months, and all acquired IP game projects are released in at least one major mainstream mobile game market.
Other sustainability-related risks	See relevant topics in this Report			

Management of Impacts, Risks and Opportunities

The Company has developed an RCM (Risk Control Matrix) to continuously enhance its major risk prevention and control mechanisms. Through this matrix, risks are identified and corresponding control objectives and measures are set to ensure that risks related to financial statements are effectively managed.

In addition, to address game content risks effectively, the Company uses the OA system to track and manage the entire publishing process. This ensures rigorous control over each stage—from content creation to review and publishing—guaranteeing that all game content complies with laws, regulations, and ethical standards.

Other sustainability-related risk management measures are available in the relevant topics of this Report.



Metrics and Targets

To address game content risk, the Company has set a target of "zero violations in published games" and established a long-term monitoring mechanism to ensure the effective implementation of risk management.

Number of violations in published games



Anti-commercial Bribery and Anti-corruption

Governance

The Company strictly abides by applicable laws and regulations such as the *Interim Provisions on Prohibiting Commercial Bribery*. The Company has established documents such as the *Employee Behaviour Management Measures*, the *Joint Meeting System for Integrity and Self-Discipline* and the *Supervision System* to define "red line" behaviours, and issued the *Business Ethics and Anti-Corruption Statement* to jointly foster a culture of integrity.

The Board of Directors exercises overall oversight of ESG-related management, including business ethics and anti-corruption, and is ultimately responsible for its outcomes. The Supervisory Department is responsible for promoting the establishment of the Company's integrity system, standardising the control measures and procedures for preventing and identifying corruption risks, conducting targeted audits, and strengthening the Company's risk management practices in anti-commercial bribery and anti-corruption.



Strategy

Adhering to a "zero tolerance" policy towards corruption, the Company follows punishing and preventing simultaneously. We actively identify, assess, and manage risks related to anti-commercial bribery and anti-corruption, continuously improving our management system to effectively prevent and control corruption and bribery risks across the entire value chain.

Risks in Anti-commercial Bribery and Anti-corruption Identified by KingNet Network and Response Strategies

Risks	Timeframe of Impact	Potential financial impact	Response Strategy
 Reputational risk	Medium- and long-term	<ul style="list-style-type: none"> Increase in compliance costs Decrease in revenue 	<ul style="list-style-type: none"> Adhere to a "zero tolerance" policy and the principle of punishing and preventing simultaneously, with clearly defined red-line behaviours. Strengthen the integrity system. Conduct targeted supervisory audits. Establish a whistleblowing platform and maintain open internal reporting channels. Enhance internal anti-corruption awareness and advocacy.

Management of Impacts, Risks and Opportunities

The Company continuously strengthens its anti-commercial bribery and anti-corruption efforts by focusing on system development, supervisory audits, whistleblower protection, and awareness campaigns. These initiatives aim to prevent and mitigate potential corruption risks within business operations.

Key Anti-commercial Bribery and Anti-Corruption Management Measures of KingNet Network

Conduct targeted audits

- Conduct regular targeted supervisory audits covering all Company operation sites.
- Assess and evaluate the integrity, appropriateness, and effectiveness of the Company's and key subsidiaries' ethical standards, anti-corruption policies, and their implementation.

Promote anti-corruption awareness and education

- Conduct annual anti-corruption and integrity education activities covering all employees, including training on ethical standards, strengthening integrity education, guiding employees to build a firm line of defence on ideology and morality, and enhancing awareness of anti-corruption and integrity.

Manage anti-corruption within the supply chain

- Implement the *Supplier Management Rules*, the *Procurement Process Management Rules*, and *sign Integrity and Honesty Commitment* with suppliers to make it clear to suppliers and business partners that the Company holds zero tolerance for corruption.

Establish a whistleblower protection mechanism

- **Ensure open reporting channels:** Establish multiple reporting methods, including a dedicated email address (jubao@kingnet.com) and mailing address, encouraging all employees, business partners, and other stakeholders to report any actual or suspected incidents of corruption, fraud, or misconduct involving Company personnel via email or written correspondence.
- **Whistleblower protection:** The Supervisory Department leads comprehensive investigations into reported matters. In accordance with applicable laws, regulations, and the Company's policy documents, whistleblower confidentiality is strictly maintained, and appropriate measures are taken to protect whistleblowers, witnesses, and investigators from retaliation.



Anti-Corruption Awareness Session

In 2024, the Company organised two anti-corruption awareness sessions, targeting employees at relevant P-level positions. The total training duration was three hours, covering more than 70 participants.



Awareness Session Site

Metrics and Targets

The Company has established management metrics to continuously monitor the effectiveness of anti-commercial bribery and anti-corruption efforts. During the reporting period, no incidents related to commercial bribery or corruption occurred.

Number of concluded corruption litigation cases filed against the Company or its employees during the reporting period



Anti-unfair Competition

Governance

The Company complies with the *Anti-Unfair Competition Law of the People's Republic of China* and is committed to eliminating all forms of unfair competition. This includes preventing false advertising, protecting intellectual property rights, ensuring fair competition, and maintaining a fair competitive market order. To this end, the Company has established internal policies such as the *Intellectual Property Management System*, the *Trademark Management Measures*, the *Regulations on the Management of Commissioned Technology Development Business*, and the *Regulations on the Management of IP Introduction and Adapted Game Projects*, in order to safeguard its own intellectual property and prevent infringement of others' rights.

Under the supervision of the Board of Directors, the Legal Affairs Department and the Game Publishing Division are responsible for managing the Company's anti-unfair competition efforts.

Strategy

The Company actively identifies risks related to unfair competition and formulates targeted response strategies. A range of measures and procedures are implemented to prevent false advertising, protect intellectual property, and ensure fair competition, thereby contributing to the healthy development of the industry.

Risks in Anti-unfair Competition Identified by KingNet Network and Response Strategies

Risks	Timeframe of Impact	Potential financial impact	Response Strategy
Marketing violations	Medium- and long-term	<ul style="list-style-type: none"> Increase in compliance costs 	<ul style="list-style-type: none"> Continuously strengthen the marketing compliance framework.
Infringement of others' intellectual property rights		<ul style="list-style-type: none"> Increase in compliance costs 	<ul style="list-style-type: none"> Adhere to the core principles of "creation encouragement, effective utilization, legal protection, and scientific management" to ensure ongoing and effective intellectual property protection.
Infringement of the Company's intellectual property rights		<ul style="list-style-type: none"> Decrease in revenue 	



Management of Impacts, Risks and Opportunities

The Company places great importance on its brand image and conducts marketing and promotional activities in full compliance with regulations, effectively preventing false advertising. In terms of intellectual property protection, we follow the core principles of "creation encouragement, effective utilization, legal protection, and scientific management", and implement intellectual property management across multiple dimensions, including trademark application and renewal, intellectual property protection litigation, and specialised training on intellectual property protection.

Anti-unfair Competition Management Measures of KingNet Network

System enhancement	<ul style="list-style-type: none"> The Company has improved intellectual property management practices and obtained certification for the intellectual property compliance management system.
Trademark application and renewal	<ul style="list-style-type: none"> The Company has filed a total of 25 trademark-related applications, including registrations, renewals, and amendments.
Intellectual property rights protection litigation	<ul style="list-style-type: none"> The Company protects the Company's game IP through litigation. In 2024, KingNet cooperated with South Korea's Mgame to defend the Yul Hyul Kang Ho IP, taking legal action against pirated projects operated without authorisation.
Game IP protection	<ul style="list-style-type: none"> The Company protects its game IP through copyright registration, trademark registration, patent protection, contractual safeguards, and enforcement actions. For unauthorised merchandise and trademark squatting issues, the Company actively registers copyrights and trademarks, monitors the market, and initiates legal action as needed.
Purchase of licensed software	<ul style="list-style-type: none"> The Company replaces pirated software with open-source or free-licensed systems and software, or purchases authorised software to ensure compliance.
Intellectual property compliance training	<ul style="list-style-type: none"> Regular intellectual property compliance training sessions were conducted to raise employee awareness of IP protection.

Obtain Certification for Intellectual Property Compliance Management System

In 2024, the Company obtained the IPR Compliance Management System Certification, which covers "IPR compliance management activities related to the development and sales of mobile games and PC games within the scope of qualification and the procurement related to the above process".



Metrics and Targets

The Company has set a goal of "zero unfair competition" and actively promotes compliant marketing and intellectual property protection. In 2024, no incidents of false advertising, monopolistic practices, or infringement of others' intellectual property were recorded.

Amount involved in litigation or major administrative penalties due to the Company's unfair competition practices during the reporting period



ESG Data Table and Notes

Environmental Performance¹

Indicator	Unit	2022	2023	2024
Total energy consumption	tce	—	—	227.67
Direct energy consumption ²	tce	—	—	36.74
Indirect energy consumption ³	tce	—	—	190.93
Energy consumption per unit revenue	tce/RMB million	—	—	0.04
Total power consumption	kWh	2,098,780	2,060,894	1,552,434
Purchase of green electricity certificates ⁴	kWh	—	825,000	1,100,000
Proportion of green electricity in annual power consumption	%	—	40.03	70.86
Power consumption per unit operating revenue	kWh/RMB0,000	5.63	4.80	3.03
Gasoline consumption of self owned vehicles	L	17,847.47	42,452.00	33,737.56
Total GHG emissions (Scope 1+ Scope 2) ⁵	tCO ₂ e	1,236.22	828.40	339.67

Indicator	Unit	2022	2023	2024
Scope 1 GHG emissions ⁵	tCO ₂ e	39.00	94.03	74.73
Scope 2 GHG emissions ⁵	tCO ₂ e	1,197.22	734.37	264.95
GHG emissions (Scope 1 + Scope 2) per unit revenue	tCO ₂ e/RMB million	0.33	0.19	0.07
Scope 3 GHG emissions	tCO ₂ e	—	21,126.62	132,360.68
Category 1: Purchased goods and services ⁶	tCO ₂ e	—	19,595.72	130,644.35
Category 6: Business travel	tCO ₂ e	—	371.91	362.01
Category 7: Employee commuting	tCO ₂ e	—	1,158.99	1,354.32
Total water consumption ⁷	t	8,980	6,377	16,781.75
Water consumption per unit revenue	t/RMB0,000	0.024	0.015	0.033

Note 1: [Statistical Scope] The statistical scope for environmental data includes KingNet Network and its subsidiaries Shanghai KingNet, Shanghai KingNet Software, Shanghai Doushi, and Zhejiang Shenghe. In 2022, gasoline consumption from Company-owned vehicles was calculated based solely on Zhejiang Shenghe. In 2023 and 2024, the statistical scope was expanded to include KingNet Network and its subsidiaries Shanghai KingNet, Shanghai KingNet Software, Shanghai Doushi, and Zhejiang Shenghe. As a result, the data shows a significant change compared to 2022.

Note 2: Direct energy consumption refers to gasoline used by Company-owned vehicles. The energy consumption data was converted using the average lower heating value coefficients published in the China Energy Statistical Yearbook by the National Bureau of Statistics.

Note 3: Indirect energy consumption refers to purchased electricity. Conversion of energy consumption is based on the standard 20° C calorific value as specified in *GB/T 2589—2020 General Rules for Calculation of the Comprehensive Energy Consumption*.

Note 4: In 2024, the Company purchased a total of 1,100 green electricity certificates, each representing 1 MWh of green electricity, and the period when the electricity consumption was offset lasted from 1 January to 31 December 2024.

Note 5: The total GHG emissions includes the Scope 1 and Scope 2 GHG emissions. Scope 1 GHG emissions are direct GHG emissions generated by gasoline consumption of self-owned vehicles. The calculated GHG types include CO₂, CH₄, and N₂O. The calculation coefficients for GHG emissions generated by gasoline consumption follow the *Accounting Method and Reporting Guide of GHG Emissions from Land Transportation Enterprises (Trial) (2015)* issued by the National Development and Reform Commission and the *China Energy Statistical Yearbook (2022)* published by the National Bureau of Statistics of China. Scope 2 GHG emissions are GHG emissions generated from purchased electricity and the calculated GHG type is CO₂. In 2022, the Company calculated GHG emissions generated from purchased electricity based on location. In 2023 and 2024, the Company disclosed GHG emissions generated from purchased electricity calculated based on both location and market. In 2024, the relevant GHG emission factors refer to the *Announcement on the Release of Carbon Dioxide Emission Factors for Electricity in 2022* issued by the Ministry of Ecology and Environment and the National Bureau of Statistics in 2024. The emission factor for purchased electricity by location is 0.5366 tCO₂e per megawatt-hour, and the emission factor for purchased electricity (excluding non-fossil energy electricity traded in the market) by market is 0.5856 tCO₂e per megawatt-hour.

Note 6: Category 1: Outsourced goods and services include information technology services, commercial services, and cultural and office equipment.

Note 7: Due to the inclusion of water fees in property expenses at the Head Office, it was not possible to separately calculate water consumption from the total utility bills. Therefore, in 2022 and 2023, water consumption statistics included reception water use and separate restroom usage at the headquarters, as well as total water consumption at Zhejiang Shenghe. In 2024, the Company estimated total water consumption by applying Zhejiang Shenghe's per capita water use rate across the entire reporting scope. Accordingly, the 2024 data show significant variation compared to previous years.

Social Performance

Employment and Training Performance Table

Indicator	Unit	2022	2023	2024
Total number of employees	Person	1,702	1,869	2,184
By gender	Male	1,247	1,366	1,584
	Female	455	503	600
By type of employment	Labor contract	1,702	1,869	2,184
	Labor dispatch system	0	0	0
	Part-time	0	0	0
By region	Mainland China	1,702	1,869	2,183
	Hong Kong, Macau, Taiwan, and overseas	0	0	1
By age	Over 50 years old	1	2	6
	30-50 years old	803	927	1,112
	Under 30 years old	898	940	1,066
Number of employees in the management level ¹	Person	—	—	175
Percentage of female employees in the management level	%	—	14.94	16.00
Turnover of employees ²	%	17.86	18.89	11.08
By gender	Male	17.80	19.11	10.42
	Female	18.02	18.29	12.83
By age	Over 50 years old	100	0	33.33
	30-50 years old	10.21	14.35	6.38
	Under 30 years old	24.61	23.4	15.85
Signing rate of labour contracts	%	100	100	100

Indicator	Unit	2022	2023	2024
Percentage of employees accepting regular performance and career development assessment ³	%	100	100	100
Number of employee training sessions	Session	—	—	329
Total employee training expenditure	RMB0,000	—	—	81.51
Coverage of employees in training ⁴	%	100	100	100
Training time per employee ⁵	Hour	4.38	18.84	13.05
Total number of employee discrimination incidents	No.	0	0	0
Employee work-related injury insurance expenditure	RMB0,000	—	—	57.29
Coverage rate of employee work-related injury insurance	%	—	—	100
Percentage of employee deaths due to work-related injuries	%	0	0	0
Working days lost due to work-related injuries	day	0	0	0
Incidence rate of work-related accidents	%	0	0	0

Note 1: The management level encompasses senior management level and middle management level.

Note 2: [Calculation method] Turnover in each category of employees = number of employees who voluntarily resigned within the year / total number in each category of employees at the end of the year * 100.

Note 3: [Calculation method] Percentage of employees accepting regular performance and career development assessment = employees accepting regular performance and career development assessment during the reporting period / total number of employees at the end of the reporting period * 100.

Note 4: [Calculation method] Coverage of employees in training = number of employees receiving training / total number of employees * 100.

Note 5: [Calculation method] Training time per employee = total number of hours of training received by employees during the year / total number of employees.

Product Responsibility and Customer Service Performance Table

Indicator	Unit	2022	2023	2024
Number of complaints about products and services ¹	/	70	273	520
Complaint handling rate ¹	%	100	100	100
Number of legal or regulatory violations related to game content quality	/	—	0	0
IP approval rate for acquired intellectual properties	%	—	—	100

Note 1: The scope of the number of complaints and complaint handling rate covers the number of complaints received by the XY platform and 12345 Citizen Service Hotline. Complaint handling rate = number of complaints timely handled and resolved by the Company / number of complaints about products and services received by the Company within the year. In the past two years, the scale of the Company's gaming business has expanded, driving an increase in the number of product categories launched and a growing user base. As a result, the total number of complaints has risen year by year.

Data Security and Customer Privacy Protection Performance Table

Indicator	Unit	2022	2023	2024
Coverage rate of employee training and awareness on data security and privacy protection	%	—	—	100
Number of penalty incidents due to violations of data security laws and regulations	/	—	—	0
Amount involved in data security incidents	RMB0,000	—	—	0.00
Number of flaws in anti-addiction system	/	—	—	0
Total number of violations related to customer privacy	/	0	0	0

Innovation-Driven Performance Table

Indicator	Unit	2023	2024
Number of R&D personnel	Person	1,275	1,488
Proportion of R&D personnel	%	68.22	68.13
Amount invested in R&D	RMB0,000	—	59,837.31
R&D investment as a percentage of main business revenue	%	—	11.69
Number of patent applications during the reporting period	/	—	1
Number of patents granted during the reporting period	/	—	0
Number of valid patents during the reporting period	/	—	22
Number of invention patents applied to main business	/	—	5
Number of trademark applications during the reporting period	/	—	25
Number of trademarks approved during the reporting period	/	—	31
Cumulative number of trademarks approved	/	—	669

Supply Chain Management Performance Table

Indicator	Unit	2022	2023	2024
Total number of suppliers	No.	401	461	531
Number of suppliers in Mainland China	No.	400	460	530
Number of suppliers in Hong Kong, Macau, Taiwan and overseas	No.	1	1	1

Community Investment Performance Table

Indicator	Unit	2022	2023	2024
Investment in social public welfare	RMB	3,949,670.50	6,516,983.39	7,380,497.08
Public welfare donation	RMB	3,076,710.00	1,274,715.00	2,775,989.00
Number of volunteer activities organised	/	—	—	20
Total hours of employee volunteer service	Hour	—	—	1,579
Employee volunteer service participation	/	—	—	2,893
Number of public welfare projects carried out	/	—	—	20
Number of beneficiaries of rural revitalisation initiatives	Person	—	—	14,268
Investment amount in rural revitalisation	RMB	—	—	1,873,673.26

Economic Performance

Indicator	Unit	2022	2023	2024
Revenue	RMB 0,000	372,553.45	429,539.03	511,819.29
Total profit	RMB 0,000	138,427.44	169,724.34	167,325.24

Sustainability Governance Performance

Anti-commercial Bribery and Anti-corruption Performance Table

Indicator	Unit	2022	2023	2024
Percentage of employees covered by anti-commercial bribery and anti-corruption training	%	—	—	100
Number of suppliers that signed anti-corruption agreements	No.	—	—	531
Amount involved in litigation or major administrative penalties due to the Company's unfair competition practices during the reporting period	RM0,000	—	—	0.00
Number of completed corruption lawsuits filed against the Company or its employees during the reporting period	No.	0	0	0

Compliant Operation Performance Table

Indicator	Unit	2024
Compliance training coverage rate	%	100
Number of compliance training sessions conducted	/	24

Report Standard Index

Index of the *Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation)*

Disclosure Requirement	Corresponding Section in This Report	Disclosure Requirement	Corresponding Section in This Report	Disclosure Requirement	Corresponding Section in This Report
Topics Required for Disclosure under the <i>Guidelines</i>		Innovation	Product R&D and Innovation	Employees	Employment and Protection of Employees' Rights and Interests Human Capital Development ESG Data Table and Notes
Climate response	Climate Reponse ESG Data Table and Notes	Ethics of science and technology	ESG Data Table and Notes	Due diligence	Topic Materiality Assessment
Pollutant discharge	Green Office ESG Data Table and Notes	Supply chain security	Supplier Sustainability Management	Stakeholder engagement	Communication with Stakeholders
Waste disposal	As an online game company, the Company produces relatively low levels of emissions and has minimal environmental impact. Therefore, this topic is of low relevance to the Company.	Equal treatment of SMEs	As of the end of the reporting period, the balance of the Company's accounts payable (including notes payable) did not exceed RMB30 billion and accounted for less than 50% of total assets. Neither the Company nor its subsidiaries had any overdue payments to small- and medium-sized enterprises publicly disclosed via the National Enterprise Credit Information Publicity System.	Anti-commercial bribery and anti-corruption	Anti-Commercial Bribery and Anti-Corruption ESG Data Table and Notes
Ecosystem and biodiversity protection	Ecosystem and Biodiversity Protection	Product and service safety and quality	Content Quality Management Customer Service and Complaint Handling ESG Data Table and Notes	Fair Competition	Anti-Unfair Competition
Environmental compliance management		Data security and customer privacy	Data Security and Customer Privacy Protection ESG Data Table and Notes	Topics Voluntarily Disclosed in Accordance with Article 5 of the <i>Guidelines</i>	
Energy utilization	Green Office			Social Functions of Games	Social Functions of Games
Water resources utilization	ESG Data Table and Notes			Protection of Minors in Cyberspace	Protection of Minors in Cyberspace
Circular economy				Corporate Governance	Corporate Governance ESG Data Table and Notes
Rural revitalisation	Community Contribution and Rural Revitalisation			Compliant Operation	Compliant Operation ESG Data Table and Notes
Social contributions	ESG Data Table and Notes			Risk Management	Risk Management

GRI Content Index

Statement of use KingNet Network has reported the information for the period from 1 January to 31 December 2024 with reference to the GRI Standards.

GRI 1 used GRI 1: Foundation 2021

GRI Standards	Disclosure	Location
GRI 2: General Disclosures (2021)	2-1 Organizational details	Company Profile
	2-2 Entities included in the organization's sustainability reporting	About the Report
	2-3 Reporting period, frequency and contact point	About the Report
	2-4 Information Restatement	ESG Data Table and Notes
	2-5 External assurance	Appendix: Third-Party Independent Audit Report
	2-6 Activities, value chain and other business relationships	Company Profile
	2-7 Employees	Company Profile ESG Data Table and Notes
	2-8 Workers who are not employees	ESG Data Table and Notes
	2-9 Governance structure and composition	Corporate Governance 2024 Annual Report
	2-10 Nomination and selection of the highest governance body	2024 Annual Report
	2-11 Chair of the highest governance body	Corporate Governance 2024 Annual Report

GRI Standards	Disclosure	Location
GRI 2: General Disclosures (2021)	2-12 Role of the highest governance body in overseeing the management of impacts	Sustainability Governance
	2-13 Delegation of responsibility for managing impacts	Sustainability Governance
	2-14 Role of the highest governance body in sustainability reporting	Chairman's Statement Sustainability Governance Structure
	2-15 Conflicts of interest	2024 Annual Report
	2-16 Communication of critical concerns	Sustainability Governance Structure
	2-17 Collective knowledge of the highest governance body	Corporate Governance
	2-22 Statement on sustainable development strategy	Message from the Chairman Sustainable Development Strategic Plan and Progress
	2-25 Processes to remediate negative impacts	Customer Service and Complaint Handling Human Capital Development
	2-27 Compliance with laws and regulations	Content Quality Management Data Security and Customer Privacy Protection Protection of Minors in Cyberspace Compliant Operation
	2-29 Approach to stakeholder engagement	Communication with Stakeholders

GRI Standards	Disclosure	Location
GRI 3: Material Topics (2021)	3-1 Process to determine material topics	Topic Materiality Assessment
	3-2 List of material topics	
	3-3 Management of material topics	Sustainability Governance Structure Subsections by Topic
GRI 201: Economic Performance (2016)	201-1 Direct economic value generated and distributed	Sustainability Highlights ESG Data Table and Notes
	201-2 Financial implications and other risks and opportunities due to climate change	Climate Response
	201-3 Defined benefit plan obligations and other retirement plans	Employment and Protection of Employees' Rights and Interests
GRI 203: Indirect Economic Impacts (2016)	203-2 Significant indirect economic impacts	Community Contribution and Rural Revitalisation
GRI 205: Anti-corruption (2016)	205-2 Communication and training about anti-corruption policies and procedures	Anti-Commercial Bribery and Anti-Corruption
	205-3 Confirmed incidents of corruption and actions taken	
GRI 302: Energy (2016)	302-1 Energy consumption within the organization	ESG Data Table and Notes
	302-3 Energy intensity	Green Office
	302-4 Reduction of energy consumption	
GRI 303: Water and Effluents (2018)	303-3 Water withdrawal	ESG Data Table and Notes

GRI Standards	Disclosure	Location
GRI 305: Emissions (2016)	305-1 Direct (Scope 1) GHG emissions	ESG Data Table and Notes
	305-2 Energy indirect (Scope 2) GHG emissions	
	305-4 GHG emissions intensity	
GRI 306: Waste (2020)	306-1 Waste generation and significant waste-related impacts	Green Office
	306-2 Management of significant waste-related impacts	
GRI 401: Employment (2016)	401-1 New employee hires and employee turnover	ESG Data Table and Notes
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employment and Protection of Employees' Rights and Interests
	401-3 Parental leave	ESG Data Table and Notes
GRI 403: Occupational Health and Safety (2018)	403-3 Occupational health services	Employment and Protection of Employees' Rights and Interests
	403-6 Promotion of worker health	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	
GRI 404: Training and Education (2016)	403-9 Work-related injuries	ESG Data Table and Notes
	404-1 Average hours of training per year per employee	Human Capital Development
	404-2 Programs for upgrading employee skills and transition assistance programmes	
	404-3 Percentage of employees receiving regular performance and career development reviews	ESG Data Table and Notes

GRI Standards	Disclosure	Location
GRI 405: Diversity and Equal Opportunity (2016)	405-1 Diversity of governance bodies and employees	ESG Data Table and Notes
GRI 406: Non-discrimination (2016)	406-1 Incidents of discrimination and corrective actions taken	Employment and Protection of Employees' Rights and Interests
GRI 416: Customer Health and Safety (2016)	416-1 Assessment of the health and safety impacts of product and service categories	Content Quality Management Protection of Minors in Cyberspace
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	None in 2024
GRI 417: Marketing and Labeling (2016)	417-1 Requirements for product and service information and labeling	Content Quality Management Protection of Minors in Cyberspace
	417-2 Incidents of non-compliance concerning product and service information and labeling	Protection of Minors in Cyberspace
GRI 418: Customer Privacy (2016)	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	ESG Data Table and Notes

Appendix: Third-Party Independent Audit Report



ASSURANCE STATEMENT CN25/00002329

SGS-CSTC'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE KINGNET NETWORK CO., LTD. 2024 SUSTAINABILITY & ESG REPORT

NATURE OF THE ASSURANCE/VERIFICATION

SGS-CSTC Standards Technical Services Co., Ltd. (hereinafter referred to as SGS) was commissioned by Kingnet Network Co., Ltd. (hereinafter referred to as Kingnet Network) to conduct an independent assurance of the Chinese version of Kingnet Network Co., Ltd. 2024 Sustainability & ESG Report (hereinafter referred to as the Report).

INTENDED USERS OF THIS ASSURANCE STATEMENT

This Assurance Statement is provided with the intention of informing all Kingnet Network's Stakeholders.

RESPONSIBILITIES

The information in the Report and its presentation are the responsibility of the management and governing body of Kingnet Network. SGS has not been involved in the preparation of any of the material included in the Report.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of assurance with the intention to inform all Kingnet Network's stakeholders, especially the verification of the "ESG Data Performance Table and Notes" in the Report.

SGS hereby states that it shall not be held responsible or liable for any direct, indirect, incidental, or consequential damages or losses arising from or in connection with the use of information provided in this report.

ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE

The SGS ESG & Sustainability Report Assurance (SRA) protocols used to conduct assurance are based upon internationally recognised assurance standards including the AA1000 series of standards and ISAE3000.

The assurance of this report has been conducted according to the following Assurance Standards:

Assurance Standard Options	Level of Assurance
AA1000AS v3 Type 2	Moderate

SCOPE OF ASSURANCE AND REPORTING CRITERIA

The assurance engagement was conducted to evaluate the accuracy and reliability of the sustainability performance information included in the Report. Additionally, it assessed the extent to which the Report's content refers to the requirements of *GRI Standards 2021*.

ASSURANCE METHODOLOGY

The assurance comprised a combination of pre-assurance research, on-site interviews with relevant employees of Kingnet Network located at 15th Floor, Block A, Expo Yew Wah Business Center, No. 899 Yaohua Road, Pudong New District, Shanghai; documentation and record review and validation where relevant.

LIMITATIONS AND MITIGATION

Data drawn directly from independently audited financial accounts has not been checked back to source as part of this assurance process.

The carbon emission data are checked by a third party or calculated by themselves without third party verification. In the context of the present assurance engagement, our procedures were limited to sample-based validation.

This assurance engagement was restricted to the group level of Kingnet Network and did not include traceability of original data from all subordinate institutions.

STATEMENT OF INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and certification, operating in multiple countries and providing services. SGS affirms our independence from Kingnet Network, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment.

FINDINGS AND CONCLUSIONS

ASSURANCE/VERIFICATION OPINION

On the basis of the methodology described and the assurance engagement performed, the specified performance information included in the Kingnet Network Co., Ltd. 2024 Sustainability & ESG Report is accurate, and provides a fair and pertinent statement of the sustainable development activities of Kingnet Network for the period from 1 January 2024 to 31 December 2024.

CONCLUSIONS, FINDINGS AND RECOMMENDATIONS BASED ON *GRI STANDARDS 2021*

The assurance team concludes that the Report has referred to the requirements of *GRI Standards 2021*.

FINDINGS AND RECOMMENDATIONS

All observations pertaining to commendable practices, sustainable development activities, and managerial recommendations identified throughout the assurance process have been thoroughly documented in the *Internal Management Report on Sustainability Reporting Assurance*. This report has been officially presented to the relevant management divisions of Kingnet Network to serve as a reference for their ongoing efforts towards continuous improvement.

Signed:

For and on behalf of SGS-CSTC

David Xin
Sr. Director – Business Assurance
16/F Century Yuhui Mansion, No. 73, Fucheng Road, Beijing, P.R. China

Apr. 12th, 2025
WWW.SGS.COM



